



November 11, 2016

Ohizumi Mfg. Co., Ltd.
 Tatsuo Kubota, Representative Director and President
 (Code: 6618 (Mothers section of the Tokyo Stock Exchange))
 Inquiries to: Shigeki Yamazaki, Director
 (Tel: 04-2953-9212)

ANNOUNCEMENT REGARDING IMPLEMENTATION OF THE TENDER OFFER BY INTEGRAL OS PARTNERSHIP 1 AND SPRING L.P. FOR THE SHARES OF OHIZUMI MFG. CO., LTD.

Ohizumi Mfg. Co., Ltd. (the “**Company**”) hereby announces that the Company resolved at the Company’s board of directors meeting held on November 11, 2016 to express an opinion (i) in favor of the tender offer (the “**Tender Offer**”) to be conducted by Integral OS Partnership 1 and Spring L.P. (collectively, the “**Tender Offerors**”) for common stock of the Company (the “**Company Shares**”) and the Second Series Stock Acquisition Rights (Subject to Exercise Value Change Clause) of the Company (the “**Stock Acquisition Rights**”), (ii) to maintain a neutral position and withhold its opinion with respect to the appropriateness of the price per Company Share offered in the Tender Offer, and (iii) to maintain a neutral position with respect to whether or not to tender shares in the Tender Offer and to leave the decision up to the shareholders of the Company.

The Company and the Tender Offerors share a policy to maintain the status of the Company as a listed company after the Tender Offer.

1. Outline of the Tender Offerors

(1) Name	Integral OS Partnership 1	
(2) Location	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo	
(3) Basis of incorporation	Partnership (<i>nin-i kumiai</i>) under the Civil Code of Japan	
(4) Purpose of incorporation	To invest in the Company	
(5) Date of formation	September 30, 2016	
(6) Total amount of contribution	Approximately 2.88 billion yen	
(7) Contributors, contribution ratio, and outline of contributors	Integral OS Corporation	0.35%
	Integral 2 Limited Partnership	99.65%
(8) Outline of executive	Executive partner No. 1	

partners	Name	Integral OS Corporation
	Location	2-1-1, Marunouchi, Chiyoda-ku, Tokyo
	Name and position of representative	Yoshihiro Hemmi, Representative Director
	Business	To operate and manage funds
	Stated capital	500,000 yen
	Executive partner No. 2	
	Name	Integral 2 Limited Partnership
	Location	2-1-1, Marunouchi, Chiyoda-ku, Tokyo
	Name and position of representative	Reijiro Yamamoto, Representative Director Integral Partners Corporation, General Partner
	Business	To operate and manage funds
Stated capital	39.8 billion yen	
(9) Relationship between the Company and the fund	Relationship between the Company and the fund	There is no relationship to be noted between the Company and the fund.
	Relationship between the Company and the executive partners	There is no relationship to be noted between the Company and the executive partner.

(1) Name	Spring L.P.	
(2) Location	PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands	
(3) Basis of incorporation	Exempted limited partnership under the laws of the British Overseas Territory of the Cayman Islands	
(4) Purpose of incorporation	To invest in the Company	
(5) Date of formation	August 18, 2016	
(6) Total amount of contribution	Approximately 320 million yen	
(7) Contributors, contribution ratio, and outline of contributors	Integral Partners (Cayman) II (A) Limited	0.35%
	Integral Fund II (A) LP	99.65%
(8) Outline of executive partner	Name	Integral Partners (Cayman) II (A) Limited
	Location	PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands
	Name and position of representative	John Cullinane, Director
	Business	To operate and manage funds
	Stated capital	60 million yen
(9) Relationship between the Company and the fund	Relationship between the Company and the fund	There is no relationship to be noted between the Company and the fund.

	Relationship between the Company and the executive partner	There is no relationship to be noted between the Company and the executive partner.
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2. Tender Offer Price

- (1) 370 yen per common stock
- (2) 1 yen per Second Series Stock Acquisition Right (Subject to Exercise Value Change Clause)

3. Details, Grounds and Reasons of the Opinion on the Tender Offer

(1) Details of the opinion

On November 11, 2016 the Company's board of directors adopted a resolution expressing an opinion in favor of the Tender Offer, to maintain a neutral position and withhold its opinion with respect to the appropriateness of the price per Company Share offered in the Tender Offer, and to maintain a neutral position with respect to whether or not to tender shares in the Tender Offer, and leave the decision up to the shareholders of the Company.

(2) Grounds and reasons of the opinion on the Tender Offer

(i) Outline of the Tender Offer

The Company has been explained by the Tender Offerors that the outline of the Tender Offer is as follows:

The Tender Offerors are (i) Integral OS Partnership 1, a partnership (*nin-i kumiai*) under the Civil Code formed on September 30, 2016 and (ii) Spring L.P., a exempted limited partnership under the laws of the British Overseas Territory of the Cayman Islands formed on August 18, 2016, mainly for the purpose of investing in the Company. Integral OS Partnership 1 holds one hundred (100) shares of the Company, and Spring L.P. does not hold any shares of the Company as of today.

The Tender Offerors are affiliated entities of Integral Corporation, and were newly formed for the purpose of conducting the Tender Offer. Integral OS Partnership 1 is a partnership (*nin-i kumiai*) under the Civil Code, partners with executive authority of which are Integral OS Corporation, which is a subsidiary of Integral Corporation, and Integral 2 Limited Partnership, and Spring L.P. is an exempted limited partnership under the laws of the Cayman Islands between Integral Partners (Cayman) II (A) Limited, which is a subsidiary of Integral Corporation, as a general partner and Integral Fund II (A) L.P. as a limited partner.

Integral Corporation is an equity investment company investing in listed or private companies and the like in Japan. Since its establishment in September 2007, Integral Corporation and its seven (7) subsidiaries, and their nine (9) affiliated funds (as of today; "**Integral**") have made investments coordinated with companies' various business stages thereof such as growth, regrowth and turnaround. For details, please refer to "(2) Decision-making process of the Tender Offerors" below.

The Tender Offerors decided on November 11, 2016 to conduct the Tender Offer mainly for the purpose of acquiring all of the Company Shares listed on the Mothers market (the “**TSE Mothers Market**”) of the Tokyo Stock Exchange, Inc. (the “**TSE**”), and aiming to enhance the Company’s corporate value through participating in the Company’s management based on sending managing personnel to the Company.

The Offerors executed a tender offer agreement (the “**Tender Agreement**”) on November 7, 2016 with Asia Recovery Fund L.P., the largest shareholder of the Company, WLR Recovery Fund L.P., the second largest shareholder of the Company and Asia Recovery Co-Investment Partners L.P., the third largest shareholder of the Company (collectively, the “**Shareholders Intending to Tender**”), and the Shareholders Intending to Tender agreed to tender all of their Company Shares (2,094,000 shares; Ownership Ratio: (Note) 25.03%) to the Tender Offer. As of the date hereof, Asia Recovery Fund L.P. holds 1,038,800 shares (Ownership Ratio: 12.41%), WLR Recovery Fund L.P. holds 627,900 shares (Ownership Ratio: 7.50%), and Asia Recovery Co-Investment Partners L.P. holds 427,300 shares (Ownership Ratio: 5.11%). The total number of shares held by the Shareholders Intending to Tender is 2,094,000 shares (Ownership Ratio: 25.03%) (for the details of the Tender Agreements, please see “4. Matters regarding Material Agreements pertaining to Tendering Shares in the Tender Offer between Tender Offerors and Shareholders of the Company” below).

Note 1: The “Ownership Ratio” is the ratio (rounded to two decimal places) to the sum of (a) the total number of issued Company Shares as of September 30, 2016 (7,882,968 shares) as will be set forth in the Second Quarterly Securities Report for the 103rd Fiscal Year to be filed by the Company on November 14, 2016 (the “**Company 103rd Fiscal Year Second Quarterly Securities Report**”), less the number of treasury shares held by the Company as of September 30, 2016 (121 shares) as set forth in the Company 103rd Fiscal Year Second Quarterly Securities Report, and (b) the number of the Company Shares (5,000 shares) to be issued upon exercise of 50 options of the Stock Acquisition Rights (see Note 2) and the number of the Company Shares (479,500 shares) issued upon exercise of the Stock Acquisition Rights (4,795 options) outstanding as of October 31, 2016 as set forth in the “Notice Regarding Monthly Exercise Status of Second Series Stock Acquisition Rights (Subject to Exercise Value Change Clause) by way of Third-Party Allotment” announced by the Company on November 1, 2016 (i.e., 8,367,347 shares). The same applies hereinafter. While 60,000 Company Shares were issued upon the exercise of 600 Stock Acquisition Rights on November 11, 2016, (i) there has been no change on the total number of issued Company Shares and the number of treasury shares held by the Company during the period from September 30, 2016 through November 11, 2016, except for such delivery of 65,000 Company Shares in total upon the exercise of the Stock Acquisition Rights, and (ii) there has been no change in the number of the Stock Acquisition Rights outstanding during the period from after October 31, 2016 through November 11, 2016, except for the subtraction of the 600 Stock Acquisition Rights which were exercised on November 11, 2016 (the number of the Stock Acquisition Rights outstanding after the subtraction is 4,195 Stock Acquisition Rights).

Note 2: The Stock Acquisition Rights are the Second Series Stock Acquisition Rights (Subject to Exercise Value Change Clause) issued to Macquarie Bank Limited

pursuant to the resolution at the board of directors meeting of the Company held on March 9, 2015. The exercise period is for a period of two (2) years from March 25, 2015 to March 24, 2017, and the exercise price is adjusted to the amount equal to 90% of the closing price of the shares of common stock in regular trading on the TSE on the trading day immediately prior to the effective date of the exercise request (or, if there is no closing price, the immediately prior closing price), and the minimum exercise price is 410 yen.

The Offerors have set minimum number of Share Certificates, Etc. to be purchased to 2,094,000 shares (Ownership Ratio: 25.03%) which is equal to the number of shares expected to be tendered pursuant to the Tender Agreement. Therefore, Offerors will not conduct any purchase, etc. if total number of Share Certificates, Etc. tendered to the Tender Offer (the “**Tendered Share Certificates, Etc.**”) is less than 2,094,000 shares.

Although the Tender Offerors do not intend to delist the Company Shares, taking into consideration recent movements in the price of the Company Shares and other factors, the Tender Offerors have not set maximum number of Share Certificates, Etc. to be purchased in order to secure a broad opportunity for the shareholders of the Company other than the Shareholders Intending to Tender who so desire to sell their shares at the price for purchase, etc. per Company Share offered in the Tender Offer (the “**Tender Offer Price**”) to sell it. Therefore, if the total number of the Tendered Share Certificates, Etc. is equal to or exceeds the minimum number of Share Certificates, Etc. to be purchased, the Tender Offerors will purchase all of the Tendered Share Certificates, Etc. For the details of the possibility of and reasons for delisting the Company Shares as a result of the Tender Offer, please refer to “(4) Possibility of and reasons for delisting” below.

The number of shares and Stock Acquisition Rights to be acquired by each Tender Offeror in the Tender Offer will be calculated in accordance with the following formula.

Tender Offeror	Number of shares and stock acquisition rights to be acquired
Integral OS Partnership 1	<ul style="list-style-type: none"> - Number equal to the sum of the number of the shares to be acquired in the Tender Offer and 100 shares, multiplied by 398/442, and minus 100 shares - Number equal to 398/442 of the Stock Acquisition Rights to be acquired in the Tender Offer
Spring L.P.	<ul style="list-style-type: none"> - Number equal to the sum of the number of the shares to be acquired in the Tender Offer and 100 shares, multiplied by 44/442 - Number equal to 44/442 of the Stock Acquisition Rights to be acquired in the Tender Offer

Note: If there is a fraction less than one share or one option in the number of shares and stock acquisition rights calculated in accordance with the formula above, the Tender Offerors will consult with each other and round the number of shares and stock acquisition rights to the nearest whole number (round half up).

In determining the Tender Offer Price, the Tender Offerors made an analysis of the business and financial status of the Company based on the financial information and other materials disclosed by the Company, the results of due diligence conducted for the period from the end of May 2016 to the end of June 2016 with respect to the Company, and other matters. In light of the fact that the Company Shares are traded on a financial instruments exchange, the Tender Offerors also referred to the transition of the closing price (470 yen)

of the Company Shares on the TSE Mothers Market as of November 10, 2016, which is the Business Day immediately preceding the date of announcement to conduct the Tender Offer (November 11, 2016), and the simple average closing prices of the one-month, the three-months and the six-months prior to November 10 (391 yen, 355 yen and 351 yen). In addition, based upon discussion and negotiation with Shareholders Intending to Tender, the Tender Offerors have determined the Tender Offer Price to be 370 yen on November 11, 2016 based on discussion and negotiation with Shareholders Intending to Tender. Since the Tender Offerors have determined the Tender Offer Price by taking into consideration the factors above, and after discussion and negotiation with Shareholders Intending to Tender, the Tender Offerors have not obtained any share valuation report nor fairness opinion from any third-party appraiser.

The Tender Offer Price of 370 yen represents (i) a discount of 21.28% (rounded to two decimal points; the same applies for calculations of premium rates) on 470 yen, the closing price of the Company Shares on the TSE Mothers Market as of November 10, 2016, which is the Business Day immediately preceding the date of announcement to conduct the Tender Offer (November 11, 2016), (ii) a discount of 5.37% on 391 yen, the simple average closing price for the one-month period prior to November 10, 2016, (iii) a premium of 4.23% on 355 yen, the simple average closing price for the three-month period prior to November 10, 2016, and (iv) a premium of 5.41% on 351 yen, the simple average closing price for the six-month period prior to November 10, 2016.

As stated above, 370 yen of the Tender Offer Price is a discount of 21.28% on 470 yen, the closing price of the Company Shares on the TSE Mothers Market as of November 10, 2016, which is the Business Day immediately preceding the date of announcement to conduct the Tender Offer (November 11, 2016), but the Tender Offer Price also represents a premium of 4.23% on 355 yen, the simple average closing price for the three-month period prior to November 10, 2016, and a premium of 5.41% on 351 yen, the simple average closing price for the six-month period prior to November 10, 2016, therefore the Offerors do not believe that the Tender Offer Price is unreasonable based on the fact that the Tender Offer is not conducted with the intention of delisting the Company Shares but conducted to secure an opportunity for the shareholders of the Company to sell their Company Shares.

On October 25, 2016, Integral OS Partnership 1 acquired 100 shares (1 unit) of the Company at 377 yen per share. According to the “Notice Regarding Issuance of Second Series Stock Acquisition Rights Subject to Exercise Value Change Clause by way of Third-Party Allotment and First Series Debenture Bonds (Privately Placed Bonds)” announced by the Company on March 9, 2015 and the Securities Report for the 102nd Term of the Company filed on June 29, 2016, the exercise period of the Stock Acquisition Rights has begun, and the exercise price per share should be changed to the amount equivalent to 90% of the closing price of the common stock in regular transaction as of the trading day immediately preceding the day when the Company receives a notice of exercise request. The Tender Offerors, however, decided the price for purchase, etc. per Stock Acquisition Right to be one yen because their minimum exercise price per share (410 yen) is higher than the 370 yen which is the purchase price for purchase, etc. per Company Share in the Tender Offer (Tender Offer Price). When deciding the price for purchase, etc. per Stock Acquisition Right, the Tender Offerors did not obtain a valuation report or opinion (fairness opinion) from any third-party appraiser.

(ii) Decision-making process of the Tender Offerors

(a) Purpose and background of the Tender Offer

Integral is an equity investment company investing in listed or private companies and the like in Japan. Since its establishment in September 2007, Integral has made buyout investments in thirteen (13) companies (including B.P.S. Corporation and FiBest Limited, machine and parts manufacturers, as well as Skymark Airlines Inc., Apamanshop Holdings Co., Ltd., QB Net Holdings Co., Ltd., and Shicata Co.), coordinated with various business stages thereof such as growth, regrowth and turnaround.

With respect to operation of invested companies, Integral in principle respects their existing management framework and provides as necessary management assistance for various management issues by dispatching members of Integral to those companies, and, by truly sharing the “same objectives and time horizon as the management of invested companies,” Integral provides the most suitable support in both managerial and financial areas in order to maximize corporate value. Integral’s motto is to aim for permanent business growth and development by conducting long-term investments and resource allotment rather than to pursue a short-term profit only by conducting cost reduction and enhancing operational efficiency. As an independent domestic fund with personnel who have engaged in M&A related businesses and corporate management for a long time and have a high level of expertise regarding these areas, Integral makes every effort to support invested companies in facilitating their growth strategies by giving the highest priority to enhancing corporate value of invested companies while fully understanding and respecting the characteristics of management teams in Japanese companies.

The Company was established as Nippon Contact Point on August 13, 1989 by Mr. Sumitaira Matsui who later became an initial director and others, for the purpose of manufacturing high-performance electrical contacts for aircraft. Then, it was reorganized to be a legal entity, and incorporated on March 25, 1944 as Ohizumi Aircraft Equipment Manufacturing Co., Ltd. with capital stock of 2.5 million yen. After the Second World War, in October 1945, the corporate name was changed to the current corporate name, Ohizumi MFG. Co., Ltd., and commenced manufacturing of civil electrical contacts. In February 1952 it commenced the research and development of thermistors (see Note), upon a request from the Telecommunications Research Institute of the Ministry of Telecommunications to produce a prototype, and commenced production of thermistors for telephone switchboards in January 1955. For more than 50 years since then, the Company has strived to develop various kinds of temperature sensors based on technological advances in semiconductor ceramics, metal, plastic and glass, and established a strong position in the thermistor and thermistor temperature sensor industry, leading by market share (its market share in 2014 was 32.8% according to the “Comprehensive Study of In-Vehicle Electronic Devices & Components 2015” published by Fuji Chimera Research Institute, Inc.).

Note: Thermistor means a thermally sensitive resistor, which is used as sensor to measure temperature.

The Company was listed on the TSE Mothers Market in June 2012 for the purpose of raising funds for the construction of production facilities in order to expand sensor production lines for household air conditioners at Dongguan Ohizumi Sensor Co., Ltd., Company’s Chinese manufacturing subsidiary, and funds for the construction of production facilities in order to expand sensor production lines for automobiles at the

first plant of Sensor Kogyo Co., Ltd., Company's Japanese manufacturing subsidiary.

The main business of the Company is manufacturing and sales of various kinds of electronics parts (the "**Element Products**") using thermistors made of electroceramics in which the electrical resistance value varies depending on changes in heat or temperature, and manufacturing and sales of temperature sensors (the "**Sensor Products**") that are installed by its customers including auto parts manufacturers and air-conditioning or household appliance manufacturers for use in their final products to measure temperature, by using the Element Products.

(a) Area related to auto parts

The Sensor Products related to auto parts that are the main business area of the Company was originated with the production of water temperature sensors for radiators in 1964, and with the increasing sophistication of automobiles, adaptation of which has broadly widened to all automotive temperature sensors, such as for low-fuel warning lights, intake-air temperature sensors for engine control, and temperature sensors for evaporators of automotive air conditioners. In addition, approximately 12 additional temperature sensors (according to the study by Fuji Chimera Research Institute, Inc. above), such as for secondary batteries, are installed in the powertrain of every hybrid vehicle and electric vehicle.

(b) Area related to air conditioning and customized parts

In this area, the Company specially focuses on air conditioners. Indoor units use temperature sensors to detect temperatures at the inlet and outlet and the room temperature, and temperature sensors to detect temperature of the heat exchanger between the indoor and outdoor units, and indoor radiant heat. Outdoor units use temperature sensors to detect the outside temperature, the compressor overheating temperature, and the compressor surface temperature. While the sophistication of home air conditioners has improved significantly in developed markets, air conditioners have entered the adoption and growth phase in emerging markets. Therefore the global production of air conditioning equipment is expected to continue growing at 2.0% per annum in the future (according to forecasts for the period from 2015 to 2020 in the "Global Home Appliance Market 2015 - Comprehensive Survey" published by Fuji Keizai Co., Ltd.). Furthermore, because of increase of products focusing on energy efficiency in refrigerators and drum washer-dryers in recent years, demand for temperature sensors has expanded due to the increased need to detect changes in temperature in detail. It is assumed that the need for temperature sensors for household and housing applications will grow as a result of all-electric houses and home power generation systems becoming popular in the future.

(c) Area related to the Element Products

Element Products are a product family of thermistor bodies that have been primarily processed into the smallest units useable as electronic parts. They are not only used in sensing portions of temperature sensors, but also used for temperature compensation and circuit stabilization by attaching them directly to lead wires or substrates. Recently demand has been increasing, with the Company newly starting delivery to manufactures of machine tools and medical equipment (according to the "Presentation Materials for the Second Quarter" as of November 24, 2015 published

by the Company), and demand has been growing in recent years.

In an environment where the demands for Element Products and Sensor Products are expanding as described above, the Company listed on the TSE Mothers Market in June 2012 with the aim of further expanding its business. Since then, the Company's profits have declined mainly due to sharp rise in labor costs in China and increase in production costs after conversion into yen because of the rising Chinese yuan and weakened yen, and the Company faced immediate challenges in improving its profitability and financial base. Thus, the Company has taken following measures for such improvement:

- Mitigated risk by diversifying production plants based on the concept of local production for local consumption
- Expanded new business mainly with automobile manufacturers and auto parts manufacturers in Europe and the United States
- Expanded market share in the areas (such as packaged air conditioners for industrial and building use) in which the Company can leverage its products' strengths (such as high quality and durability)
- Decreased material costs through global procurement in the most appropriate manner
- Lowered inventory levels
- Cut logistical and other costs
- Raised funds by issuing stock acquisition rights

As a result of those measures being successfully implemented, the Company has continued to meet or exceed profit expectations since the third quarter of the fiscal year ended March 2016. Thus, the Company deleted the "Notes on Premise of Going Concern," which had been included since the fiscal year ended March 2015, from the "Summary of Financial Results for Second Quarter in Fiscal Year Ended March 2017" published today.

The Shareholders Intending to Tender have held shares of the Company for a period of thirteen (13) years or more since they became the largest shareholders of the Company in January 2003. For the period from 2003 to 2007, the Shareholders Intending to Tender dispatched Mr. Tatsuo Kubota ("**Mr. Kubota**") to the Company as a director. Based on the determination that because the Chinese subsidiary (Dongguan Ohizumi Sensor Co., Ltd.) incorporated by the Company in 2004 became fully operational, it was important that a management team with a wealth of overseas experience assumed the leadership to promote globalization mainly in China and ASEAN countries, Mr. Kubota proposed to the Shareholders Intending to Tender in 2007 that he intended to devote himself to the management of the Company, and the Shareholders Intending to Tender accepted his proposal. Since then, the Company had received advice on management and other matters through such dispatch of directors from the Shareholders Intending to Tender, however, the Shareholders Intending to Tender have not dispatched any director to the Company after April 2015, the Shareholders Intending to Tender generally respected the Company's decisions regarding management policy, and the relationship between the Company and the Shareholders Intending to Tender is favorable.

While the Shareholders Intending to Tender are global business investment companies, they aim to generally dispose of their equity within several years after investment. As such, because the Shareholders Intending to Tender have held the Company Shares for more than thirteen (13) years, they have been intending to sell the Company Shares. Under these circumstances, in mid-February 2016, the financial advisors of the

Shareholders Intending to Tender approached and explained to Integral that they were considering selling all of the shares of the Company held by the Shareholders Intending to Tender, and inquired as to whether Integral was interested participating in the bidding process. After meeting Mr. Kubota, President and Representative Director of the Company, through the financial advisors of the Shareholders Intending to Tender at the end of March 2016, Integral commenced deliberating the bidding process regarding the acquisition of the Company Shares from the Shareholders Intending to Tender.

Integral collected information regarding the Company as a potential investment target, and recognized that thermistors backed by materials manufactured by, and production technologies held by, the Company are highly-competitive products that hold the largest market share in the industry, and concluded that they can ensure long-term, stable profits. Thus, Integral submitted to the Shareholders Intending to Tender the letter of intent to constructively examine acquisition of the Company Shares at the end of April 2016. Since early May 2016, through constant discussions with Mr. Kubota, Integral has come to consider that there is a great significance for the Company to maintain as a listed company in terms of maintaining the morale of the Company's management and employees and the credibility from its business partners. Consequently in the middle of May, Integral proposed to the Shareholders Intending to Tender and the Company that it would conduct a tender offer of shares of the Company subject to the shares of the Company continuing to be listed.

Then, Integral obtained the exclusive right for negotiation from the Shareholders Intending to Tender upon such proposal, and continued to discuss and negotiate with the Shareholders Intending to Tender while conducting due diligence and other examinations of the Company during the period from the end of May 2016 to the end of June 2016. Integral also discussed and deliberated with the Company about the purpose and background of the Tender Offer, the merits of the investment by Integral in the Company, measures for the enhancement of corporate value, and other matters.

Through those discussions and deliberations, Integral determined that the officially recognized high quality of thermistors backed by the materials and production technologies refined by the Company over time since its establishment are strengths of the Company not easily achievable by competitors, and through interviews with users of the Company's products and competitors, that the relationship of trust with customers and long-term records of adoption through the existing business of products for automobile and air conditioner customers and the quality, price and readiness for customization have comprehensive competitive advantages over competitors. Further, Integral determined that by taking advantage of those strengths and competitive advantages of the Company, it is possible not only to maintain existing business of the Company but also to acquire new business through its readiness for development projects in the future.

At the same time, Integral believed that because the products of the Company are used both domestically and globally, services and support for the overseas production bases of Japanese manufacturers as well as for non-Japanese manufacturers are essential, and that it is necessary to strengthen human resources possessing sophisticated expertise and the ability to offer solutions overseas. Integral realized that to achieve the enhancement of such human resources possessing sophisticated expertise and the ability to offer solutions overseas, the high-priority issues are to secure and train talented human resources as well as secure funds for development toward growth.

Under those circumstances, Integral determined that it is able to provide support to the Company in terms of management through personnel transfer and strengthening of its financial base by taking advantage of the strengths of the Company and the extensive personnel network and track records of Integral relating to its management, finance strategies and overseas sales. In discussing with the Company, Integral also determined that it is possible to cooperate with the current management under the common recognition of issues such as the need to secure human resources and its development and funds for growth, that cooperation between Integral and the Company has the potential to continue to enhance the corporate value of the Company, and that this is the best choice for the stakeholders including shareholders and employees.

Based on the examination by Integral described above, the Tender Offerors that are affiliated entities of Integral were formed in the mid-August 2016 and at the end of September 2016, mainly for the purpose of acquiring the Company Shares. Taking into account financial information and other materials published by the Company, the results of due diligence performed on the Company during the period from the end of May 2016 to the end of June 2016, the stock price transition in the market where the Company Shares are traded, the results of negotiations with the Shareholders Intending to Tender, and other matters, the Tender Offerors decided on November 11, 2016 to conduct the Tender Offer at a Tender Offer Price of 370 yen and a price for purchase, etc. per Stock Acquisition Right of 1 yen, and executed the Tender Agreements with the Shareholders Intending to Tender on November 7, 2016 (for the details of the basis of calculation, etc., please see “(i) Outline of the Tender Offer” above).

(b) Management policy after the Tender Offer

With respect to the management policy after the completion of the Tender Offer, the Tender Offerors consider that while the management policy is based on “intensive customer identification,” “establishment of a production and supply system based on local production for local consumption in three bases” and “aiming to increase profitable sales by avoiding general-purpose parts and targeting products to the applications where the company’s advantages are best utilized,” as described in the mid-term business strategy published by the Company on June 3, 2016, the pillars of the policy at this moment are “sales growth centering on expanding sales to existing customers,” “improvement of cash flow through reduction of production costs and optimization of working capital” and “strengthening of overseas sales capabilities.” The specific details are described below.

1. Sales growth centering on expanding sales to existing customers
 - 1.1 For existing domestic customers in the automobile industry: Renew existing products for existing domestic customers, while also expanding products to global markets and new areas.
 - 1.2 For existing overseas customers in the automobile industry: While continuously supplying existing products to overseas customers, reinforce relationships with those customers by enhancing reliability and strengthening sales to widen the scope of products.
 - 1.3 For existing customers in the air conditioning industry: Improve profits mainly in Japan and ASEAN countries by reinforcing relationships with existing customers who aim to grow in the global air conditioning market.
2. Improvement of cash flow through reduction of production costs and

optimization of working capital

- 2.1 Realize cost reduction mainly through improvement of production process .
 - 2.2 Decrease inventories mainly in relation to raw materials and works-in-progress.
 - 2.3 Aim to make the amount of capital investment appropriate by remodeling existing equipment and focusing on growth areas.
3. Strengthening of overseas business
 - 3.1 Strengthen overseas sales organization, improve approach to overseas customers, and aim to establish dependability.

The Tender Offerors, as good partners of the Company, repeatedly and closely discuss with current management of the Company about measures for the enhancement of the Company's corporate value, and intend to execute such measures together with the frontline employees.

With respect to the organization of corporate officers and other management of the Company after the Tender Offer, the Tender Offerors considers at this stage that it will, as a matter of principle, request that the officers and employees of the Company continue to execute management operations, and expect that such officers and employees will continue to execute their duties after the Tender Offer. The Tender Offerors will provide support to the Company by dispatching managing personnel from Integral, one of whom will be permanently dispatched as a Chairman and Representative Director. Therefore, Integral requested the Company to promptly hold an extraordinary shareholders' meeting upon the completion of the Tender Offer to appoint the Company's director, and to take the measures necessary for a person designated by Integral to be appointed as the Company's Chairman and Representative Director. In response to such request, the Company intends to take measures including holding an extraordinary shareholders' meeting. In addition, the Tender Offerors will discuss and deliberate with the Company about the management system and management policy of the Company and other matters, and adopt appropriate measures.

(iii) Decision-making process of the Company

The Company started to consider its capital policy, including stabilization of shareholder composition, in response to the Shareholders Intending to Tender expressing their intention to sell the Company Shares. Under these circumstances and following the Tender Offerors' expression of their intention to be the largest holders of the Company Shares, the Company started to discuss and negotiate with Integral in late March 2016.

The Company then granted the Tender Offerors opportunities to conduct due diligence of the Company during the period from late May 2016 to the late June 2016. Since late June, when the due diligence was completed, the Company has discussed and negotiated with Integral about further details while deliberating internally about enhancing corporate value by collaborating with Integral.

The management policy after the completion of the Tender Offer proposed by the Tender Offerors was to continue with the Company's basic policies of "intensive customer identification," "establishment of a production and supply system based on local production for local consumption in three bases," and "aiming to increase profitable sales

by avoiding general-purpose parts and targeting products to the applications where the company's advantages are best utilized," as described in the Company's mid-term business strategy, but also to further aim at "sales growth centering on expanding sales to existing customers," "improvement of cash flow through reduction of production costs and optimization of working capital" and "strengthening of overseas sales capabilities." While this policy shows respect for the Company's existing policies, it is also intended to further support the Company in the field where Integral will be able to take advantage of its strengths. In addition, the Company has room to improve its administrative department in terms of systems and operation, and the Company also intends to actively introduce benchmarking and state-of-the-art technology to its production department. The Company believes that utilizing the connections and information network created by Integral will be able to bring further management stability and growth to the Company.

In light of the above and the evaluations of the Company concerning improvement of corporate value and shareholders value, intention of the Tender Offerors, the Share Valuation Report described in "(i) Obtainment by the Company of a share valuation report from an independent third-party valuation institution" of "(6) Measures to ensure the fairness of the Tender Offer for ensuring the fairness of the purchase price of the Company Shares and avoiding Conflict of interests" below, and the legal advice described in "(ii) Advice from independent legal counsel to the Company" of "(6) Measures to ensure the fairness of the Tender Offer for ensuring the fairness of the purchase price of the Company Shares and avoiding Conflict of interests" below, the Company prudently evaluated the Tender Offer, and further in consideration of the fact that, while the Company may face harsher domestic business environment in the future, the Tender Offer will allow the Company (i) to utilize the connections, information network, credibility and recognition achieved by the Integral including the Tender Offerors, and thereby allowing the Company to expect faster implementation of its business, better accuracy in its business and synergy effect, (ii) to receive guidance on how to manage and improve its production costs, working capital and cash flow, and (iii) to contribute to the expansion of its sales channels, the Company has determined that building capital relationship with Tender Offerors will contribute to expansion of its business and improvement of its business efficiency, and to further growth and development of the Company as well as improvement of its corporate value, and therefore, the Company resolved at the Company' board of directors meeting held on November 11, 2016 to express an opinion in favor of the Tender Offer by a unanimous resolution of the six directors present in the review and the resolution (which are five directors present among six directors of the Company).

In order to ensure the fairest possible decision-making, Mr. Kubota will not participate in the deliberations and voting of the board of directors with respect to the Tender Offer, as he was at one time employed by a group company of one of the Shareholders Intending to Tender.

On the other hand, the Tender Offerors have not set a maximum number of shares to be purchased, but the Tender Offerors do not intend to delist the Company Shares. According to the Tender Offerors, if the Company Shares may fall under the delisting criteria, then the Tender Offerors and the Company will discuss in good faith an off-auction distribution, secondary offering or other measures to keep the Company Shares listed and cooperate to implement the agreed measures so that the Company Shares remain listed.

Based on the above, and in light of the fact that it is sufficiently reasonable to assume that the shareholders of the Company will maintain ownership of the Company Shares even

after the Tender Offer, the Company resolved to maintain a neutral position with respect to whether or not to tender shares in the Tender Offer and leave the decision up to the shareholders of the Company.

Although the Tender Offer Price falls below the minimum floor of the range of the result of the average market share price analysis and the DCF analysis conducted by Tokyo Financial Advisers (“TFA”), as described in “(3) Matters regarding calculation” below, the Tender Offer Price falls within the range of the result of the comparable peer company analysis and the Company considers that the Tender Offer Price is not unreasonable. The Company has resolved to take a neutral stance with respect to judging the appropriateness of the Tender Offer Price and withhold its opinion with respect thereto, based on the fact that (i) the Tender Offer Price was determined as a result of talks between the Tender Offerors and the Shareholders Intending to Tender, as stated in “(i) Outline of the Tender Offer” above, and (ii) although no limit has been set on the number of shares to be acquired, the Offerors do not intend to delist the Company Shares.

The Company also resolved that, because the purchase price for the Stock Acquisition Rights is set at one yen a piece, the Company will leave the decision of whether or not to tender the Stock Acquisition Rights in the Tender Offer to the holders of Stock Acquisition Rights.

Except for Mr. Hong Xie, the external auditor of the Company, who did not attend due to personal reasons, two auditors of the Company including one external auditor of the Company participated in the Company’s board of directors meeting discussed above, and stated their respective opinions that they do not object to the resolution of the Company’s board of directors resolution.

(3) Matters regarding calculation

With respect to this announcement concerning the Tender Offer, as a basic material to secure the fairness and appropriateness of the Tender Offer Price, the Company’s board of directors requested calculation of the value of the Company Shares to TFA, as the third-party valuation institution independent from the Company and the Tender Offerors, and obtained from TFA the Share Valuation Report concerning the results of the calculation of the value of the Company Shares on November 10, 2016. The Company has not obtained from TFA any opinion on the appropriateness of the Tender Offer Price (fairness opinion).

As a result of considering how to perform calculations for the Tender Offer, TFA adopted the average market share price analysis because the Company Shares are listed on Tokyo Stock Exchange, the comparable peer company analysis because it is possible to estimate the value of common stock of the Company by comparison since there are a number of peer companies which are comparable to the Company, and Discounted Cash Flow analysis (the “**DCF analysis**”) to reflect the Company’s business activity in the future to the calculation. The share values per Company Share calculated based on each method are as follows.

Average market share price analysis:	394 yen to 431 yen
Comparable peer company analysis:	302 yen to 485 yen
DCF analysis:	406 yen to 496 yen

For the average market price analysis, taking into account recent market transaction of the Company Shares and other factors, the valuation per Company Share was analyzed based on, setting November 10, 2016 as the reference date, 431 yen of the volume weighted average of closing prices over the immediately prior one-month on the Mothers section of TSE (rounded off to the closest whole number; the same interpretation shall apply hereafter in this Paragraph), 400 yen of the volume weighted average of closing prices over the immediately prior three-month on the Mothers section of TSE, and 394 yen of the volume weighted average of closing prices over the immediately prior six-month on the Mothers section of TSE. A range of 394 yen to 431 yen per Company Share was derived from the analysis.

For the comparable peer company analysis, the value of the Company Shares was calculated through comparison with financial index showing the market price, profitability, etc. of listed companies engaging in businesses relatively similar to those of the Company. A range of 302 yen to 485 yen per Company Share was derived from the analysis.

Furthermore, for the DCF analysis, the future free cash flow of the Company expected to be generated after the fourth quarter of the business year ended March 2017 based on the Company's estimated future earnings, taking into account elements such as the business plan (for the period starting from the business year ended March 2017 through the business year ended March 2019) of the Company, trends in the Company's operating results to date, and publicly disclosed information, was discounted to the current value by using a certain discount rate, in order to analyze the Company's corporate value and share value. A range of 406 yen to 496 yen per Company Share was derived from the analysis.

There is business years of the Company in the expected business performance of the Company used in the DCF analysis which expects substantial increase or decrease of profit compared to the fiscal year ended March 2016. Specifically, the Company estimates that the Company's profits for fiscal year ended March 2017 will increase by 14%, instead of the expectation of a performance of the fiscal year ended March 2017, in consideration of the performance until the second quarter in fiscal year ended March 2017 that is reflected a rationalization measure including "establishment of a production and supply system based on local production for local consumption in three bases" (as described in the mid-term business strategy published by the Company on June 3, 2016) and a reduction in various expenses which has been conducted by the Company for a long time, and the operating profit of the fiscal year ended March 2017 is expected to be 500 million yen, of the fiscal year ended March 2018 is expected to be 500 million yen and of the fiscal year ended March 2019 is expected to be 500 million yen.

Also, TFA is not a related party to the Tender Offerors or the Company, and does not have any material interests to be noted with Tender Offerors or the Company concerning the Tender Offer.

(4) Possibility of and reasons for delisting

The Company Shares are listed on the Mothers section of TSE as of today. Although the Tender Offer is not intended to delist the Company Shares, the Tender Offerors have not set a maximum number of shares to be purchased in the Tender Offer. Therefore, depending on the result of the Tender Offer, the Company Shares might be delisted through prescribed procedures pursuant to the delisting criteria of the Mothers section of the TSE as prescribed in the Securities Listing Regulations of TSE. If the Company

Shares will be delisted, the Company Shares may not be traded on TSE.

According to the Tender Offerors, nothing has been specifically determined at this time with respect to the handling of, and conditions relating to, a situation where it becomes likely that the Company Shares will meet the delisting criteria; however, if it becomes likely that the Company Shares will meet the delisting criteria as a result of the Tender Offer, the Tender Offerors shall consult with the Company in good faith regarding an off-auction distribution, secondary offering or other measures to keep the Company Shares listed, and with the Company's cooperation, the Tender Offerors shall endeavor to take the necessary steps to avoid the delisting of the Company Shares.

(5) Policy for a so-called "two-tier acquisitions"

The Tender Offer is not scheduled to implement a so-called "two-tier acquisitions".

(6) Measures to ensure the fairness of the Tender Offer for ensuring the fairness of the purchase price of the Company Shares and avoiding Conflict of interests

In order to secure fairness and appropriateness of the Tender Offer, the Company has taken the following measures.

(i) Obtainment by the Company of a share valuation report from an independent third-party valuation institution

As discussed in "(3) Matters regarding calculation" above, as a basic material to secure the fairness and appropriateness of Tender Offer Price, the Company's board of directors requested calculation of the value of the Company Shares to TFA, as the third-party valuation institution independent from the Company and the Tender Offerors, and obtained from TFA the Share Valuation Report concerning the results of the calculation of the value of the Company Shares on November 10, 2016.

(ii) Advice from independent legal counsel to the Company

To ensure the transparency and reasonableness of its decision-making process, the Company retained City-Yuwa Partners, a law firm independent from the Company and Tender Offerors, as the Company's legal advisor and obtained from the law firm legal advice concerning the decision-making process, methods and points that should be kept in mind relating to the Tender Offer.

(iii) Unanimous consent by all disinterested directors and unanimous approval by disinterested auditors

The Company started to consider its capital policy, including stabilization of shareholder composition, in response to the Shareholders Intending to Tender expressing their intention to sell the Company Shares. Under these circumstances and following the Tender Offerors' expression of their intention to be the largest holders of the Company Shares, the Company started to discuss and negotiate with Integral in late March 2016.

The Company then granted the Tender Offerors opportunities to conduct due diligence of the Company during the period from late May 2016 to the late June 2016. Since late June, when the due diligence was completed, the Company has discussed and negotiated with Integral about further details while deliberating internally about enhancing corporate value

by collaborating with Integral.

The management policy after the completion of the Tender Offer proposed by the Tender Offerors was to continue with the Company's basic policies of "intensive customer identification," "establishment of a production and supply system based on local production for local consumption in three bases," and "aiming to increase profitable sales by avoiding general-purpose parts and targeting products to the applications where the company's advantages are best utilized," as described in the Company's mid-term business strategy, but also to further aim at "sales growth centering on expanding sales to existing customers," "improvement of cash flow through reduction of production costs and optimization of working capital" and "strengthening of overseas sales capabilities." While this policy shows respect for the Company's existing policies, it is also intended to further support the Company in the field where Integral will be able to take advantage of its strengths. In addition, the Company has room to improve its administrative department in terms of systems and operation, and the Company also intends to actively introduce benchmarking and state-of-the-art technology to its production department. The Company believes that utilizing the connections and information network created by Integral will be able to bring further management stability and growth to the Company.

In light of the above, the Company carefully considered the Tender Offer based on the evaluations of improvement of corporate value and shareholders value of the Company, intention of the Tender Offerors, the Share Valuation Report described in "(i) Obtainment by the Company of a share valuation report from an independent third-party valuation institution" above, and the legal advice described in "(ii) Advice from independent legal counsel to the Company" above. As a result, while the Company may face harsher domestic business environment in the future, (i) the Tender Offer may allow the Company to utilize the connections, information network, credibility and recognition achieved by the Integral including the Tender Offerors, and thereby allowing the Company to expect faster implementation of its business, better accuracy in its business and synergy effect, (ii) the Company may receive guidance on how to manage and improve its production costs, working capital and cash flow, and (iii) the Tender Offerors may contribute to the expansion of its sales channels, the Company has determined that building capital relationship with Tender Offerors will contribute to expansion of its business and improvement of its business efficiency, and to further growth and development of the Company as well as improvement of its corporate value, and therefore, the Company resolved at the Company's board of directors meeting held on November 11, 2016 to express an opinion in favor of the Tender Offer by a unanimous resolution of directors present in the discussion and the resolution (which are five directors present among six directors of the Company).

In order to ensure the fairness of decision-making to the extent possible, Mr. Kubota did not participate in the discussions and resolutions of the board of directors meeting with respect to the Tender Offer, as he had previously belonged to a group company of the Shareholders Intending to Tender.

On the other hand, the Tender Offerors have not set a maximum number of shares to be purchased, but the Tender Offerors do not intend to delist the Company Shares. According to the Tender Offerors, if it becomes likely that the Company Shares will meet the delisting criteria, the Tender Offerors shall consult with the Company in good faith regarding an off-auction distribution, secondary offering or other measures to keep the Company Shares listed, and with the Company's cooperation, the Tender Offerors shall endeavor to take the necessary steps to avoid the delisting of the Company Shares.

Based on the above, and in light of the fact that it is sufficiently reasonable to assume that the shareholders of the Company will maintain ownership of the Company Shares even after the Tender Offer, the Company resolved to maintain a neutral position with respect to whether or not to tender shares in the Tender Offer and leave the decision up to the shareholders of the Company.

Although the Tender Offer Price falls below the minimum floor of the range of the result of the average market share price analysis and the DCF analysis conducted by TFA, as described in “(3) Matters regarding calculation” above, the Tender Offer Price falls within the range of the result of the comparable peer company analysis and the Company considers that the Tender Offer Price is not unreasonable. The Company has resolved to take a neutral stance with respect to judging the appropriateness of the Tender Offer Price and withhold its opinion with respect thereto, based on the fact that (i) the Tender Offer Price was determined as a result of discussions and negotiations between the Tender Offerors and the Shareholders Intending to Tender, as stated in “(i) Outline of the Tender Offer” in “(2) Grounds and reasons of the opinion on the Tender Offer” above, and (ii) while no upper limit has been set on the number of shares to be purchased in the Tender Offer, the Offerors do not intend to delist the Company Shares and the Company Shares will in principle continue to be listed after the Tender Offer.

The Company also resolved that, because the purchase price for the Stock Acquisition Rights is set at one yen a piece, the Company will leave the decision of whether or not to tender the Stock Acquisition Rights in the Tender Offer to the holders of Stock Acquisition Rights.

Except for Mr. Hong Xie, the external auditor of the Company, who did not attend due to personal reasons, two auditors of the Company including one external auditors of the Company attended at the Company’s board of directors meeting discussed above, and each auditor stated their respective opinions that they do not object to the resolution of the Company’s board of directors.

4. Matters regarding Material Agreements pertaining to Tendering Shares in the Tender Offer between Tender Offerors and Shareholders of the Company

As outlined in According to the Tender Offerors, in conducting the Tender Offer, the Tender Offerors have executed a Tender Agreement with the Shareholders Intending to Tender, dated November 7, 2016, pursuant to which the Shareholders Intending to Tender shall tender all of the Company Shares held by the Shareholders Intending to Tender as of today (2,094,000 shares, or a 25.03% shareholding) in response to the Tender Offer. The Tender Agreement provides that, as conditions precedent on the Shareholders Intending to Tender tendering their shares, that (i) all of the warranties and representations of the Tender Offerors (see Note 1) are true and correct in material respects as of the date of execution of the Tender Agreement and today, (ii) all of the obligations of the Tender Offerors on or prior to today specified in the Tender Agreement (see Note 2) have been performed in material respects, and (iii) that the Prohibition Period under the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade of Japan (Act No. 54 of 1947, as amended; the “**Antimonopoly Act**”) has expired and Integral Group has received a Notice to the Effect that Prior Notice of a Cease and Desist Order will not be Issued from the Japan Fair Trade Commission with respect to the acquisition of the Company Shares through the Tender Offer (see Note 3). Note that no Shareholder Intending to Tender is restricted from voluntarily

waiving all or part of these conditions precedent at its own discretion and tendering its shares in response to the Tender Offer.

Note 1: According to the Tender Offerors, in the Tender Agreement, the Tender Offerors represent and warrant (i) their establishment, valid existence and authority (ii) their necessary authority to execute and perform the Tender Agreement and carry out the planned transaction, enforceability, and conflict with a law or ordinance, (iii) non-existence of litigation to hinder the planned transaction, (iv) that they have the ability to evaluate merits and risks that may occur to the Tender Offerors as a result of the acquisition of the Company Shares through the Tender Offer,, (v) that there is no obligation to pay brokerage fees or agent commission etc. with regard to transactions in relation to the Tender Agreement, (vi) non-existence of connection with antisocial forces, and (vii) that they will pursue no liability of the Shareholders Intending to Tender not specified in the Tender Agreement.

Note 2: According to the Tender Offerors, under the Tender Agreement, in addition to their obligation to conduct the Tender Offer, the Tender Offerors have an obligation of confidentiality and an obligation to carry out the necessary filings with the Japan Fair Trade Commission as promptly as practicable and make commercially reasonable efforts to promptly provide the information requested by the Japan Fair Trade Commission so as to reduce the Prohibition Period under the Antimonopoly Act.

Note 3: According to the Tender Offerors, as of the date hereof, the Prohibition Period has already expired, and Integral Partners Co. received a Notice to the Effect that Prior Notice of a Cease and Desist Order will not be Issued from the Japan Fair Trade Commission on August 22, 2016.

5. Details of the Provision of Benefits by Tender Offerors or Special Related Parties of the Tender Offerors

Not applicable.

6. Measures on the Basic Policy on Control of the Company

Not applicable.

7. Questions to the Tender Offerors

Not applicable.

8. Request for Extension of the Tender Offer Period

Not applicable.

9. Future Outlook

We are diligently researching and analyzing the impact of the Tender Offer to the business performance of the Company. We will promptly announce if our research and analysis reveal any changes to the prospect of our business performance or any other matters which requires announcement.

End

References:
Announcement by the Tender Offerors (attached)

[Translation]

November 11, 2016

To whom it may concern:

Company name: Integral OS Partnership 1
Name of Representative: Integral OS Corporation, Partner
Yoshihiro Henmi, Representative
Director
Tel: 03-6212-6097

Company name: Spring L.P.
Name of Representative: Integral Partners (Cayman) II (A)
Limited, General Partner
John Cullinane, Director

Notice of Commencement of Tender Offer for Shares, etc. of Ohizumi MFG. Co., Ltd.
(Securities Code: 6618)

Integral OS Partnership 1 and Spring L.P. (Integral OS Partnership 1 and Spring L.P. are hereinafter collectively referred to as the “**Offerors**”) hereby announce that they decided on November 11, 2016 to acquire common stock (the “**Target Company Shares**”) and Stock Acquisition Rights (as described in “(ii) Stock Acquisition Rights” of “(2) Class of Share Certificates, Etc. for Tender Offer” below; the same applies hereinafter) of Ohizumi MFG. Co., Ltd. (Tokyo Stock Exchange Mothers market, Securities Code 6618; the “**Target Company**”) through a tender offer (the “**Tender Offer**”) under the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the same applies hereinafter).

The Offerors are (i) Integral OS Partnership 1, a partnership (*nin-i kumiai*) under the Civil Code formed on September 30, 2016 and (ii) Spring L.P., an exempted limited partnership under the laws of the British Overseas Territory of the Cayman Islands formed on August 18, 2016, mainly for the purpose of investing in the Target Company. Integral OS Partnership 1 holds one hundred (100) shares of the Target Company, and Spring L.P. does not hold any shares of the Target Company as of today. The Offerors are affiliated entities of Integral Corporation (“**Integral**”), and were newly formed for the purpose of conducting the Tender Offer.

Integral makes long-term equity investments based on a relationship of deep trust with the management of invested companies, with its corporate mission of being a “Trusted Investor” and by basing all of its business decisions on the following three principles: “A relationship of deep trust is the foundation of all business activities,” “Pursue single mindedly, the long-term enhancement of corporate value,” and “Aim for creating ‘innovations’ by concentrating the ‘highest wisdom’.” Integral has made investments in thirteen (13) companies in total including, but not limited to, QB Net Holdings Co., Ltd. and Skymark Airlines Inc., and after

each investment, shares the same objectives and time horizon as the management of invested companies and supports in both managerial and financial areas with the aim to enhance their corporate value.

With respect to operation of invested companies, Integral in principle respects their existing management framework and provides as necessary management assistance for various management issues by dispatching members of Integral to those companies, and, by truly sharing the “same objectives and time horizon as the management of invested companies”, Integral provides the most suitable support in both managerial and financial areas in order to maximize corporate value. Integral’s motto is to aim for permanent business growth and development by conducting long-term investments and resource allotment rather than to pursue a short-term profit only by conducting cost reduction and enhancing operational efficiency. As an independent domestic fund with personnel who have engaged in M&A related businesses and corporate management for a long time and have a high level of expertise regarding these areas, Integral makes every effort to support invested companies in facilitating their growth strategies by giving the highest priority to enhancing the corporate value of invested companies while fully understanding and respecting the characteristics of management teams in Japanese companies.

The Offerors decided on November 11, 2016 to conduct the Tender Offer mainly for the purpose of acquiring the Target Company Shares listed on the Tokyo Stock Exchange Mothers market and aiming to enhance the Target Company’s corporate value through participating in the Target Company's management based on sending managing personnel to the Target Company.

The Offerors executed tender offer agreements (the “**Tender Agreements**”) on November 7, 2016 with Asia Recovery Fund L.P., the largest shareholder of the Target Company, WLR Recovery Fund II L.P., the second largest shareholder of the Target Company and Asia Recovery Co-Investment Partners L.P., the third largest shareholder of the Target Company (collectively, the “**Shareholders Intending to Tender**”), and the Shareholders Intending to Tender agreed to tender all of their Target Company Shares (2,094,000 shares; Ownership Ratio (see Note) : 25.03%) to the Tender Offer.

The Offerors have set minimum number of Share Certificates, Etc. to be purchased to 2,094,000 shares (Ownership Ratio (see Note) : 25.03%) which is equal to the number of shares expected to be tendered pursuant to the Tender Agreement. Therefore, Offerors will not conduct any purchase, etc. if total number of Share Certificates, Etc. tendered to the Tender Offer (the “**Tendered Share Certificates, Etc.**”) is less than 2,094,000 shares.

Although the Offerors do not intend to delist the Target Company Shares, taking into consideration recent movements in the price of the Target Company Shares and other factors, the Offerors have not set maximum number of Share Certificates, Etc. to be purchased in order to secure a broad opportunity for the shareholders of the Target Company other than the Shareholders Intending to Tender who so desire to sell their shares at the price for purchase, etc. per Target Company Share offered in the Tender Offer to sell it. Therefore, if the total number of the Tendered Share Certificates, Etc. is equal to or exceeds the minimum number of Share Certificates, Etc. to be purchased, the Offerors will purchase all of the Tendered Share Certificates, Etc.

Note: The “Ownership Ratio” is the ratio (rounded to two decimal places) to the sum of (a) the total number of issued Target Company Shares as of September 30, 2016 (7,882,968 shares) as will be set forth in the Second Quarterly Securities Report for the 103rd Fiscal Year to be filed by the Target Company on November 14, 2016, less the number of treasury shares held by the Target Company as of September 30, 2016 (121 shares) as set forth in the Target Company 103rd Fiscal Year Second Quarterly Securities Report, and (b) the number of the Target Company Shares (5,000 shares) issued upon exercise of 50 options of the Stock Acquisition Rights and the number of the Target Company Shares (479,500 shares) to be issued upon exercise of the Stock Acquisition Rights (4,795 options) outstanding as of October 31, 2016 as set forth in the “Notice Regarding Monthly Exercise Status of Second Series Stock Acquisition Rights (Subject to Exercise Value Change) by way of Third-Party Allotment” announced by the Target Company on November 1, 2016 (i.e., 8,367,347 shares). According to the interviews with the Target Company, while 60,000 Company Shares were issued upon the exercise of 600 Stock Acquisition Rights on November 11, 2016, (i) there has been no change on the total number of issued Company Shares and the number of treasury shares held by the Company during the period from September 30, 2016 through November 11, 2016, except for such delivery of 65,000 Company Shares in total upon the exercise of the Stock Acquisition Rights, and (ii) there has been no change in the number of the Stock Acquisition Rights outstanding during the period from after October 31, 2016 through November 11, 2016, except for the subtraction of the 600 Stock Acquisition Rights which were exercised on November 11, 2016 (the number of the Stock Acquisition Rights outstanding after the subtraction is 4,195 Stock Acquisition Rights).

The outline of the Tender Offer is as follows:

(1) Name of the Target Company

Ohizumi MFG. Co., Ltd.

(2) Class of Share Certificates, Etc. for tender offer

(i) Common stock

(ii) Stock acquisition rights

Second Series Stock Acquisition Rights (Moving Strike Warrants) issued pursuant to the resolution at the board of directors meeting of the Target Company held on March 9, 2015 (“Stock Acquisition Rights”)

(3) Initial tender offer period as of registration

From Monday, November 14, 2016 through Tuesday, December 13, 2016 (21 business days)

(4) The possibility of extension of tender offer period upon request of the Target Company

In accordance with Article 27-10 Paragraph 3 of the Financial Instruments and Exchange Act, if the Target Company submits the Target Company's Position Statement requesting to extend the purchase period for the Tender Offer ("Tender Offer Period"), the Tender Offer Period will be extended to Tuesday, December 27, 2016 (30 business days).

(5) Price of tender offer

(1) 370 yen per share of Common Stock

(2) One yen per Stock Acquisition Right

(6) Number of Share Certificates, Etc. to be purchased in tender offer

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
8,367,247 (shares)	2,094,000 (shares)	- (shares)

(7) Commencement date of settlement

December 20, 2016 (Tuesday)

Note: In accordance with Article 27-10 Paragraph 3 of the Financial Instruments and Exchange Act, if the Target Company submits the Target Company's Position Statement including a request of extension of Tender Offer Period, the commencement date of settlement will be Thursday, January 5, 2017.

(8) Name of Tender Offer Agent

Daiwa Securities Co. Ltd. 1-9-1, Marunouchi, Chiyoda-ku, Tokyo

For further details of the Tender Offer, please refer to the Tender Offer Registration Statement which will be filed on November 14, 2016 by the Offerors in respect of the Tender Offer.

End

This press release is intended for the announcement of the Tender Offer to the general public and is not intended to solicit sales of shares. If any shareholder desires to sell his or her shares, the shareholder should review the Tender Offer explanatory statement and accept the Tender Offer in his or her own discretion. This press release is not considered as an offer or solicitation of sales of securities or as a solicitation of a purchase offer, and does not constitute any such part. This press release (or any part thereof) or the fact of its distribution does not provide a basis of any kind of agreement pertaining to the Tender Offer, and it may not be relied upon when executing any such agreement.

Although the Tender Offer will be conducted in accordance with the procedures and information disclosure standards prescribed in the Financial Instruments and Exchange Act, these procedures and information disclosure 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 Offerors and the Target Company are a company or a partnership established outside the United States and their directors are non-U.S. residents. Shareholders may not be able to sue a company or partnership outside the United States and its directors in a non-U.S. court for violations of the U.S. federal securities laws. There is no guarantee, either, that shareholders may be able to compel a company or partnership outside the United States and its subsidiaries and affiliated companies to subject themselves to a U.S. court's jurisdiction.

This press release may include certain forward-looking statements with expressions such as "anticipate," "forecast," "intend," "plan," "believe" and "assume," including those related to the future business of the Offerors and other corporations. Such forward-looking statements are based on the views of the management of the Offerors on its business forecasts at this time, and actual results may differ from such descriptions depending on future circumstances. As for the press release, the Offerors shall undertake no obligation to update any forward-looking statements to reflect events or circumstance that may arise after this release

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.

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.

Each of the financial advisors (including their affiliated companies) to the Offerors and the Target Company may, in its ordinary course of business, purchase shares in the Target Company for its own account or for the account of its clients prior to the Tender Offer or during the Tender Offer Period outside the Tender Offer in accordance with the requirements of Rule 14e-5(b) of the U.S. Securities Exchange Act of 1934 or take actions for such purchase to the extent permitted by financial instruments and exchange related laws and regulations and other applicable laws and regulations of Japan. If any information concerning such purchase is disclosed in Japan, the relevant financial adviser will disclose such information on its English website (or by any other means of public disclosure).