
FUTURE PLANS AND USE OF PROCEEDS

FUTURE PLANS

See “Business — Our Strategies” for details of our future plans.

USE OF PROCEEDS

We estimate that the net proceeds of the Global Offering (after deducting underwriting fees and estimated expenses payable by us in relation to the Global Offering) will be approximately HK\$281 million (equivalent to approximately ¥4,259 million) (assuming an Offer Price of HK\$1.19 per Offer Share, being the mid-point of the indicative Offer Price range, and that the Over-allotment Option is not exercised). We currently intend to apply the net proceeds as follows:

- (1) approximately HK\$253 million (equivalent to approximately ¥3,833 million) (being 90% of the net proceeds) to open:
 - (a) three new suburban halls in Fukushima Prefecture (福島県), Gunma Prefecture (群馬県) and Ibaraki Prefecture (茨城県) during the year ending 31 March 2016; and
 - (b) two new suburban halls in Fukushima Prefecture (福島県) and Ibaraki Prefecture (茨城県) during the year ending 31 March 2017.

See “Business — Strategies — Continue to leverage our strengths and expand our suburban halls network in Northeast Honshu (本州島東北) and to extend our leading market position” for details;

- (2) approximately HK\$22 million (equivalent to approximately ¥341 million) (being 8% of the net proceeds) to invest in our information technology system, namely to consolidate certain software systems into an advanced integrated software system, with improved data-analysis functions and increased efficiency in information sharing and communication among our various departments.

See “Business — Strategies — We will continue to invest in our information technology system” for details; and

- (3) approximately HK\$6 million (equivalent to approximately ¥85 million) (being 2% of the net proceeds) for working capital and other general corporate purposes of our Group.

If the final Offer Price is at the high-end of the indicative Offer Price range (being HK\$1.28 per Share), the net proceeds will increase by approximately HK\$26 million (equivalent to approximately ¥398 million). If the final Offer Price is at the low-end of the indicative Offer Price range (being HK\$1.10 per Share), the net proceeds will decrease by approximately HK\$26 million (equivalent to approximately ¥398 million). In such event, we will increase or decrease the intended use of the net proceeds for the above purpose on a pro-rata basis.

FUTURE PLANS AND USE OF PROCEEDS

If the Over-allotment Option is exercised in full, the net proceeds (after deducting underwriting fees and estimated expenses payable by us in relation to the Global Offering) will increase to approximately HK\$333 million (equivalent to approximately ¥5,049 million), assuming an Offer Price of HK\$1.19 per Share, being the mid-point of the proposed Offer Price range. If the Offer Price is set at the high-end or low-end of the proposed Offer Price range, the net proceeds, including the proceeds from the exercise of the Over-allotment Option, will increase or decrease by approximately HK\$30 million (equivalent to approximately ¥458 million), respectively. In such event, we will increase or decrease the allocation of the net proceeds to the above purposes on a pro-rata basis.

To the extent that the net proceeds are not immediately used for the above purposes and to the extent permitted by the relevant laws and regulations, we intend to deposit such net proceeds into interest-bearing bank accounts with licensed banks and/or financial institutions.

The application of the net proceeds as stated above are only current estimates and are subject to changes based on prevailing economic, market and business conditions. To the extent that the net proceeds are not immediately applied to the above purposes, we intend to deposit the proceeds in interest bearing bank accounts, such as short-term savings accounts or basic short-term money market funds, with licensed commercial banks and/or authorised financial institutions in Hong Kong and Japan.