

August 31, 2016

Press Release

Company name: Future Corporation
 Code: 4722, Tokyo Stock Exchange, Section 1
 Representative: Yasufumi Kanemaru, Chairman and CEO
 Contact: Yoshihiko Nakajima, Executive Officer
 (Tel.: +81-3-5740-5724)

Notice on Change in (Transfer of) Specified Subsidiary

Future Corporation (“Future”) hereby announces that it concluded agreements on the transfer of shares and receivables based on the resolution made at its board of directors meeting held on August 31, 2016 regarding the transfer of all the shares of Uoei Corporation (“Uoei”), its consolidated subsidiary, to Spot Co., Ltd. (head office: Kashiwazaki City, Niigata). As a result of this transfer, Uoei ceases to be a specified subsidiary of Future. The details are as follows.

1. Reasons for share transfer

Future made Uoei its subsidiary in December 2006. Since then, it has striven to improve the business performance of Uoei through operational and IT reforms. To this end, Future has positioned Uoei as part of the corporate revitalization business and deeply participated in Uoei’s management team. Uoei posted significant losses for a while after its transformation into a subsidiary. However, it reduced losses by aggressively using IT and was able to generate full-year ordinary income for the period from FYE 11/2011 to FYE 11/2015 (excluding FYE 11/2014).

After Future achieved certain results in connection with the revitalization of Uoei, it moved toward the next step for corporate revitalization, then received a request from Spot Co., Ltd., a medium-sized local supermarket in Niigata, regarding the transfer of Uoei. Since then, Future has considered the request carefully and decided to transfer the shares of Uoei because it has thought it important to contribute to regional growth by returning Uoei, a revitalized food supermarket, to their proper home from the standpoint of regional revitalization, which has been regarded as another role of the corporate revitalization business.

2. Outline of the subsidiary transferred (Uoei Corporation) (as of August 31, 2016)

(1) Corporate name	Uoei Corporation	
(2) Address	423-1 Ajigata, Minami-ku, Niigata City	
(3) Representative’s name and title	Kenji Suzuki, Representative Director and President	
(4) Business description	Food supermarket	
(5) Capital	198 million yen	
(6) Established	July 29, 1961	
(7) Major shareholder and shareholding ratio	RI Partners, Limited Liability Partnership: 100%	
(8) Relation with Future Corporation	Capital relationship	Future indirectly owns 100% of the outstanding shares of Uoei, which is included in the scope of consolidation as a subsidiary.

	Personnel relationship	Three employees of Future have served as directors of Uoei, and three other employees have been temporarily transferred from Future to Uoei.	
	Transaction relationship	Future guarantees the debts of Uoei.	
(9) Operating results and financial conditions of Uoei for the past three years			
Fiscal year	FYE 11/2013	FYE 11/2014	FYE 11/2015
Net assets	-722 million yen	-753 million yen	-744 million yen
Total assets	787 million yen	777 million yen	734 million yen
Net assets per share	-2,075.01 yen	-2,165.10 yen	-2,139.56 yen
Net sales	4,559 million yen	4,472 million yen	4,469 million yen
Operating income	26 million yen	-53 million yen	-15 million yen
Ordinary income	51 million yen	-29 million yen	10 million yen
Profit	46 million yen	-31 million yen	8 million yen
Profit per share	134.28 yen	-90.08 yen	25.54 yen
Dividend per share	-	-	-

3. Outline of the transferee of shares (as of August 31, 2016)

(1) Corporate name	Spot Co., Ltd.	
(2) Address	17-2 Higashihara-machi, Kashiwazaki City, Niigata	
(3) Representative's name and title	Yukikatsu Asahi, Representative Director and President	
(4) Business description	Retailing of foods and consumer goods (supermarket)	
(5) Capital	30 million yen	
(6) Established	June 21, 1986	
(7) Relation with Future Corporation	Capital relationship	N/A
	Personnel relationship	N/A
	Transaction relationship	N/A
	Related party relationship	N/A

4. Number of shares transferred and pre- and post-transfer shareholding status

(1) Number of shares held before the transfer	348,000 shares (ownership ratio: 100%)	
(2) Number of shares transferred	348,000 shares	
(3) Transfer price	Ordinary shares of Uoei	0 million yen
	Loans to Uoei	200 million yen
	Advisory fees, etc. (estimate)	-20 million yen
	Total (estimate)	180 million yen
(4) Number of shares held after the transfer	None (ownership ratio: 0%)	

5. Schedule

(1) Date of board of directors' resolution	August 31, 2016
(2) Date of conclusion of share transfer agreement and receivable transfer	August 31, 2016

agreement	
(3) Date of transfer of shares/receivables	September 7, 2016 (schedule)

6. Future outlook

As a result of the transfer of shares and receivables as mentioned above, Future expects to post a gain on transfer under extraordinary income for its consolidated earnings results for the third quarter of FY2016, but is currently examining the relevant effects on its full-year consolidated earnings results for FY2016. Future will make prompt announcements if its earnings forecast needs to be revised.

● Any questions relating to the above press release should be directed to:

Investor Relations, Future Corporation

Direct line (IR Section): +81-3-5740-5724 E-mail: ir@future.co.jp