
Guidance concerning Dividend in Kind of Subsidiary Shares (Stock Distribution Spin-off) and Change in Specified Subsidiary

October 10, 2019



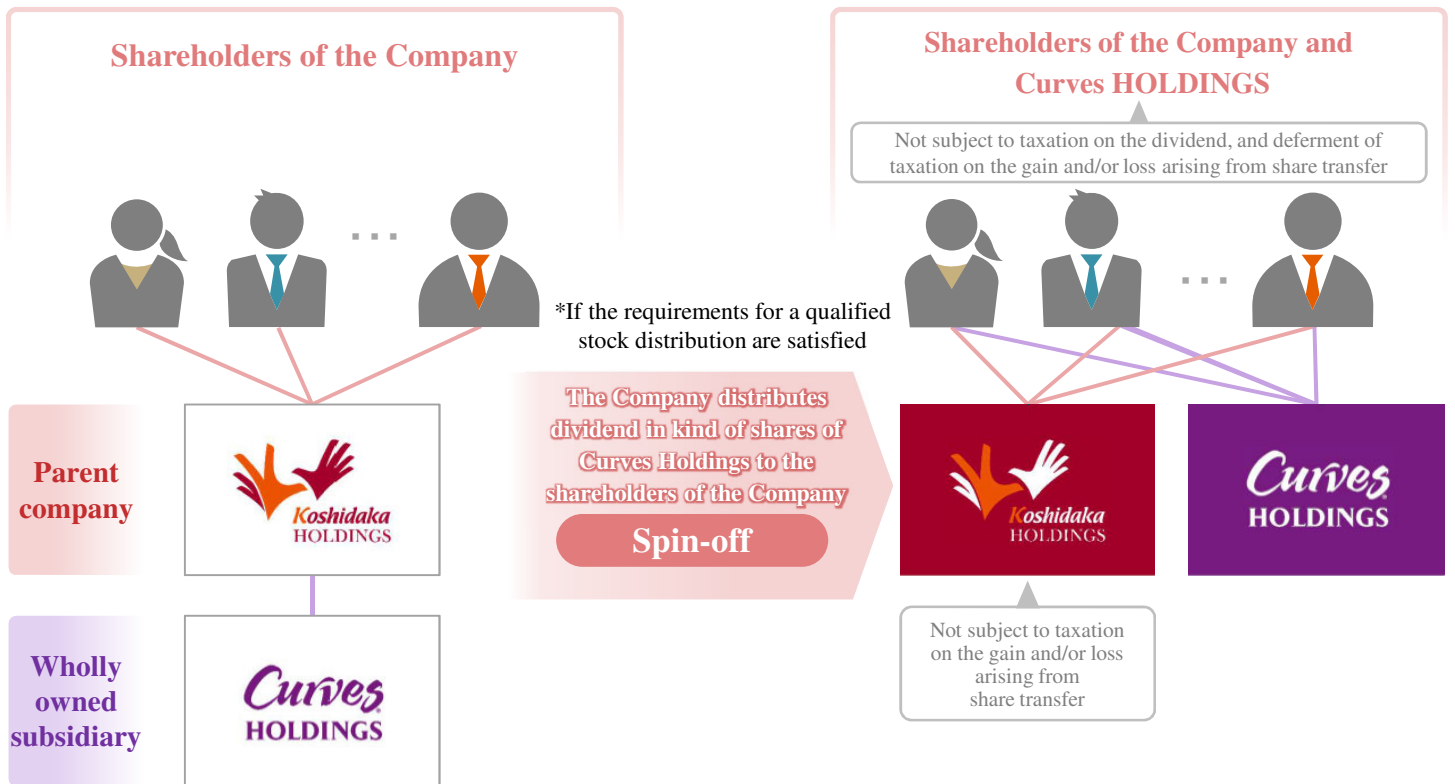
KOSHIDAKA HOLDINGS Co., LTD.

KOSHIDAKA HOLDINGS Co., LTD. (hereinafter referred to as the “Company”) hereby announces that it has resolved to submit a proposal to the 50th ordinary general meeting of shareholders to be held on November 27, 2019, (hereinafter referred to as the “Ordinary General Meeting of Shareholders”) regarding the distribution of all shares of Curves HOLDINGS Co., Ltd, a subsidiary of the Company (hereinafter referred to as “Curves HOLDINGS”), which are held by the Company, to the shareholders of the Company as dividend in kind (distribution of property other than cash) (hereinafter referred to as the “Spin-off”).

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Note: This document is prepared solely for the purpose of public disclosure regarding the Spin-off and does not constitute an offer to sell or the solicitation of an offer to buy any security of the Company or its subsidiaries, whether in Japan or overseas.

01 Overview of stock distribution spin-off and expected benefits in general



Effect of independence of management

- Managements of the parent company can concentrate on its core businesses
- Facilitating the swift and flexible decision-making of the spun-off company and enhance the motivation of managements and employees

Effect of independence in capital

- The spun-off company can conduct necessary investment by raising funds by itself
- Facilitating the investment only to one company by a third party
- Enabling the introduction of equity compensation linked to the value of the shares of the spun-off company

Effects of independence of listing (if the spun-off company is to be listed)

- Attracting investors who are interested only in the business of each company
- Each business can be evaluated separately

- In the stock distribution spin-off, the shares of the wholly owned subsidiary will be delivered, as dividend, to the shareholders of the company conducting the spin-off as of the record date. (If certain requirements are satisfied, the shareholders will not be subject to taxation on the dividend, and taxation on the gain and/or loss arising from share transfer will be deferred.)
- In the Spin-off, for each share of the Company held, one share of Curves HOLDINGS will be delivered to those who are recorded as shareholders of the Company as of the record date for distribution, Saturday, February 29, 2020 (substantive record date: Friday, February 28, 2020), without any special procedures on the shareholders' side.

* After the Spin-off, there will be no capital relationship between the Company and Curves HOLDINGS. Hereinafter, the KOSHIDAKA HOLDINGS Group before the Spin-off shall be referred to as the "current Group", the KOSHIDAKA HOLDINGS Group after the Spin-off shall be referred to as the "new Group", and the Curves HOLDINGS Group after the Spin-off shall be referred to as the "new Curves HOLDINGS Group".

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02 Purpose and reason for the Spin-off

- **By implementing the Spin-off, the Company aims to enhance the shareholder value through promoting further achievement of business strategies of both karaoke business and Curves business**
 - In addition, compared to the case of separation and independence of a subsidiary through sales of shares of the subsidiary in general, where the Company is subject to taxation on the gain arising from sale, in the case of the separation and independence of a subsidiary by the Spin-off, both the Company and its shareholders can receive tax benefits. This is because, for the Company, it will be exempted from taxation, and, for the shareholders of the Company, the taxation on the deemed dividend will not be applied and taxation on gains and/or losses on the transfer of shares will be deferred.

Current status, growth strategies, and medium-term management vision of the two main businesses the current Group

Karaoke business

Current status and growth strategy

- Promoting the opening of facilities in the Tokyo metropolitan area, expansion of the size of facilities to attract more customers, and closing of small facilities
- Focusing on recruiting and educating human resources
- Cultivating new demand by implementing marketing measures for each customer base, differentiation strategy for food and beverages and contents development
- Continually promoting the automation and streamlining of business operation
- Promoting the opening of its facilities in Southeast Asia, where the Company anticipates growth of its overseas business

Medium-term management vision

Promoting the growth strategy under **“EIP (Entertainment Infrastructure Plan)”**^{*1} to make entertainment a critical part of the infrastructure of people’s lives

Curves business

Current status and growth strategy

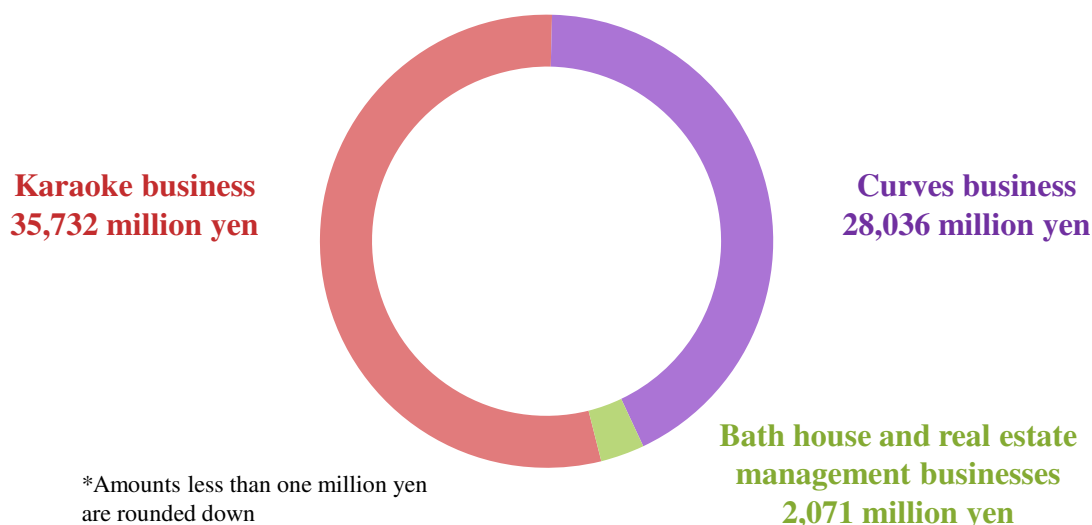
- Expanding the club network by diversifying the method of opening new facilities
- Realizing growth of existing clubs through (a) decreasing the membership cancellation rate by pursuing the improvement of customer’s satisfaction and (b) strengthening word-of-mouth marketing, and expanding customer base by the marketing activities covering the customers from 55 years old to 64 years old
- Improving the brand value by promoting cooperation with local governments and industry-university-government cooperation
- Aiming at multi-store operation of “Men’s Curves”
- Greater flexibility in the expansion of business both in Japan and overseas through the acquisition of Curves International, Inc.,
- Working to expand its business on a global scale, focusing on developed countries in Europe with maturing economy and aging population, in particular as a target area

Medium-term management vision

Pursuing the growth strategy as a **“Corporation which is trying to resolve social issues and expand healthy-life expectancy”** to realize the prevention of illness and need for nursing care

^{*1} The Entertainment Infrastructure Plan is the medium-term business plan of the Company. Under the Entertainment Infrastructure Plan, the Company works to make entertainment a critical part of the infrastructure of people’s lives and provide ultimate peace to people all over the world by first starting with opening private entertainment rooms (karaoke facilities) in every corner of Japan through acceleration of opening stores in front of train stations and downtowns areas, mass-recruiting and education of human resources, and creation of new services with development.

Sales of each business segment of the Company for the fiscal year ended August 31, 2019



The Company achieved record high sales in both business segments in the fiscal year ended August 31, 2019. On the other side, the directions of future growth strategy of each business segment is different.

Carrying out the Spin-off to realize the growth of each segment promptly.

Benefits

- The separation of Curves business will foster sound awareness of crisis in the karaoke business department, and raise officer's and employees' awareness of the need to concentrate more on the implementation of the business strategy of the karaoke business
- The Company can concentrate human management resources, including managements of the Company, and administrative division and employees related to overseas business, which are currently engaged in other business areas, on the karaoke business

Effect and influence on growth strategy

- Support the expansion of the number of facilities and rooms and improvement of profitability by accelerating the opening of facilities in the Tokyo metropolitan area
- Enhance and promote the mass-recruiting and education of human resources by introducing a human resource system unique to each business segment
- Promote the opening of facilities and development of new business in countries in Southeast Asia more strongly

Benefits

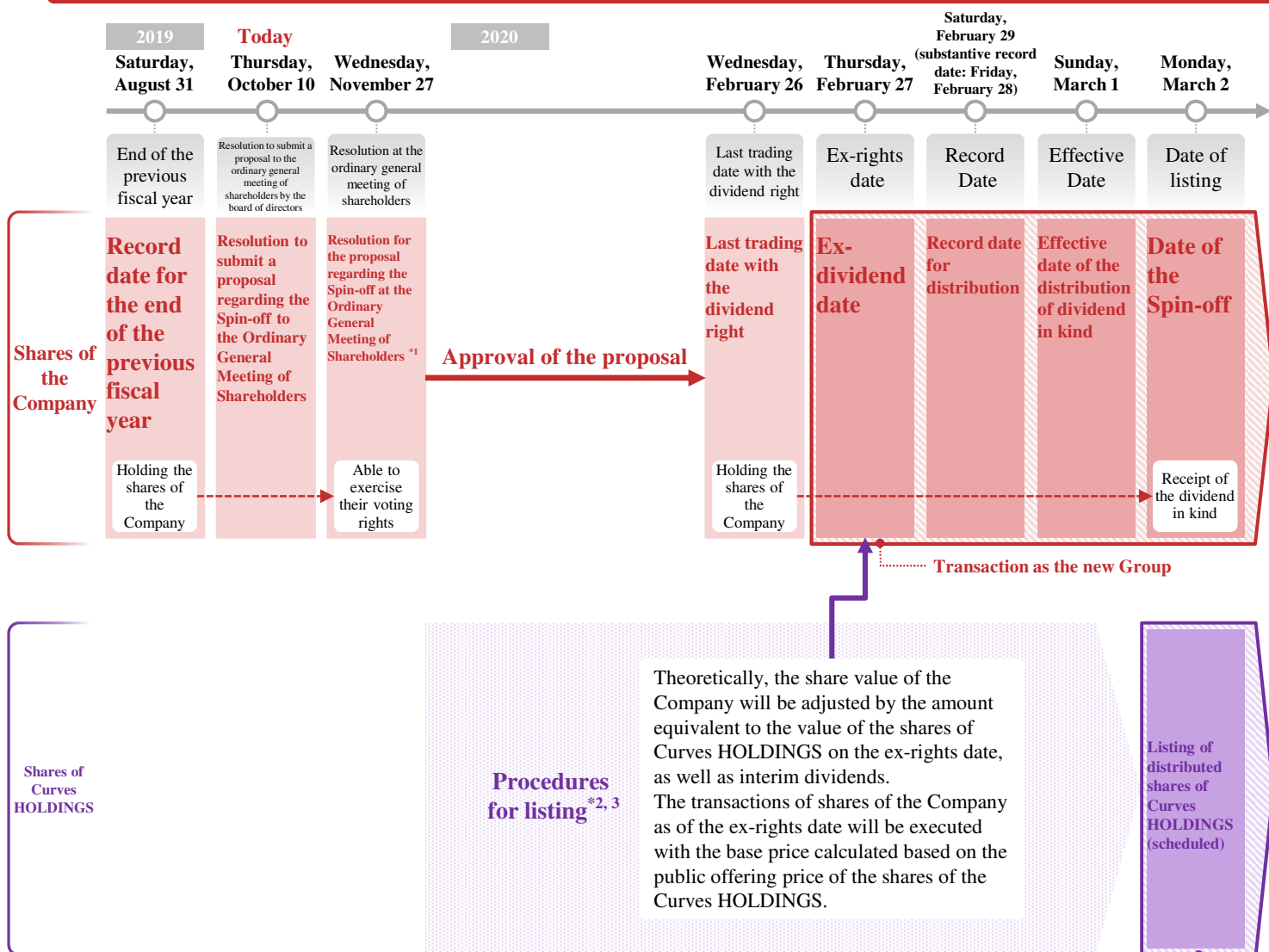
- Enable further strengthening and construction of the disciplined governance system
- Build stronger sense of duty of officers and employees and enhance their motivations
- Enhance the visibility and brand value of the Company as a single listed company and cause expectation of positive effects regarding securing talents and business management

Effect and influence on growth strategy

- Support the expansion of coordination with local governments, and industry-university-government coordination
- Strongly promote continuous increase of membership and expansion of facility network
- Accelerate the multi-store development of Men's Curves and building up new business formats
- Focus on strengthening business in developed countries in Europe

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03 Scheme and schedule of the Spin-off



Theoretically, the share value of the Company will be adjusted by the amount equivalent to the value of the shares of Curves HOLDINGS on the ex-rights date, as well as interim dividends. The transactions of shares of the Company as of the ex-rights date will be executed with the base price calculated based on the public offering price of the shares of the Curves HOLDINGS.

*1 If the proposal is not approved, the Spin-off will be discontinued.

*2 If the Tokyo Stock Exchange Inc., (hereinafter referred to as the "TSE") does not approve the listing, the Spin-off will be discontinued.

*3 If the issuance of new shares of the Curves Holdings is cancelled, the Spin-off will be discontinued.

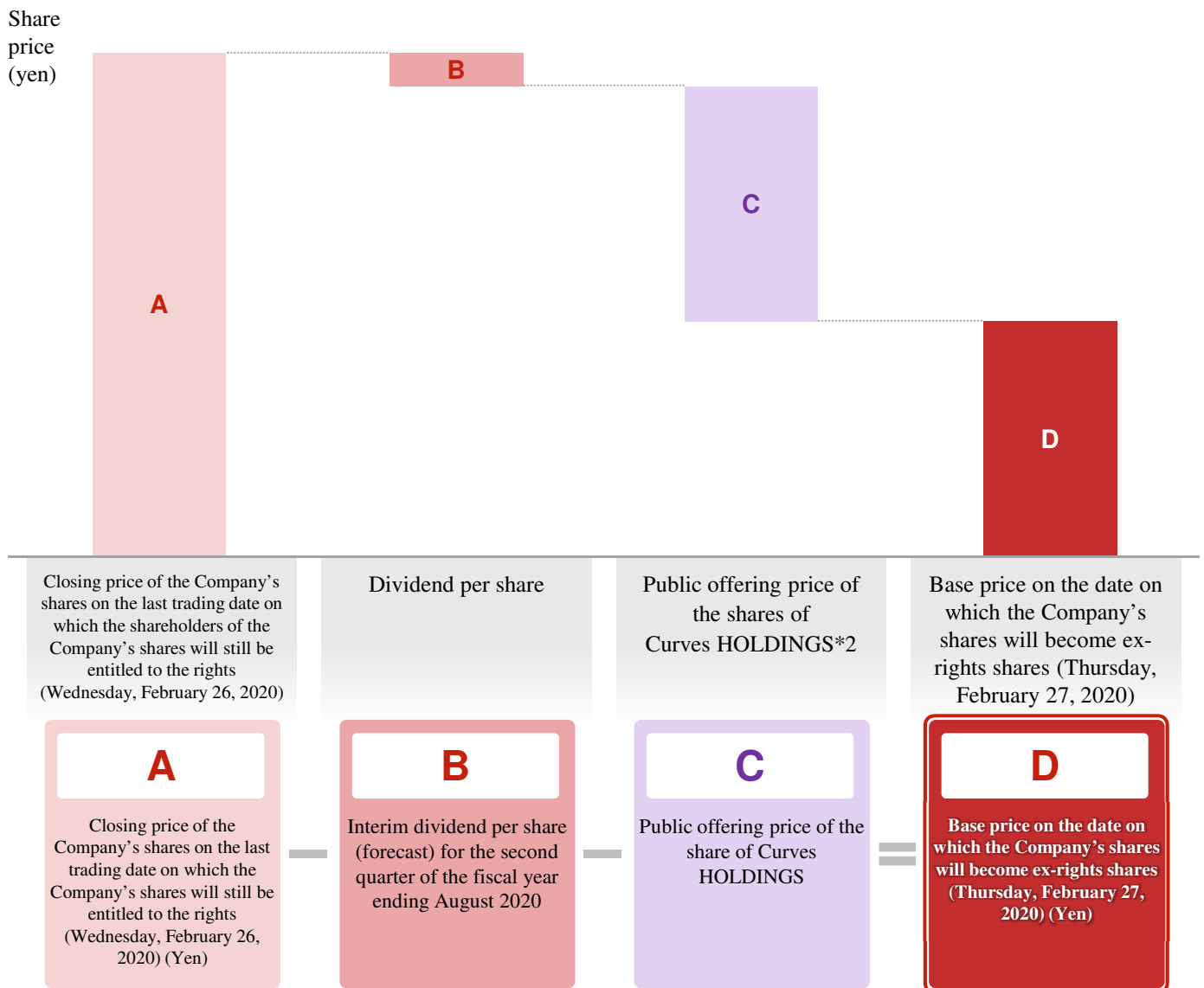
- For each share of the Company held, one share of Curves HOLDINGS will be delivered to the shareholders of the Company as of the record date for distribution, Saturday, February 29, 2020 (substantive record date, Friday, February 28).
 - To become a shareholder of the Company as of the record date for distribution, it is necessary to complete a purchase order by the last trading date on which the shareholders of the Company's shares will still be entitled to the rights, Wednesday, February 26, 2020.
 - In addition, the shares of Curves HOLDINGS will be delivered without exception in proportionate to the number of shares of the Company held as of the record date for distribution.
- The transaction as the current Group will be executed until February 26, 2020 (the last trading date on which the shareholders of the Company's shares will still be entitled to the rights).
- On and after February 27, 2020 (the date the Company's shares will become ex-rights shares), the transaction as the new Group will be executed.
- The distributed shares of Curves HOLDINGS are scheduled to be listed on the TSE on Monday, March 2, 2020, the transaction as the new Curves HOLDINGS will be executed on and after the same date.

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04 Trading of the Company's share on the date on which the Company's shares will become ex-rights shares with respect to the Spin-off

When the shares of the Company become ex-rights shares, as scheduled for Thursday, February 27, 2020, the total number of shares outstanding of the Company, excluding the number of treasury shares held by the Company, will be equal to the total number of shares outstanding of Curves HOLDINGS, excluding the number of treasury shares held by Curves HOLDINGS, as of the record date for distribution. Therefore, trading of the Company's shares will be executed on the TSE, with the calculated price per share based on the following formula as the base price of the Company's shares. *1

The base price refers to the reference price to determine a restricted price range (the range of prices at which the shares can fluctuate within a day), and does not refer to the actual trading price of each transaction to be executed on Thursday, February 27, 2020.



*1 The TSE will make a separate announcement with respect to the treatment of the trading including the calculation method of the base price, etc.

*2 The public offering price of the shares of Curves HOLDINGS will be determined by the book building method.

05 Japanese tax treatment with respect to the dividend in kind

1. Taxation on the dividend

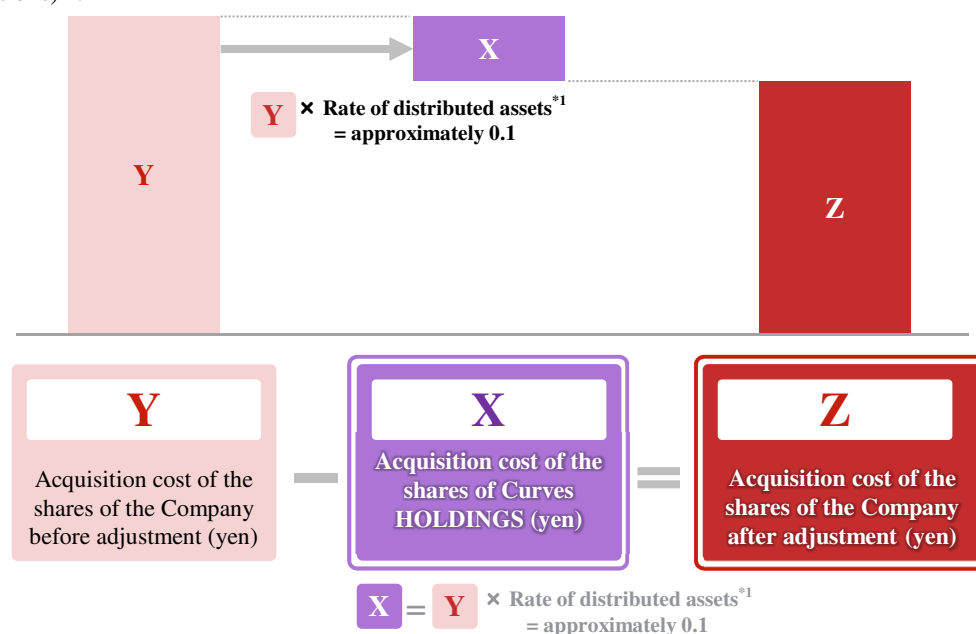
Since the Spin-off will be conducted on the assumption that it is a qualified stock distribution stipulated in Article 2, Item (xii)-15-3 of the Corporation Tax Act, the taxation on the deemed dividend will not apply to the shareholders in connection with the dividend in kind of the shares of Curves HOLDINGS (Article 24, Paragraph (1), Item (iii) of the Corporation Tax Act and Article 25, Paragraph (1), Item (iii) of the Income Tax Act).

2. Taxation on the capital gain and/or loss arising from share transfer

The Spin-off is a stock distribution in which no assets other than the shares of the wholly owned subsidiary are transferred, and the shares of such subsidiary are distributed in proportion to the ratio of (a) the number of shares of the corporation distributing in kind held by each shareholder of the corporation distributing in kind to (b) the total number of shares outstanding of the corporation distributing in kind. Therefore, there shall be no taxation on the gain and/or loss arising from share transfer, and such taxation shall be deferred (Article 61-2, Paragraph (8) of the Corporation Tax Act, and Article 37-10, Paragraph (3), Item (iii) and Article 37-11, Paragraph (3) of the Act on Special Measures Concerning Taxation).

3. Treatment with respect to the acquisition costs for tax purposes

After the Spin-off, in respect of the shares of the Company and the shares of Curves HOLDINGS, the respective acquisition cost for tax purposes that will apply to the shareholders will be the amount calculated based on the following calculation formula using the rate of distributed assets (the rate stipulated in Article 23, Paragraph (1), Item (iii) of the Order for Enforcement of the Corporation Tax Act and Article 61, Paragraph (2), Item (iii) of the Order for Enforcement of the Income Tax Act, which relate to stock distributions)^{*1, *2}.



Example: Acquisition cost after adjustment assuming that 100 shares of the Company are purchased at 1,735 yen^{*3} per share and the rate of distributed assets is 0.100

X : Acquisition cost of the shares of Curves HOLDINGS = 1,735 yen × 100 shares × 0.100 = 17,350 yen

Z : Acquisition cost of the shares of the Company after adjustment = 1,735 yen × 100 shares - 17,350 yen = 156,150 yen

*1 The rate of distributed assets is calculated by dividing (a) “the book value of the share of Curves HOLDINGS immediately prior to the stock distribution” by (b) “the amount obtained by deducting the book value of liabilities of the Company from the book value of assets of the Company at the end of the fiscal year preceding the fiscal year which the date of stock distribution belongs to (taking into account the amount of increase or decrease of stated capital, etc. and certain profit reserve for the period from the end of the preceding fiscal year to the time immediately prior to the stock distribution)”. At this point, in the case where the capital restructuring stated in “5. Japanese tax treatment with respect to the dividend in kind, (4) Rate of distributed assets” of the “Notice Regarding Dividend in Kind of Subsidiary Shares (Stock Distribution Spin-off) and Change in Specified Subsidiary” as of today is implemented, the estimated rate of distributed assets is expected to be approximately “0.1”. The rate of distributed assets, which is currently expected to be fixed around December 2019, will be announced as soon as it is fixed.

*2 In respect of corporate shareholders, the calculation should be made by replacing “acquisition cost” with “book value (for tax purposes)”.

*3 Closing price of the shares of common stock of the Company on the TSE 1st Section as of October 4, 2019.

*4 The above-mentioned tax treatments under Japanese law do not exhaustively explain the tax procedures, etc. required for the shareholders and do not purport to describe the tax consequences of the Spin-off of any jurisdiction other than Japan. The specific tax procedures and tax consequences to shareholders differ depending on the circumstances of each shareholder. You are urged to consult your own tax advisor with respect to the tax consequences of the Spin-off in your particular circumstances.

06 Cautionary Statement

1. The Company plans to distribute dividend in kind to the shareholders of the Company registered as of the end of record date, Saturday, February 29, 2020 (substantive record date: Friday, February 28, 2020) at a rate of one share of common stock of Curves HOLDINGS to one share of common stock of the Company held by the shareholders. Accordingly, as a result of the Spin-off, the shareholders of the Company, as of the record date, will have two listed shares, the shares of the Company and the shares of the Curves HOLDINGS.
2. Generally speaking, the shareholders are not required to take any special procedures. It is expected that the shares will be delivered to shareholders' accounts on Monday, March 2, 2020. Please contact your securities company for further details.
3. The shares of Curves HOLDINGS are scheduled to be listed on the TSE on Monday, March 2, 2020. However, it is not guaranteed at present that the shares will be listed as scheduled, since it is based on obtaining the TSE's approval for the listing following the forthcoming listing examination by the Japan Exchange Regulation.

4. The shares of the Company will remain listed on the TSE. If the Spin-off is implemented, the Company's shares will become ex-rights shares on Thursday, February 27, 2020, and, theoretically, the share value of the Company will be adjusted by the amount equivalent to the value of the shares of Curves HOLDINGS on the same date, while the shares of Curves HOLDINGS will be distributed to the shareholders of the Company on Monday, March 2, 2020.

When the shares of the Company become ex-rights shares, the total number of shares outstanding of the Company, excluding the number of treasury shares held by the Company, will be equal to the total number of shares outstanding of Curves HOLDINGS, excluding the number of treasury shares held by Curves HOLDINGS, as of the record date for distribution. Therefore, trading of the Company's shares will be executed on the TSE on Thursday, February 27, 2020, with the calculated price per share based on the following formula as the base price of the Company's shares. The base price refers to the reference price to determine a restricted price range (the range of prices at which the shares can fluctuate within a day), and does not refer to the actual trading price of each transaction to be executed on Thursday, February 27, 2020. The TSE will make a separate announcement with respect to the treatment of the trading including the calculation method of the base price, etc.

The base price on the date the Company's shares will become ex-rights shares (Thursday, February 27, 2020) = the closing price of the Company's shares on the last trading date on which the shareholders of the Company's shares will still be entitled to the rights (Wednesday, February 26, 2020) minus the interim dividend per share (forecast) for the second quarter of the fiscal year ending August 31, 2020 minus the public offering price of the shares of Curves HOLDINGS

5. As a result of the Spin-off, Curves HOLDINGS will no longer be a consolidated subsidiary of the Company, and, instead, will become an independent listed company with no financial relationship with the Company. Since, after the Spin-off, shares of the common stock of the Company and Curves HOLDINGS will be traded independently, the price of these stocks will be determined separately.

07 Contact for inquiries regarding this matter

Inquiries regarding corporate information	KOSHIDAKA HOLDINGS Co., LTD. 03-6403-5710 (9:00 a.m. to 6:00 p.m. on weekdays, excluding national holidays)
Inquiries regarding individual transactions and procedures	Please contact your securities company.
Inquiries regarding individual tax treatment	Please contact your tax advisor.
Other inquiries regarding the overall scheme, etc., of the Spin-off	Call center solely for KOSHIDAKA HOLDINGS (Located in Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.) 0120-03-2344 (9:00 a.m. to 5:00 p.m. on weekdays, excluding national holidays)

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08 Q&As on the Spin-off

Q1 What is a spin-off?

A1 Spin-off refers to the act of separating a certain subsidiary or business unit of the company conducting the spin-off and making it independent. The shares of the independent subsidiary (spun-off company) will be delivered to the shareholders of the company conducting the spin-off. In the Spin-off, the shares of the Company's consolidated subsidiary, Curves HOLDINGS, will be delivered to the shareholders of the Company through the distribution of dividends in kind (distribution of property other than cash).

Q2 What are the benefits of the spin-off?

A2 In general, the effects of a spin-off include (i) enabling the company conducting the spin-off (i.e., the Company in the Spin-off) to concentrate on its core business; (ii) "the effects of the independence of management" such as swift and flexible decision making by the spun-off company (i.e., Curves HOLDINGS in the Spin-off); (iii) "the effects of the independence of capital" such as the spun-off company having a higher level of flexibility on the capital management policies and investment strategies; and (iv) if the spun-off company gets listed on the market, "the effects of the independent listing", such as attracting investors interested in individual businesses; and it is expected that these effects would increase the corporate value.

Q3 What is the difference between a spin-off and sale of a subsidiary?

A3 In the case of the sale of a subsidiary, in general, the Company will sell shares of the subsidiary to a certain third party or investor, and receive the sale proceeds. On the other hand, in the case of spin-off, the Company will distribute shares of the subsidiary to the shareholders of the Company as dividend in kind. As a result of the Spin-off, the shareholders of the Company will have two listed shares, the shares of the Company and the shares of the Curves HOLDINGS, and will be able to retain their rights as shareholders of both the Company and Curves HOLDINGS, which is to be separate and independent from the Company. The Spin-off is scheduled to be implemented as a qualified stock distribution, as set forth in organizational restructuring tax regime, and, since, upon conducting a spin-off, it does not impose tax on shareholder's dividend to be distributed as well as the Company's gain and/or loss arising from the share transfer, and allows deferment of taxation on the gain and/loss arising from share transfer to be imposed on such shareholders, the Company believes that it has tax benefits compared to the sale of the shares of the subsidiary.

Q4 Have these kinds of spin-offs been conducted in the past?

A4 This Spin-off is the first case in Japan of a "spin-off" that has been introduced in the organizational restructuring tax regime after the 2017 Japan Tax Reform.
The Company is aware that there have been spin-offs outside Japan, such as DuPont de Nemours, Inc., a major U.S. chemical company, spinning off its Performance Chemicals segment as The Chemours Company in 2015, or eBay Inc., a major U.S. online auction company, spinning off PayPal Holdings Inc. which operates an online payments business in 2015.

Q5 Will the shares of Curves HOLDINGS be listed?

A5 In order to secure trading opportunities for the shareholders after the stock distribution, the shares of Curves HOLDINGS to be distributed upon the Spin-off are scheduled to be listed on the TSE on Monday, March 2, 2020.

Q6 Please tell us about the scheme for listing the shares of Curves HOLDINGS.

A6 One condition for the Spin-off is that the issuance of new shares of Curves HOLDINGS (hereinafter referred to as the "Issuance of New Shares") is planned to be implemented upon new listing (i.e., the decisions necessary for the issuance have been made and there has been no cancellation). In case the Issuance of New Shares is to be carried out, a price for such issuance is determined by book-building method set forth in Article 233 of the Enforcement Rules for the Securities Listing Regulations stipulated by the TSE (a method of determining the issue price after presenting the offering price range upon solicitation for application for acquisition of shares and ascertaining the demand from investors concerning shares). As stated in the "Trading of the Company's share on the date on which the Company's shares will become ex-rights shares with respect to the Spin-off" (page 7), when the shares of the Company become ex-rights shares, the base price for the trading on the TSE will be calculated using the public offering price of Curves HOLDINGS. Since the value of shares of the Curves HOLDINGS will be determined by the book-building method with transparency, it is expected to facilitate smooth trading of shares of the Company on and after ex-right date. The timing of the Issuance of New Shares has not been decided yet.

Q7 What are the voting requirements for the Spin-off at the general meeting of shareholders?

A7 In order to satisfy the requirements for a tax-qualified restructuring, the Spin-off will be conducted through the distribution of dividends in kind without the right to demand distribution of monies set forth in Article 454, Paragraph 4, Item 1 of the Companies Act (right to request the stock company to distribute cash in lieu of such dividend property). Accordingly, the Spin-off was supposed to be authorized by a special resolution stipulated in Article 309, Paragraph 2, Item 10 of the Companies Act at an ordinary general meeting of shareholders; however, as of October 9, 2019, with respect to the Spin-off, the Company has obtained approval from the Minister of Economy, Trade and Industry regarding the business reconstruction plan concerning the karaoke business under the Act on Strengthening Industrial Competitiveness. Therefore, by utilizing special treatment under the Act on Strengthening Industrial Competitiveness, the Company plans to pass the ordinary resolution stipulated in Article 309, Paragraph 1 of the Companies Act at the Ordinary General Meeting of Shareholders with approval from a majority of the voting rights of shareholders present who are able to exercise their voting rights in accordance with the Company's Articles of Incorporation.

Q8 What options do shareholders have?

A8 Firstly, the Company asks those who are recorded as shareholders of the Company as of Saturday, August 31, 2019 (substantive record date: Friday, August 30, 2019) to deliberate the agenda for the Spin-off to be brought before the Ordinary General Meeting of Shareholders.
If the Spin-off is implemented, for each share of the Company held, one share of Curves HOLDINGS will be delivered to those who are recorded as shareholders of the Company as of the record date for distribution, Saturday, February 29, 2020 (substantive record date: Friday, February 28, 2020). Therefore, as a result of the Spin-off, the shareholders of the Company as of the record date for distribution will have two listed shares, the shares of the Company and the shares of Curves HOLDINGS.
After the Spin-off, the shareholders may, as the shareholders of each of the shares of the Company and Curves HOLDINGS, continue to hold rights or trade the shares on the market.

Q9 Please tell us about the schedule of the distribution of dividend in kind

A9 On the condition that (i) the Spin-off is approved at the Ordinary General Meeting of Shareholders to be held on Wednesday, November 27, 2019, (ii) the listing of common shares of Curves HOLDINGS is approved by the TSE, and (iii) the Issuance of New Shares is planned to be implemented upon new listing, on Monday, March 2, 2020, the shares of Curves HOLDINGS will be distributed to the shareholders registered as of the record date of distribution of Saturday, February 29, 2020 (substantive record date: Friday, February 28, 2020), at a rate of one share of common stock of Curves HOLDINGS to one share of common stock of the Company held by the shareholders.

Q10 How can shareholders receive dividends in kind, the shares of Curves HOLDINGS?

A10 In the Spin-off, for each share of the Company held, one share of Curves HOLDINGS will be delivered to those who are recorded as shareholders of the Company as of the record date for distribution, Saturday, February 29, 2020 (substantive record date: Friday, February 28, 2020). Therefore, in order to receive dividends in kind, the shares of Curves HOLDINGS, it is necessary to be recorded as a shareholder of the Company as of the record date for distribution. To become a shareholder of the Company as of the record date for distribution, it is necessary to complete a purchase order by the last trading date on which the shareholders of the Company's shares will still be entitled to the rights, Wednesday, February 26, 2020.

Q11 Please tell us about effects on the share value of the Company by the Spin-off.

A11 In connection with the Spin-off, the Company's shares will become ex-rights shares on Thursday, February 27, 2020, and, theoretically, the share value of the Company will be adjusted by the amount equivalent to the value of the shares of Curves HOLDINGS on the same date.
When the shares of the Company become ex-rights shares, trading of the Company's shares will be executed on the TSE on Thursday, February 27, 2020, with the calculated price per share based on the following formula as the base price of the Company's shares. The base price refers to the reference price to determine a restricted price range (the range of prices at which the shares can fluctuate within a day), and does not refer to the actual trading price of each transaction to be executed on Thursday, February 27, 2020.
The base price on the date the Company's shares will become ex-rights shares (Thursday, February 27, 2020) = the closing price of the Company's shares on the last trading date on which the shareholders of the Company's shares will still be entitled to the rights (Wednesday, February 26, 2020) minus the interim dividend per share (forecast) for the second quarter of the fiscal year ending August 31, 2020 minus the public offering price of the shares of Curves HOLDINGS

Q12 If the shares are sold after the Spin-off, how is the gain and/or loss on the sale of the shares calculated? Is such gain and/or loss subject to taxation?

A12 After the Spin-off, in respect of the shares of the Company and the shares of Curves HOLDINGS, the respective acquisition cost for tax purposes that will apply to the shareholders will be adjusted by the rate of distributed assets to be announced by the Company. For details, please refer to "Japanese tax treatment with respect to the dividend in kind" above (p. 8). Generally speaking, if the shares are sold after the Spin-off, the gain and/or loss on the sale of the shares will be calculated based on the acquisition cost after adjustment and such gain and/or loss is subject to taxation. However, with respect to individual tax treatment, please contact your tax advisor.