

[Translation]
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To whom it may concern:

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Announcement of Scheduled Commencement of Tender Offer for Shares in Lawson, Inc.
(Securities Code: 2651)

Mitsubishi Corporation (the “**Offeror**”) hereby announces that it resolved at its board of directors meeting held today to implement a tender offer (the “**Tender Offer**”) for shares of common stock in Lawson, Inc. (First Section of the Tokyo Stock Exchange, Securities Code: 2651; the “**Target Company**”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “**Act**”) with the details as described below.

Commencement of the Tender Offer is subject to the satisfaction of certain conditions, including completion of procedures and actions required under domestic and foreign competition laws (for details, please refer to “(3) Material Agreements Regarding the Tender Offer” in “1. Purpose of Tender Offer” described below). If the conditions stated above are satisfied, the Offeror will promptly commence the Tender Offer. While the Offeror currently aims to commence the Tender Offer around January 2017, it is difficult for the Offeror to accurately estimate the period needed for completing procedures involving domestic and foreign competition authorities and related matters. A detailed schedule of the Tender Offer will be announced once decided.

1. Purpose of Tender Offer

(1) Outline of the Tender Offer

The number of shares of common stock in the Target Company (“**Target Company Shares**”) held by the Offeror as of today is 33,500,200 shares (ownership ratio (*Note): 33.40% (rounded to two decimal places; hereinafter, the same applies for ratio calculations)), and the Target Company is an equity-method affiliate of the Offeror.

The Offeror resolved at its board of directors meeting held today to implement the Tender Offer for the Target Company Shares for the purpose of making the Target Company a consolidated subsidiary of the Offeror, subject to the satisfaction of certain conditions, including completion of procedures and actions required under domestic and foreign competition laws.

As of today, the Target Company Shares are listed on the First Section of the Tokyo Stock Exchange, Inc. (the “**Tokyo Stock Exchange**”). Since the Offeror intends to maintain the listing of the Target Company Shares after the completion of the Tender Offer, the Offeror has set 16,649,900 shares as the maximum number of shares to be purchased through the Tender Offer (ownership ratio together with the Target Company Shares held by the Offeror as of today: 50.00%), and if the total number of share certificates, etc. sold in response to the Tender Offer (“**Tendered Share Certificates, Etc.**”) exceeds the maximum number of shares to be purchased (16,649,900 shares), the Offeror will not purchase all or any part of that excess amount and will implement the delivery and other settlement for purchasing share certificates, etc. on a pro rata basis as provided for in Article 27-13, Paragraph 5 of the Act and Article 32 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than the Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the “**Cabinet Ordinance**”). On the other hand, since a minimum number of shares to be purchased has not been set for the Tender Offer, the Offeror will purchase all Tendered Share Certificates, Etc. if the total number of Tendered Share Certificates, Etc. does not exceed the maximum number of shares to be purchased (16,649,900 shares). The maximum number of shares to be purchased (16,649,900 shares) has been decided by multiplying the number of shares per unit (100) by the number of voting rights (166,499) calculated by deducting the number of voting rights (335,002) represented by the number of shares held by the Offeror (33,500,200 shares) from the number equivalent to the majority (501,501) of voting rights (1,003,000) represented by the total number of issued shares (100,300,000 shares) as of May 31, 2016 stated in the quarterly report for the first quarter of the 42nd fiscal term submitted by the Target Company on July 13, 2016.

According to the “Announcement of Opinion Regarding Scheduled Commencement of Tender Offer for Our Company’s Shares by Mitsubishi Corporation and Amendment to the Business Alliance Agreement” released by the Target Company today (the “**Target Company’s Press Release**”), the Target Company adopted, as an expression of the Target Company’s opinion as of today, a resolution at its board of directors meeting held today to the effect that if the Tender Offer commences, the Target Company would support the Tender Offer, subject to the satisfaction of the following conditions and other conditions stated in “(B) Target Company’s Support” in “(3) Material Agreements Related to the Tender Offer”: (i) with respect to procedures required under domestic and foreign competition laws in relation to the share acquisition through the Tender Offer, the statutory waiting period has passed, necessary permissions and approvals have been obtained from the relevant authorities, and the relevant authorities have not issued any cease and desist order or conducted any other similar procedure under those competition laws and have not required any remedial measures to be taken; (ii) the Tender Offer Price is reasonable in light of the contents of the valuation report or appraisal report for the Target Company’s share value obtained by the Target Company in relation to the Tender Offer; and (iii) it is reasonably considered that the Target Company’s directors will not breach their legal

obligations by supporting the Tender Offer. In addition, at the same board of directors meeting, the Target Company also adopted a resolution to the effect that it will leave decisions on whether to tender shares for the Tender Offer to the discretion of the Target Company's shareholders, because it is planned that the listing of the Target Company Shares will be maintained even after the completion of the Tender Offer.

For details of the decision-making process followed by the board of directors of the Target Company, please refer to "(D) Approval of All Disinterested Directors of the Target Company and Non-dissenting Opinions of All Disinterested Company Auditors" in "(4) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" below.

*Note: "Ownership ratio" means the percentage of the total number of issued shares (100,300,000 shares) as of May 31, 2016 stated in the quarterly report for the first quarter of the 42nd fiscal term submitted by the Target Company on July 13, 2016.

(2) Purpose and Background of the Tender Offer and Management Policy after the Tender Offer

(A) Purpose and Background of the Tender Offer

The Offeror group consists of the Offeror, 815 consolidated subsidiaries, and 427 equity-method affiliates, etc. (as of March 31, 2016). Through its domestic and overseas network, the Offeror has been engaging in various business activities in wide-ranging fields, such as trading and manufacturing of various products related to energy, metals, machinery, chemicals and living essentials, as well as natural resources development, infrastructure-related businesses, and financial businesses. The Offeror has also been engaged in commercialization of new business models and new technologies in areas including new energy and environmental fields, as well as the provision of various types of services leveraging its capabilities as a general trading company.

Under new management, the Offeror formulated the "Midterm Corporate Strategy 2018 — Evolving Our Business Model from Investing to Managing," setting forth its management direction for the three years starting from FY 2016, such as "rebalancing of 'resources' and 'non-resources'" and "further evolution from 'investing' to 'managing.'"

In the Living Essentials Group, which is regarded as an important area in the non-resources field, the Offeror possesses a broad value chain ranging from procurement of raw materials and ingredients for food products to consumer markets (retailing), and is engaged in a wide variety of products and services, business development, and investment. In particular, within the retail business, which constitutes a direct point of contact with customers within the value chain, the Offeror pursues synergies with other value chains and endeavors to achieve sustainable growth and improvement of corporate value.

On the other hand, the Target Company group consists of the Target Company, 18 consolidated subsidiaries, and three equity-method affiliates (as of February 29, 2016) and has been engaging in the operation of a franchising system for and

directly-managed stores of the convenience store “LAWSON” as its primary business.

Since entering into a business alliance agreement with the Target Company in February, 2000 (as amended, the “**Original Business Alliance Agreement**”), the Offeror has positioned the Target Company as the Offeror’s core business in the retail business, has aimed to maximize corporate value by pursuing business synergies, and has contributed to the establishment of the Target Company’s position as one of the largest convenience store chains in Japan.

In the convenience store industry in recent years, however, the competitive climate surrounding the Target Company has intensified due to an increase in store openings by competition within the industry, as well as the development of new alliances among competitors and the intensified competition from other types of businesses such as pharmacies and e-commerce. The Target Company has launched a “1000 Days Action Plan” and aims to change its presence from one that offers “convenience” to one that is “essential,” in order to establish a next-generation convenience store model. The Target Company has also been engaged in improving its product offering and service functions and establishing systems to support such improvements, and has announced that it will take the direction of “strengthening its management systems” and “strengthening collaboration with the Offeror group.” At the same time, the Offeror considered that, in order to ensure that the Target Company can soundly promote the aforementioned plan and maintain its growth in the face of an increasingly competitive climate, it is desirable to further strengthen its capital relationship with the Target Company, thereby enabling the Offeror and the Target Company to collaborate on a company-wide basis even more so than in the past and to further strengthen the Target Company’s business foundation. Therefore, in late June 2016, the Offeror proposed to the Target Company that the Target Company become a consolidated subsidiary of the Offeror through the Tender Offer to strengthen collaboration between the companies.

As a result of careful discussions in light of that proposal, the Offeror and the Target Company concluded that, in order to maintain the sustainable growth of the Target Company, it is necessary for the Offeror and the Target Company to further strengthen collaboration between the companies and engage in further bolstering the Target Company’s business foundation by the Target Company’s taking greater advantage of the network and human resources of the Offeror for the benefit of its domestic convenience store business, overseas convenience store business, and other peripheral businesses (collectively, the “**Collaborative Fields**”) through making the Target Company a consolidated subsidiary of the Offeror.

Taking into consideration the results of the discussions above, the Offeror and the Target Company entered into an agreement regarding the Tender Offer (for details, please refer to “(3) Material Agreements Regarding the Tender Offer” below) as of today, under which they have agreed to implement the Tender Offer and to amend the Original Business Alliance Agreement on the settlement commencement date of the Tender Offer. Pursuant to this agreement, the Offeror and the Target Company will proceed with the rigorous execution of the Target Company’s “1000 Days Action Plan” mainly through implementation of the

following measures in the Collaborative Fields after strengthening collaboration between the companies:

- (i) Domestic convenience store business field
 - Strengthening collaboration in the domestic convenience store business
 - Strengthening collaboration with value chains of the Offeror, such as raw material procurement, manufacturing, and intermediate distribution
 - Strengthening the corporate alliance with other partners
- (ii) Overseas convenience store business field
 - Strengthening of the existing business areas of the Target Company
 - Strengthening of new business areas of the Target Company
- (iii) Other peripheral business fields
 - Promoting collaboration with business fields of the Target Company other than convenience store business

As stated above, since it was considered desirable for the Offeror and the Target Company to further strengthen their capital relationship in order to further realize synergistic effects and to improve both companies' corporate value, the Offeror resolved at its board of directors meeting held today to implement the Tender Offer for the purpose of making the Target Company a consolidated subsidiary of the Offeror.

(B) Management Policy after the Tender Offer

After the completion of the Tender Offer, the Offeror intends to strengthen collaboration with the Target Company while continuing to maintain the listing and management autonomy of the Target Company. With respect to the management framework and the composition of the board of directors after the Tender Offer, the Offeror and the Target Company will consult with each other after completion of the Tender Offer in order to establish a framework that (a) enables conduct of appropriate governance that respects the independence of the Target Company as a listed company and (b) maximizes synergetic effects for the Offeror group through making the Target Company a consolidated subsidiary.

(3) Material Agreements Regarding the Tender Offer

The Offeror and the Target Company have entered into an agreement regarding a tender offer (the "**Tender Offer Agreement**") as of today. An outline of the Tender Offer Agreement is as follows:

(A) Implementation of the Tender Offer by the Offeror

Subject to the satisfaction of all the conditions summarized below, the Offeror will implement the Tender Offer:

- (i) with respect to procedures required under domestic and foreign competition laws in relation to the share acquisition through the Tender Offer, the statutory waiting period has passed, necessary permissions and approvals have been obtained from the relevant authorities, and the relevant authorities have not issued any cease and desist order or conducted any other similar procedure under those competition laws and have not required any remedial measures to be taken;
- (ii) the Target Company's board of directors has duly and validly resolved to express its opinion supporting the Tender Offer and has made a public announcement to that effect;
- (iii) the Target Company's representations and warranties under the Tender Offer Agreement are true and correct;
- (iv) the Target Company has performed and complied with its obligations under the Tender Offer Agreement in all material respects;
- (v) since the execution date of the Tender Offer Agreement, no material adverse effect, or any event or development that will have a material adverse effect, on the businesses, financial position, management, or cash flow, or on the prospects for any of the foregoing, has occurred in relation to the Target Company or its subsidiaries, and no material change in general stock market conditions or other market conditions, the financial climate, or the economic climate (whether in Japan or overseas) has occurred; and
- (vi) there are no procedures pending in a judicial or administrative body seeking to restrict or prohibit the Tender Offer or tendering in the Tender Offer, and there are no laws or ordinances or decisions by a judicial or administrative body that restrict or prohibit the Tender Offer or tendering in the Tender Offer.

(B) Target Company's Support

Subject to the satisfaction of all the conditions summarized below, the Target Company will express its opinion to the effect that it will support the Tender Offer, and the Target Company will maintain and will not amend or revoke such opinion; however, if it is reasonably considered that the Target Company's directors will breach their legal obligations as a result of the Target Company maintaining its opinion to support the Tender Offer, the Target Company may amend or revoke that expression of opinion:

- (i) with respect to procedures required under domestic and foreign competition laws in relation to the share acquisition through the Tender Offer, the statutory waiting period has passed, necessary permissions and approvals have been obtained from the relevant authorities, and the relevant authorities have not issued any cease and desist order or conducted any other similar procedure under those competition laws and have not required any remedial measures to be taken;
- (ii) the Offeror's representations and warranties under the Tender Offer Agreement are true and correct;

- (iii) the Offeror has performed and complied with its obligations under the Tender Offer Agreement in all material respects;
- (iv) the Tender Offer Price is reasonable in light of the contents of the valuation report or appraisal report for the Target Company's share value obtained by the Target Company in relation to the Tender Offer; and
- (v) it is reasonably considered that the Target Company's directors will not breach their legal obligations by supporting the Tender Offer.

(C) Agreement on Competing Transactions

The Target Company will not, whether directly or indirectly, induce offers from, solicit, provide information to, or consult with, any third party for transactions that compete, or could compete, with the Tender Offer. However, if (a) either (i) a third party other than the Offeror makes a specific proposal to the Target Company for purchasing of the Target Company Shares or (ii) a tender offer by a third party other than the Offeror for the Target Company's shares commences, and (b) it is objectively and reasonably considered that a failure by the Target Company's board of directors to provide information to or consult or negotiate with that third party would result in a breach by the Target Company's directors of their legal obligations, then the Target Company may provide information to and consult and negotiate with that third party.

(D) Amendment to the Business Alliance Agreement

When the Tender Offer ends, the terms of the Original Business Alliance Agreement will be amended on the settlement commencement date of the Tender Offer as summarized below:

- (i) the fields of business alliance will be as follows:
 - (a) domestic convenience store business;
 - (b) overseas convenience store business;
 - (c) peripheral businesses; and
 - (d) other businesses separately agreed on by the companies;
- (ii) the Offeror will implement the business alliance while respecting the Target Company's management independence and identity, as well as respecting the interests of the franchise stores, which constitute the essence of the franchise business;
- (iii) in order to effectively and substantially promote the business alliance, the Offeror will dispatch personnel as necessary upon mutual consultation, and the Target Company will accept that dispatched personnel; and
- (iv) the amended business alliance agreement will become effective on the settlement commencement date of the Tender Offer and will remain effective until a time separately agreed to in writing by the Offeror and the Target Company.

(E) Termination of Tender Offer Agreement

If any of the following events occurs, the Offeror or the Target Company may terminate the Tender Offer Agreement by giving written notice to the other party before, and only before, the commencement of the Tender Offer:

- (i) if the other party breaches in any material respect any of its obligations or representations and warranties under the Tender Offer Agreement;
- (ii) if the other party is subject to the commencement of bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, special liquidation, or any other similar legal proceedings; or
- (iii) if the Tender Offer has not commenced at the lapse of a period of eight months after the execution date of the Tender Offer Agreement (except when the Tender Offer has not commenced for any reason attributable to the party terminating the Tender Offer Agreement).

(4) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest

Although the Target Company is not a subsidiary of the Offeror as of today and the Tender Offer is not a tender offer by a controlling shareholder, the Offeror and the Target Company took the measures set out in (A) through (D) below as measures to ensure the fairness of the Tender Offer and to avoid conflicts of interest, in light of the fact that (i) the Offeror holds 33,500,200 Target Company Shares (ownership ratio: 33.40%), and the Target Company is an equity-method affiliate of the Offeror and (ii) two outside directors have been dispatched to the Target Company from the Offeror.

(A) Obtainment of a Share Price Valuation Report from a Third-Party Appraiser Independent from the Offeror

In deciding the purchase price per share of the Target Company's Shares in the Tender Offer (the "**Tender Offer Price**"), the Offeror has requested its financial adviser SMBC Nikko Securities Inc. ("**SMBC Nikko Securities**") to evaluate the Target Company's share value as a third-party appraiser independent from the Offeror and the Target Company, to ensure the fairness of the Tender Offer Price. SMBC Nikko Securities is not a related party of the Offeror or the Target Company and does not have any material interest in relation to the Tender Offer required to be disclosed under Japanese laws and regulations. The Offeror has not obtained from SMBC Nikko Securities an opinion on the fairness of the Tender Offer Price (a fairness opinion).

SMBC Nikko Securities has evaluated the Target Company's share value using the market price method and the discounted cash flow method (the "**DCF Method**"), and on September 15, 2016, the Offeror obtained a share price valuation report from SMBC Nikko Securities.

For an outline of the share price valuation report on the Target Company's share value obtained from SMBC Nikko Securities by the Offeror, please see "(A) Basis

of Valuation” under “(4) Basis of Valuation of Price for Tender Offer” in “2. Outline of the Tender Offer.”

(B) Obtainment of a Share Price Valuation Report from a Third-Party Appraiser Independent from the Target Company

According to the Target Company’s Press Release, the Target Company has, in relation to expressing an opinion on the Tender Offer, engaged K.K. Plutus Consulting (“**Plutus**”), which is a third-party appraiser that is independent from the Target Company and the Offeror and does not have any interest in relation to the Target Company or the Offeror. Plutus is not a related party of the Offeror or the Target Company and does not have any material interest in relation to the Tender Offer that must be stated.

As a result of its consideration of the valuation methods used in the Tender Offer, Plutus evaluated the Target Company’s share value using the following methods: (a) the DCF Method, adopted based on the premise that the Target Company is a going concern and in order to directly evaluate the future revenue earning capability of the Target Company and to reflect the Target Company’s unique nature in the evaluation results; and (b) the market price method, adopted from the perspectives of using multiple evaluation approaches to ascertain corporate value from different angles and improving the fairness and validity of the evaluation, which is the most objective evaluation method for listed shares. The Target Company obtained a share price valuation report dated Sept 15, 2016 in relation to the Target Company Shares. The Target Company has not obtained from Plutus an opinion on the fairness of the Tender Offer Price (a fairness opinion).

The methods used by Plutus for evaluating the value of the Target Company Shares and the ranges of values per Target Company Share evaluated by those methods are as follows:

DCF Method: From 7,665 yen to 11,102 yen

Market price method: From 7,410 yen to 8,352 yen

For the DCF Method, the value range of 7,665 yen to 11,102 yen per Target Company Share was derived by analyzing the Target Company’s corporate value and share value, calculated by discounting to the present value at a certain discount rate the free cash flow that the Target Company is expected to generate from the fiscal period ending June 2016 based on the Target Company’s estimated future earnings and investment plan in its business plan (from the fiscal period ending February 2017 to the fiscal period ending February 2021), recent business performance trends, publicly disclosed information, and the like.

No significant fluctuations in earnings are anticipated in the business plan used as a base for calculations in the aforementioned DCF Method.

For the market price method, the share value range per Target Company Share of 7,410 yen to 8,352 yen was derived based on the following figures for the Target Company Shares quoted on the First Section of the Tokyo Stock Exchange as of the evaluation reference date of September 14, 2016, which, as the business day immediately preceding the appearance on September 15, 2016 of certain media

coverage of the Tender Offer (the “**Media Coverage**”), was chosen in order to eliminate any influence of the Media Coverage on the share price: 7,410 yen, which was the closing share price on the evaluation reference date; 7,516 yen, which was the simple average closing share price over the preceding one-month period (rounded to the nearest whole yen; the same applies for all calculations of simple average closing prices); 7,840 yen, which was the simple average closing share price over the preceding three-month period; and 8,352 yen, which was the simple average closing share price over the preceding six-month period..

(C) Advice from a Law Firm Outside the Target Company

According to the Target Company’s Press Release, the Target Company appointed Nagashima Ohno & Tsunematsu as the Target Company’s external legal adviser in order to ensure the transparency and fairness of decision-making processes and the like of the Target Company’s board of directors in relation to the Tender Offer and received legal advice from that law firm on decision-making processes and methods and other similar matters of the Target Company’s board of directors in relation to the Tender Offer.

(D) Approval of All Disinterested Directors of the Target Company and Non-dissenting Opinions of All Disinterested Company Auditors

According to the Target Company’s Press Release, the Target Company has carefully deliberated the Offeror’s proposal, held discussions with the Offeror, and also carefully discussed and deliberated the terms and conditions of the Tender Offer, while obtaining from Plutus a share price valuation report related to the valuation of the Target Company Shares and obtaining legal advice from Nagashima Ohno & Tsunematsu as stated in “(B) Obtainment of a Share Price Valuation Report from a Third-Party Appraiser Independent from the Target Company” and “(C) Advice from a Law Firm Outside the Target Company” above, in addition to receiving an explanation from the Offeror regarding the Tender Offer.

Consequently, considering that, to further develop the Target Company’s businesses and improve corporate value in an increasingly challenging business environment, it is necessary to collaborate on a company-wide basis and engage in further bolstering the Target Company’s business foundation, and in order to do so, there are major benefits to be derived from further strengthening the capital relationship between the Target Company and the Offeror and taking even greater advantage of the overall strength of the Offeror (such as the Offeror’s network and human resources) in the Collaborative Fields, the Target Company directors participating in the deliberations and resolution at the Target Company’s board of directors meeting held today unanimously resolved, as an expression of the Target Company’s opinion as of today, to the effect that the Target Company would support the Tender Offer if it were commenced, subject to satisfaction of the following conditions and other conditions stated in “(B) Target Company’s Support” in “(3) Material Agreements Related to the Tender Offer” above: (i) with respect to procedures required under domestic and foreign competition laws in

relation to the share acquisition through the Tender Offer, the statutory waiting period has passed, necessary permissions and approvals have been obtained from the relevant authorities, and the relevant authorities have not issued any cease and desist order or conducted any other similar procedure under those competition laws and have not required any remedial measures to be taken; (ii) the Tender Offer Price is reasonable in light of the contents of the valuation report or appraisal report for the Target Company's share value obtained by the Target Company in relation to the Tender Offer; and (iii) it is reasonably considered that the Target Company's directors will not breach their legal obligations by supporting the Tender Offer. In addition, while it is believed the share price valuation report obtained from Plutus and the most recent market price of the Target Company Shares indicate to a certain extent that the Tender Offer Price is reasonable, a resolution was also adopted at the same board of directors meeting of the Target Company to the effect that decisions by Target Company shareholders regarding whether to tender shares for the Tender Offer would be left to the discretion of the Target Company's shareholders, considering that it can be considered a sufficiently reasonable choice for the Target Company shareholder to hold Target Company Shares even after the Tender Offer because (a) the Target Company and the Offeror have confirmed that the listing of the Target Company Shares will be maintained even after the Target Company becomes a consolidated subsidiary, and it is intended that the Target Company Shares will remain listed after the Tender Offer and (b) a maximum number of shares to be purchased through the Tender Offer has been set. In addition, considering that it is planned that the Tender Offer will commence subject to the satisfaction of certain conditions as stated above, and it is anticipated that it will take some time to actually commence the Tender Offer, the Target Company's board of directors will, at the time of commencement of the Tender Offer, once again adopt a resolution expressing its opinion in relation to the Tender Offer after confirming whether the conditions necessary for the board of directors to support the Tender Offer have been satisfied. Of the Target Company's directors, Yutaka Kyoya, who serves concurrently as Executive Vice President of the Offeror, and Kazunori Nishio, who serves concurrently as Senior Vice President of the Offeror, did not participate in the aforementioned resolution at the aforementioned board of directors meeting held today and have not participated in discussions with the Offeror in relation to the Tender Offer in their roles at the Target Company, from the perspective of avoiding the suspicion of a conflict of interest and ensuring fairness and neutrality in decision-making processes at the Target Company.

All of the Target Company's company auditors participated in the aforementioned board of directors meeting held today and stated their opinion to the effect that they did not object to the Target Company expressing the aforementioned opinion.

(5) Plans for Additional Acquisition of Share Certificates, Etc. After the Tender Offer

The Offeror is conducting the Tender Offer for the purpose of making the Target Company a consolidated subsidiary of the Offeror, and if that purpose is achieved through the Tender Offer, the Offeror does not currently plan to acquire any additional Target Company Shares after the Tender Offer. At the same time, if the Target Company does not become a consolidated subsidiary of the Offeror as a result of the

Tender Offer, then the Offeror, in light of the market trends and other factors, intends to purchase additional shares in the Target Company through market trading and other methods after the Tender Offer is completed in order to make the Target Company a consolidated subsidiary of the Offeror.

(6) Prospects and Reasons for Delisting

The Target Company's Shares are listed on the First Section of the Tokyo Stock Exchange as of today. It is not intended that the Target Shares will be delisted through the Tender Offer, and the Offeror will conduct the Tender Offer setting a maximum number of shares to be purchased at 16,649,900 shares (ownership ratio together with the Target Company Shares held by the Offeror as of today: 50.00%). Therefore, the listing of the Target Company Shares on the Tokyo Stock Exchange will be maintained even after the completion of the Tender Offer.

(7) Matters Regarding Material Agreements Between the Offeror and the Target Company's Shareholders in Relation to Tendering Shares for the Tender Offer

Not applicable.

2. Outline of the Tender Offer

(1) Outline of the Target Company

(A) Name	Lawson, Inc.
(B) Address	11-2, Osaki 1-chome, Shinagawa-ku, Tokyo, Japan
(C) Title and Name of Representative	Genichi Tamatsuka, Chairman and CEO, Representative Director Sadanobu Takemasu, President and COO, Representative Director
(D) Description of Business	Operation of a franchising system for and directly-managed stores of the convenience store "LAWSON"
(E) Capital	58,506 million yen
(F) Date of Establishment	April 15, 1975
(G) Major Shareholders and Shareholding Ratios (as of February 29, 2016)	Mitsubishi Corporation 33.40% Japan Trustee Services Bank, Ltd. (Trust Account) 4.12% The Master Trust Bank of Japan, Ltd. 3.45%

	(Trust Account)	
	Nomura Securities Co., Ltd.	2.14%
	NTT Docomo, Inc.	2.09%
	State Street Bank West Client - Treaty 505234 (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	1.67%
	State Street Bank and Trust, Boston, as trustee for Mawer Investment Management Ltd. (Standing proxy: Custody Service Department, Tokyo Branch, The Hongkong and Shanghai Banking Corporation Limited)	1.56%
	National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy: The Master Trust Bank of Japan, Ltd.)	1.00%
	HSBC Bank PLC, State of Kuwait Investment Authority, Kuwait Investment Office (Standing proxy: Custody Service Department, Tokyo Branch, Hongkong and Shanghai Banking Corporation Limited)	0.90%
	The Bank of New York Mellon SA/NV 10 (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0.90%

(H) Relationship between Offeror and Target Company

Capital Relationship	The Offeror owns 33,500,200 Target Company Shares (ownership ratio: 33.40%) as of today.
Personnel Relationship	An executive vice president and a senior vice president of the Offeror concurrently serve as outside directors of the Target Company. 29 employees have been seconded from the Offeror to the Target Company as of August 31, 2016.

Business Relationship	<p>The Offeror and the Target Company executed the Original Business Alliance Agreement pursuant to which the Offeror will conduct a business alliance with the Target Company in fields related to the Target Company's E-business or electronic commerce business, Internet banking and other fields related to the Target Company's financial services, fields that strengthen the Target Company's existing business, and such other fields as the Offeror and the Target Company may agree after consultation.</p> <p>Mitsubishi Shokuhin Co., Ltd., which is a subsidiary of the Offeror, sells products to stores directly-managed by the Target Company and to the Target Company's franchise chain stores.</p>
Status as Related Party	The Target Company is an equity-method affiliate of the Offeror.

(2) Schedule, etc.

Commencement of the Tender Offer is subject to the satisfaction of certain conditions, including completion of procedures and actions required under domestic and foreign competition laws. If the conditions stated above are satisfied, the Offeror will promptly commence the Tender Offer with an offering period of the Tender Offer (the "**Tender Offer Period**") set to be in the range of 20 to 30 business days. While the Offeror currently aims to commence the Tender Offer around January 2017, it is difficult for the Offeror to accurately estimate the period needed for completing procedures involving domestic and foreign competition authorities. A detailed schedule of the Tender Offer will be announced once decided.

(3) Price of Tender Offer

8,650 yen per share of common stock

(4) Basis of Valuation of Price for Tender Offer

(A) Basis of Valuation

In deciding the Tender Offer Price, the Offeror has requested its financial adviser SMBC Nikko Securities to evaluate the Target Company's share value as a third-party appraiser independent from the Offeror and the Target Company.

SMBC Nikko Securities considered it appropriate to evaluate the Target Company's share value from multiple perspectives after taking into account the Target Company's financial status and trends in the market price of the Target Company Shares, and other factors. Accordingly, SMBC Nikko Securities has, as a result of its consideration of the evaluation methods that should be used

among the various share value evaluation methods available, evaluated the Target Company's share value using the market price method and the DCF Method based on the assumption that the Target Company is a going concern, and on September 15, 2016, the Offeror obtained a share price valuation report from SMBC Nikko Securities.

SMBC Nikko Securities is not a related party of the Offeror or the Target Company and does not have any material interest in relation to the Tender Offer required to be disclosed under Japanese laws and regulations. In addition, the Offeror has not obtained from SMBC Nikko Securities an opinion on the fairness of the Tender Offer Price (a fairness opinion).

According to the share price valuation report, the methods used for the evaluation and the ranges of values per Target Company Share evaluated by those methods are as follows:

Market price method: From 7,516 yen to 7,840 yen

DCF Method: From 7,942 yen to 10,690 yen

For the market price method, after considering the recent trading activity of the Target Company Shares in the market and other factors, the share value range per share of 7,516 yen to 7,840 yen was derived based on the following figures quoted on the First Section of the Tokyo Stock Exchange as of the evaluation reference date of September 14, 2016, which, as the business day immediately preceding the appearance on September 15, 2016 of the Media Coverage, was chosen in order to eliminate any influence of the Media Coverage on the share price: 7,516 yen, which was the simple average closing price over the preceding one-month period; and 7,840 yen, which was the simple average closing price over the preceding three-month period.

For the DCF Method, the value range of 7,942 yen to 10,690 yen per Target Company Share was derived by analyzing the Target Company's corporate value and share value, calculated by discounting to the present value at a certain discount rate the free cash flow that the Target Company is expected to generate from the second quarter of the fiscal year ending February 2017 based on the Target Company's estimated future earnings and investment plan in its business plan for the period from the fiscal period ending February 2017 to the fiscal period ending February 2022, publicly disclosed information, and the like.

While taking into account the evaluation details results reported in the share price valuation report obtained from SMBC Nikko Securities, the Offeror decided on the Tender Offer Price of 8,650 yen today after comprehensively considering the results of due diligence on the Target Company, the support for the Tender Offer by the Target Company's board of directors, trends in the market price of Target Company Shares, examples of the premiums paid in tender offers conducted in the past for shares certificates, etc. by a party other than an issuer, the estimated number of shares to be tendered in the Tender Offer, and other factors.

The Tender Offer Price of 8,650 yen represents a premium of 16.73% on 7,410 yen, which was the closing price for the Target Company Shares quoted on the First Section of the Tokyo Stock Exchange on September 14, 2016 (which was the business day immediately preceding the appearance of the Media Coverage on

September 15, 2016); a premium of 15.09% on 7,516 yen, which was the simple average closing price for the Target Company Shares over the one-month period ending on September 14, 2016; a premium of 10.33% on 7,840 yen, which was the simple average closing price for the Target Company Shares over the three-month period ending on September 14, 2016; and a premium of 3.57% on 8,352 yen, which was the simple average closing price over the six-month period ending on September 14, 2016.

In addition, the Tender Offer Price represents a premium of 9.08% on 7,930 yen, which was the closing price for the Target Company Shares quoted on the First Section of the Tokyo Stock Exchange on September 15, 2016, the business day immediately preceding the announcement date of the Tender Offer.

(B) Background of Valuation

(Background of the Decisions on the Tender Offer Price)

Since entering into the Original Business Alliance Agreement with the Target Company in February 2000, the Offeror has positioned the Target Company as the Offeror's core business in the retail business, has aimed to maximize corporate value by pursuing business synergies, and has contributed to the establishment of the Target Company's position as one of the largest convenience store chains in Japan.

In the convenience store industry in recent years, however, the competitive climate surrounding the Target Company has intensified due to an increase in store openings by competition within the industry, as well as the development of new alliances among competitors and intensified competition from other types of businesses, such as pharmacies and e-commerce. The Offeror considered that, in order to maintain the growth of the Target Company, it is desirable to further strengthen its capital relationship with the Target Company, thereby enabling the Offeror and the Target Company to collaborate on a company-wide basis even more so than in the past and to further strengthen the Target Company's business foundation. Therefore, in late June 2016, the Offeror proposed to the Target Company that the Target Company become a consolidated subsidiary of the Offeror through the Tender Offer to strengthen collaboration between the companies.

As a result of careful discussions in light of that proposal, the Offeror and the Target Company concluded that, in order to maintain the sustainable growth of the Target Company, it is necessary for the Offeror and the Target Company to further strengthen collaboration between the companies and engage in further bolstering the Target Company's business foundation by the Target Company's taking greater advantage of the network and human resources of the Offeror for the benefit of the Collaborative Fields through making the Target Company a consolidated subsidiary of the Offeror. Therefore the Offeror resolved at its board of directors meeting held today to implement the Tender Offer for the purpose of making the Target Company a consolidated subsidiary of the Offeror and decided on the Tender Offer Price of 8,650 yen.

(i) Name of Third Party from Whom the Offeror Received Advice upon Valuation

In deciding the Tender Offer Price, the Offeror has requested its financial adviser SMBC Nikko Securities to evaluate the Target Company's share value as a third-party appraiser independent from the Offeror and the Target Company, and the Offeror obtained a share price valuation report from SMBC Nikko Securities on September 15, 2016. SMBC Nikko Securities is not a related party of the Offeror or the Target Company and does not have any material interest in relation to the Tender Offer required to be disclosed under Japanese laws and regulations. The Offeror has not obtained from SMBC Nikko Securities an opinion on the fairness of the Tender Offer Price (a fairness opinion).

(ii) Outline of Advice from SMBC Nikko Securities

SMBC Nikko Securities considered it appropriate to evaluate the Target Company's share value from multiple perspectives after taking into account the Target Company's financial status and trends in the market price of the Target Company Shares and the like. Accordingly, SMBC Nikko Securities has, as a result of its consideration of the valuation methods that should be used among the various share value evaluation methods available, evaluated the Target Company's share value using the market price method and the DCF Method, based on the assumption that the Target Company is a going concern. The methods used for evaluating the value of the Target Company Shares and the ranges of values per Target Company Share evaluated by those methods are as follows:

Market price method: From 7,516 yen to 7,840 yen

DCF Method: From 7,942 yen to 10,690 yen

(iii) Background of the Decision on the Tender Offer Price upon Consideration of the Advice from SMBC Nikko Securities

While taking into account the evaluation details results reported in the share price valuation report obtained from SMBC Nikko Securities, the Offeror decided on the Tender Offer Price of 8,650 yen today, after comprehensively considering the results of due diligence on the Target Company, the support for the Tender Offer by the Target Company's board of directors, trends in the market price of Target Company Shares, examples of the premiums paid in tender offers conducted in the past for shares certificates, etc. by a party other than an issuer, the estimated number of shares to be tendered in the Tender Offer, and other factors.

(C) Relationship with Appraiser

The Offeror's financial adviser SMBC Nikko Securities is not a related party of the Offeror or the Target Company and does not have any material interest in

relation to the Tender Offer required to be disclosed under Japanese laws and regulations.

(5) Number of Share Certificates, etc. to be Purchased

Number of share certificates, etc. to be purchased	Minimum number of share certificates, etc. to be purchased	Maximum number of share certificates, etc. to be purchased
16,649,900 shares	– shares	16,649,900 shares

Note 1: If the total number of Tendered Share Certificates, Etc. is equal to or less than the number of the share certificates, etc. to be purchased (16,649,900 shares), the Offeror will purchase all of the Tendered Share Certificates, Etc. If the total number of Tendered Share Certificates, Etc. exceeds the maximum number of the share certificates, etc. to be purchased (16,649,900 shares), the Offeror will not purchase all or any part of that excess amount and will implement the delivery and other settlement for purchasing share certificates, etc. on a pro rata basis as provided for in Article 27-13, Paragraph 5 of the Act and Article 32 of the Cabinet Ordinance.

Note 2: Shares less than one unit are also subject to the Tender Offer. If a right to demand purchase of shares less than one unit is exercised by a shareholder in accordance with the Companies Act (Act No. 86 of 2005, as amended), the Target Company may purchase its own shares during the Tender Offer Period in accordance with procedures under laws and regulations.

Note 3: The Offeror does not intend to acquire the treasury shares held by the Target Company through the Tender Offer.

Note 4: It is possible that stock acquisition rights will be exercised by the last day of the Tender Offer Period. The Target Company Shares issued upon such exercise will also be subject to the Tender Offer.

(6) Changes in Ownership Ratio of Share Certificates, etc. through the Tender Offer

Number of voting rights represented by share certificates, etc. held by the Offeror before the Tender Offer	335,002 voting rights	(Ownership ratio of share certificates, etc. before the Tender Offer: 33.47 %)
Number of voting rights represented by share certificates, etc. held by special related parties before the Tender Offer	Not determined	(Ownership ratio of share certificates, etc. before the Tender Offer: Not determined)
Number of voting rights represented by share certificates, etc. held by the Offeror after the Tender Offer	501,501 voting rights	(Ownership ratio of share certificates, etc. after the Tender Offer: 50.10 %)

Number of voting rights represented by share certificates, etc. held by the special related parties after the Tender Offer	Not determined	(Ownership ratio of share certificates, etc. after the Tender Offer: Not determined)
Number of voting rights of all shareholders of the Target Company	998,729 voting rights	

Note 1: “Number of voting rights represented by share certificates, etc. held by the Offeror before the Tender Offer” is the number of voting rights (335,002 voting rights) represented by share certificates, etc. (33,500,200 shares) held by the Offeror as of today.

Note 2: “Number of voting rights represented by share certificates, etc. held by special related parties before the Tender Offer” and the corresponding “Ownership ratio of share certificates, etc. before the Tender Offer” and “Number of voting rights represented by share certificates, etc. held by the special related parties after the Tender Offer” and the corresponding “Ownership ratio of share certificates, etc. after the Tender Offer” have not been determined as of today, but the Offeror intends to investigate and disclose these details before the commencement of the Tender Offer.

Note 3: “Number of voting rights of all shareholders of the Target Company” is the number of voting rights of all shareholders of the Target Company as of February 29, 2016 stated in the quarterly report for the first quarter of the 42nd fiscal term submitted by the Target Company on July 13, 2016. However, since shares less than one unit and Target Company Shares issued or transferred upon exercise of stock acquisition rights of the Target Company are subject to the Tender Offer, when calculating the “Ownership ratio of share certificates, etc. before the Tender Offer” and “Ownership ratio of share certificates, etc. after the Tender Offer,” the number of voting rights (1,000,912 voting rights) represented by 100,091,207 shares is used as a denominator. This number of shares (100,091,207 shares) is the difference that results from subtracting (a) the number of treasury shares (293,393 shares) owned by the Target Company as of May 31, 2016 stated in the summary of financial results for the first quarter of the fiscal term ending February 2017 released by the Target Company on July 11, 2016, from (b) the sum (100,384,600 shares) of (i) the total number of issued shares (100,300,000 shares) as of May 31, 2016 stated in the quarterly report for the first quarter of the 42nd fiscal term submitted by the Target Company on July 13, 2016, (ii) the number of shares (15,100 shares) that as of April 13, 2016 were subject to stock acquisition rights (there are no stock acquisition rights that were exercised or that expired during the period from April 14, 2016 to May 31, 2016 according to the Target Company) stated in the quarterly report for the first quarter of the 42nd fiscal term of the Target Company, and (iii) the total number of shares (69,500 shares) that as of April 30, 2016 were subject to stock acquisition rights (there are no stock acquisition rights that were exercised or that expired during the period from May 1, 2016 to May 31, 2016 according to the Target Company) stated in

the quarterly report for the 41st fiscal term submitted by the Target Company on May 25, 2016.

Note 4: “Ownership ratio of share certificates, etc. before the Tender Offer” and “Ownership ratio of share certificates, etc. after the Tender Offer” have been rounded to two decimal places.

(7) Purchase Price: 144,021,635,000 yen

Note: The purchase price is the product of the number of share certificates, etc. to be purchased (16,649,900 shares) in the Tender Offer multiplied by the Tender Offer Price per share (8,650 yen).

(8) Method of Settlement

The Offeror will announce the method of settlement, the date of public notice of commencement of the Tender Offer, and other conditions and methods of purchase, etc. as soon these details are determined. The Offeror plans to appoint SMBC Nikko Securities as a tender offer agent.

3. Policies after the Tender Offer and Future Prospects

Please see “1. Purpose of Tender Offer” for policies implemented after the Tender Offer and other related matters.

4. Other Matters

(1) Agreements Between the Offeror and the Target Company or its Directors and Details of Those Agreements

(A) Expressions of Support for the Tender Offer

According to the Target Company’s Press Release, the Target Company directors participating in the deliberations and resolution at the Target Company’s board of directors meeting held today unanimously resolved, as an expression of the Target Company’s opinion as of today, to the effect that the Target Company would support the Tender Offer if it were commenced, subject to satisfaction of the following conditions and other conditions stated in “(B) Target Company’s Support” in “(3) Material Agreements Regarding the Tender Offer” in “1. Purpose of Tender Offer” above: (i) with respect to procedures required under domestic and foreign competition laws in relation to the share acquisition through the Tender Offer, the statutory waiting period has passed, necessary permissions and approvals have been obtained from the relevant authorities, and the relevant authorities have not issued any cease and desist order or conducted any other similar procedure under those competition laws and have not required any remedial measures to be taken; (ii) the Tender Offer Price is reasonable in light of the contents of the valuation report or appraisal report for the Target Company’s share value obtained by the Target Company in relation to the Tender Offer; and (iii) it is reasonably considered that the Target Company’s directors will not

breach their legal obligations by supporting the Tender Offer. In addition, while it is believed the share price valuation report obtained from Plutus and the most recent market price for the Target Company Shares indicate to a certain extent that the Tender Offer Price is reasonable, a resolution was also adopted at the same board of directors meeting of the Target Company to the effect that decisions by Target Company shareholders on whether to tender shares for the Tender Offer would be left to the discretion of the Target Company's shareholders, considering that it can be considered a sufficiently reasonable choice for the Target Company shareholders, to hold Target Company Shares even after the Tender Offer because (a) the Target Company and the Offeror have confirmed that the listing of the Target Company Shares will be maintained even after the Target Company becomes a consolidated subsidiary, and it is intended that the Target Company Shares will remain listed after the Tender Offer and (b) a maximum number of shares to be purchased through the Tender Offer has been set. In addition, considering that it is planned that the Tender Offer will commence subject to the satisfaction of certain conditions as stated above, and it is anticipated that it will take some time to actually commence the Tender Offer, the Target Company's board of directors will, at the time of commencement of the Tender Offer, once again adopt a resolution expressing its opinion in relation to the Tender Offer after confirming whether the conditions necessary for the board of directors to support the Tender Offer have been satisfied. For details of decision-making processes of the Target Company's board of directors, please refer to the Target Company's Press Release or "(D) Approval of All Disinterested Directors of the Target Company and Non-dissenting Opinions of All Disinterested Company Auditors" in "(4) Measures to Ensure Fairness of the Tender Offer, Including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest" in "1. Purpose of Tender Offer" described above.

(B) Execution of Tender Offer Agreement

The Offeror and the Target Company executed the Tender Offer Agreement dated today. Please see "(3) Material Agreements Regarding the Tender Offer" in "1. Purpose of Tender Offer" for an outline of the Tender Offer Agreement.

(2) Other Information Required by Investors When Considering Whether to Tender

Not applicable.

End

This press release is to announce the Tender Offer to the public and has not been prepared for the purpose of soliciting an offer to sell shares. If shareholders wish to make an offer to sell their shares, they should first read the Tender Offer Explanatory Statement for the Tender Offer and make their own independent decision. This press release does not constitute, nor form part of, any offer to sell, solicitation of a sale of, or any solicitation of any offer to buy, any securities. In addition, neither this press release (or any part of it) nor the fact of its distribution shall form the basis of or be relied on in connection with any agreement thereof.

Although the Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Act, these procedures and standards may differ from the procedures and information disclosure standards in the United States. In particular, Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934, and the rules prescribed thereunder, do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. The financial statements contained in this press release may not necessarily be comparable to the financial statements of U.S. companies. It may be difficult to enforce any right or claim arising under U.S. federal securities laws because the Offeror and the Target are incorporated outside the United States and their directors are non-U.S. residents. Shareholders may not be able to sue a company outside the United States and its directors in a non-U.S. court for violations of the U.S. securities laws. Furthermore, there is no guarantee that shareholders will be able to compel a company outside the United States or its subsidiaries and affiliated companies to subject themselves to the jurisdiction of a U.S. court.

Unless otherwise specified, all procedures relating to the Tender Offer shall be conducted entirely in Japanese. While some or all of the documentation relating to the Tender Offer will be prepared in English, if there is any inconsistency between the English documentation and the Japanese documentation, the Japanese documentation will prevail.

This press release contains "forward-looking statements" as defined in Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Known or unknown risks, uncertainties and other factors could cause actual results to differ substantially from the projections and other matters expressly or impliedly set forth herein as "forward-looking statements." Neither the Offeror nor any of its affiliates assures that such express or implied projections set forth herein as "forward-looking statements" will eventually prove to be correct. The "forward-looking statements" contained in this press release have been prepared based on the information held by the Offeror as of the date hereof and, unless otherwise required under applicable laws and regulations, neither the Offeror nor any of its affiliates assumes any obligation to update or revise this press release to reflect any future events or circumstances.

Some countries or regions may impose restrictions on the announcement, issue or distribution of this press release. In such cases, please take note of such restrictions and comply with them. In countries or regions where the implementation of the Tender Offer is illegal, even upon receiving this press release, such receipt shall not constitute a solicitation of an offer to sell or an offer to buy shares relating to the Tender Offer and shall be deemed a distribution of materials for informative purposes only.