

[Translation: Please note that the following purports to be an excerpt translation from the Japanese original Notice of the 88th Ordinary General Meeting of Shareholders of Mitsubishi Materials Corporation prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

Stock Code: 5711  
May 31, 2013

To Our Shareholders

Hiroshi Yao, President and Director  
**Mitsubishi Materials Corporation**  
3-2, Otemachi 1-chome, Chiyoda-ku, Tokyo

## **NOTICE OF THE 88TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 88th Ordinary General Meeting of Shareholders of Mitsubishi Materials Corporation (the “Company”) to be held as described below.

*<Note: Shareholders outside Japan shall vote through their standing proxies except as specifically described below.>*

If you are unable to attend the meeting, after reviewing the following documents entitled “Reference Materials for the General Meeting of Shareholders,” please exercise your voting rights by either procedure described below.

[Exercise of voting rights in writing]

Please indicate your vote of approval or disapproval on the enclosed Voting Card and return the card to the Company by 6:00pm, June 26 (Wednesday). (Please use the enclosed “Voting Card/Registration Security Sticker.”)

[Exercise of voting rights by electromagnetic method (through the Internet)]

*<Note: Voting via the Internet other than through the ICJ platform is only available for registered shareholders in Japan and in Japanese language only. The ICJ platform is an electronic voting platform for institutional investors via the ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s).>*

Yours truly,

If you are able to attend, please submit the enclosed Voting Card to the reception desk on the day of the meeting.

Thank you for your cooperation.

## Details

**1. Date and Time:** 10:00 am June 27, 2013 (Thursday) (The reception starts at 9:00 am)

**2. Place:** **Banquet Room “Fuyo”**  
The Main, Banquet Floor, Hotel New Otani  
4-1, Kioicho, Chiyoda-ku, Tokyo  
Please take note, the meeting will be held at a different venue this time.

### 3. Meeting Agenda:

***Matters to be Reported:***

- (1) Reports on the business reports, consolidated financial statements and audit results of the consolidated financial statements by the Accounting Auditors and the Board of Corporate Auditors for the 88th fiscal year (April 1, 2012 to March 31, 2013).
- (2) Reports on the financial statements for the 88th fiscal year (April 1, 2012 to March 31, 2013).

***Matters to be Resolved:***

**First Item of Business:** Election of Nine (9) Directors  
**Second Item of Business:** Election of One (1) Corporate Auditor  
**Third Item of Business:** Renewal of the Countermeasures to Large-Scale Acquisition of the Company’s Shares (Takeover Defense Measures)

### 4. Matters Concerning Exercise of Voting Rights

- (1) If there is no indication of approval or disapproval of any of the Items on the Voting Card, the Company will deem such Item as approved.
- (2) If you exercise your voting rights both by Voting Card and through the Internet, the Company will deem such through the Internet as valid.
- (3) If you exercise your voting rights more than once through the Internet, the Company will deem the last exercise valid.
- (4) If you wish to exercise your voting rights by proxy on the day of the meeting, you may appoint another single shareholder who has voting rights as your proxy. In such case, please submit a letter of proxy to the Company that certifies the authority of the shareholder acting as your proxy.

### 5. Items Posted on the Company’s Website

- (1) Notes on the consolidated financial statements and notes on the financial statements are posted on the Company’s website shown below in accordance

with the law and the Company's Articles of Incorporation. They are not included in the attached materials.

The Corporate Auditors and the Accounting Auditors have audited, as the consolidated financial statements and the financial statements, not only the respective documents which are stated in the attached materials but also notes on the consolidated financial statements and notes on the financial statements, which are posted on the Company's website.

- (2) If any amendment to the business reports, consolidated financial statements, financial statements, or to the Reference Materials for the General Meeting of Shareholders is required, the Company will give such notice by posting it on the Company's website below:

<http://www.mmc.co.jp/corporate/ja/03/04/04-index.html>

(Japanese language only)

\*From the current fiscal year, the existing method of sending written information on the contents of resolutions at the General Meeting of Shareholders (Notification of Resolutions at the General Meeting of Shareholders) will no longer be used. Instead, information will be listed on the Company's website listed above.

**First Item of Business: Election of Nine (9) Directors**

The term of office of all nine (9) Directors will expire at the close of this Ordinary General Meeting of Shareholders. It is hereby proposed that nine (9) Directors be elected.

The candidates for Directors are as follows:

	<b>Akihiko Ide</b> (born October 24, 1941) [Reappointed]	<u>Number of Company shares held</u> 326,000
1	<u>Personal history, Title and Position at the Company</u> Apr. 1965 Joined the Company Jun. 1997 Director; General Manager, General Affairs Dept. Jun. 2000 Managing Director Jun. 2002 Executive Vice President Jun. 2004 President Jun. 2010 Chairman (to present)	<u>Important position of other organization(s) concurrently assumed:</u> Director, Sakai Chemical Industry Co., Ltd.
	<u>Number/Rate of attendances at Board Meeting (FY2013)</u> General: 12/12 (100%) Extraordinary: 4/4 (100%)	
	<b>Hiroshi Yao</b> (born August 2, 1946) [Reappointed]	<u>Number of Company shares held</u> 186,000
2	<u>Personal history, Title and Position at the Company</u> Apr. 1969 Joined the Company Jun. 2004 Managing Director Jun. 2006 Executive Vice President; President, Universal Can Corporation Apr. 2008 President, Mitsubishi Aluminum Co., Ltd. Jun. 2010 President of the Company (to present)	<u>Responsible for:</u> General operation of the Company
	<u>Number/Rate of attendances at Board Meeting (FY2013)</u> General: 12/12 (100%) Extraordinary: 4/4 (100%)	

	<b>Toshinori Kato</b> (born November 5, 1950) [Reappointed]	<u>Number of Company shares held</u> 102,000
3	<u>Personal history, Title and Position at the Company</u> Apr. 1974 Joined the Company Apr. 2006 Senior Executive Officer; President, Metals Company Jun. 2008 Managing Director; President, Metals Company Jun. 2011 Executive Vice President; President, Metals Company Jun. 2012 Executive Vice President (to present)	<u>Responsible for:</u> Assistance to the President; Business Portfolio Strategy; Mineral Resources; Precious Metal Business; Aluminum Business
	<u>Number/Rate of attendances at Board Meeting (FY2013)</u> General: 12/12 (100%) Extraordinary: 4/4 (100%)	
	<b>Akira Takeuchi</b> (born December 4, 1954) [Reappointed]	<u>Number of Company shares held</u> 68,000
4	<u>Personal history, Title and Position at the Company</u> Apr. 1977 Joined the Company Jun. 2006 Executive Officer; General Manager, Legal & General Affairs Div. Apr. 2009 Senior Executive Officer; General Manager, Legal & General Affairs Div. Jun. 2009 Managing Director (to present)	<u>Responsible for:</u> Assistance to the President; General Affairs; Human Resources; Affiliated Corporations Business
	<u>Number/Rate of attendances at Board Meeting (FY2013)</u> General: 12/12 (100%) Extraordinary: 4/4 (100%)	
	<b>Toshimichi Fujii</b> (born March 4, 1954) [Reappointed]	<u>Number of Company shares held</u> 50,000
5	<u>Personal history, Title and Position at the Company</u> Apr. 1977 Joined Mitsubishi Mining & Cement Co., Ltd. Jun. 2007 Manager of Kyushu Plant of the Company Jun. 2009 Executive Officer; General Manager, Company Technology Div., Cement Company Jun. 2010 Managing Director, President, Cement Company (to present)	<u>Responsible for:</u> Assistance to the President; Civil Engineering and Construction Business; Procurement & Logistics <u>Important position of other organization(s) concurrently assumed:</u> Outside Director, P.S. Mitsubishi Construction Co., Ltd.
	<u>Number/Rate of attendances at Board Meeting (FY2013)</u> General: 12/12 (100%) Extraordinary: 4/4 (100%)	

6	<b>Akio Hamaji</b> (born July 13, 1954) [Reappointed]	<u>Number of Company shares held</u> 68,000
	<u>Personal history, Title and Position at the Company</u> Apr. 1979 Joined Mitsubishi Mining & Cement Co., Ltd. Jun. 2007 Executive Officer; General Manger, Corporate Planning Dept. of the Company Jun. 2009 Executive Officer; General Manger, Corporate Planning Div. Jun. 2010 Senior Executive Officer; General Manager, Corporate Planning Div. Apr. 2011 Senior Executive Officer; General Manger, Corporate Strategy Div. Jun. 2012 Managing Director (to present)	<u>Responsible for:</u> Assistance to the President; Corporate Communications & IR; Internal Audit; Finance & Accounting <u>Important position of other organization(s) concurrently assumed:</u> President, Materials' Finance Co., Ltd
	<u>Number/Rate of attendances at Board Meeting (FY2013)</u> General: 12/12 (100%) Extraordinary: 4/4 (100%)	
7	<b>Yukio Okamoto</b> (born November 23, 1945) [Independent Director] [Reappointed]	<u>Number of Company shares held</u> 117,000
	<u>Personal history, Title and Position at the Company</u> Apr. 1968 Joined the Ministry of Foreign Affairs of Japan (MOFA) Jan. 1991 Resigned from MOFA Mar. 1991 Representative Director, Okamoto Associates, Inc. (to present) Jun. 2000 Director of the Company (to present)	<u>Important position of other organization(s) concurrently assumed:</u> Representative Director, Okamoto Associates, Inc. Outside Director, Nippon Yusen Kabushiki Kaisha (NYK Line) Outside Corporate Auditor, Mitsubishi Motors Corporation
	<u>Number/Rate of attendances at Board Meeting (FY2013)</u> General: 12/12 (100%) Extraordinary: 4/4 (100%)	
8	<b>Masaru Aramaki</b> (born July 24, 1955) [Newly appointed]	<u>Number of Company shares held</u> 23,000
	<u>Personal history, Title and Position at the Company</u> Apr. 1979 Joined the Company Jun. 2006 General Manager, Corporate Communications & IR Dept. Jun. 2008 Assistant to the President, Advanced Materials & Tools Company Aug. 2008 President, Mitsubishi Materials U.S.A. Corp. Jun. 2011 Executive Officer; General Manager, Marketing Div. Jun. 2012 Senior Executive Officer; President, Electronic Materials & Components Company (to present)	

	<b>Osamu Iida</b> (born May 20, 1957) [Newly appointed]	<u>Number of Company shares held</u> 23,000
9	<u>Personal history, Title and Position at the Company</u> Apr. 1980 Joined the Company Jan. 2004 General Manager, Metallurgy Dept., Metals Company Jun. 2010 General Manager, Naoshima Smelter & Refinery Jun. 2011 Executive Officer; Vice President, Metals Company Apr. 2013 Senior Executive Officer; President, Metals Company (to present)	<u>Responsible for:</u> Corporate Production Engineering

Note 1: There are no special interests between any of the candidates and the Company.

Note 2: Mr. Yukio Okamoto is a candidate for appointment as an Outside Director.

Note 3: There is no business relationship between the Company and Okamoto Associates, Inc.

Note 4: There is a business relationship for the transportation of coal, etc., between the Company and NYK Line.

Note 5: There is a business relationship for the sale and purchase of goods between the Company and Mitsubishi Motors Corporation

Note 6: Special notes concerning the candidate for Outside Director are as follows:

- (1) Reasons for nominating Mr. Yukio Okamoto as a candidate for Outside Director and his term of office  
Mr. Yukio Okamoto is a specialist in international affairs and also has extensive knowledge in general management. The Company believes that he will be a competent Outside Director, and thus endorses his election to the position. At the close of this Ordinary General Meeting of Shareholders, Mr. Okamoto's term of office will be 13 years.
- (2) Violation of laws or the Articles of Incorporation or other improper conduct at another company in which the candidate has held office as a director, executive officer, or corporate auditor in the past five years  
In March 2011, it was revealed that the Mizushima and Powertrain plants of Mitsubishi Motors Corporation, of which Mr. Yukio Okamoto is an Outside Auditor, had been using certain facilities without filing the notifications required under environment-related legislation and regulations.  
Also, from September to December 2012, it was revealed that equipment that contains or may contain polychlorinated biphenyls (PCBs) was improperly disposed of at multiple locations of the same company.  
Mr. Okamoto was not involved in these matters, and has routinely advised that attention be paid to compliance with laws and regulations. Furthermore, since these matters came to light, Mr. Okamoto has worked hard to further reinforce that company's legal compliance system, including issuing instructions for conducting a thorough investigation and preventing a recurrence.
- (3) Limited Liability Agreement  
For the purposes of facilitating the appointment of valuable human resources, a provision of the Articles of Incorporation allows the Company to execute with Outside Directors agreements limiting liability for damages in accordance with Article 427, Paragraph 1 of the Companies Act. In accordance with the provision, the Company has executed a limited liability agreement with Mr. Yukio Okamoto as described below. If this item of business is approved and resolved and Mr. Okamoto assumes the position of Outside Director, such limited liability agreement will continue to be effective.  
With respect to liability as described in Article 423, Paragraph 1 of the Companies Act, if the Outside Director performs his duty in good faith and without gross negligence, the Outside Director shall be liable to the Company for damages only to the extent of minimum liability as set out in Article 425, Paragraph 1 of the Companies Act. The Company shall indemnify the Outside Director for damages in excess of the amount of above minimum liability.



Note 7: The Company has notified the Tokyo Stock Exchange, Inc., and the Osaka Securities Exchange Co., Ltd. that Mr. Yukio Okamoto is an Independent Director (an Outside Director with no conflict of interest with general shareholders) in accordance with their respective regulations.

**Second Item of Business: Election of One (1) Corporate Auditor**

Mr. Hiroshi Kanemoto will resign as Corporate Auditor at the close of this Ordinary General Meeting of Shareholders. It is hereby proposed that one (1) Corporate Auditor be elected.

The Company has obtained the consent of the Board of Corporate Auditors on this Item of Business.

The candidate for Corporate Auditor is as follows:

<b>Toshikazu Murai</b> (born 15 April, 1951) [Newly appointed]	<u>Number of Company shares held</u> 160,012
<u>Personal history, Title and Position at the Company</u> Apr. 1975 Joined the Company Apr. 2008 Executive Officer; General Manger, Cemented Carbide Products Business Div, Advanced Materials & Tools Company Jun. 2009 Executive Officer; Vice President, Advanced Materials & Tools Company Jun. 2010 Senior Executive Officer; President, Advanced Materials & Tools Company Jun. 2012 Managing Director; President, Advanced Materials & Tools Company Apr. 2013 Director (to present)	

Note: There are no special interests between Mr. Toshikazu Murai and the Company.

### **Third Item of Business: Renewal of the Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)**

At the 82<sup>nd</sup> Ordinary General Meeting of Shareholders, convened June 28, 2007, the Company obtained the consent of shareholders to introduce the Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures) (hereinafter referred to as "the anti-takeover plan"). Later, at the 85<sup>th</sup> Ordinary General Meeting of Shareholders, convened June 29, 2010, the Company obtained shareholders' consent to renew the anti-takeover plan with revisions of some of its provisions (the revised version of the anti-takeover plan shall hereinafter be referred to as the "current anti-takeover plan"). The current anti-takeover plan expires as of the close of this Ordinary General Meeting of Shareholders.

With the current anti-takeover plan expiring, the Company has been considering the question of updating the current anti-takeover plan, including the question of whether to renew the plan at all, in consideration of trends in the business concerning an anti-takeover plan after its introduction. As a result of these deliberations, the Company has judged that continuation of the plan is necessary to protect and enhance corporate value, shareholder's common interests, and thus medium-to-long-term shareholder value (these values are hereinafter collectively referred to as "medium-to-long-term shareholder value"). As such, at the meeting of the Board of Directors, convened May 10, 2013, based on the Company's basic policy with respect to persons controlling the Company's policy decisions on finances and operations (as stipulated in Article 118, Item 3 of the enforcement regulations of the Companies Act; hereinafter referred to as "the Basic Policy"), the Company decided to conduct a renewal of the current anti-takeover plan (hereinafter referred to as "the Renewal"), incorporating partial revisions, subject to the consent of shareholders at this Ordinary General Meeting of Shareholders. The revised anti-takeover plan shall hereinafter be referred to as "the new anti-takeover plan."

As such, the Directors ask shareholders to approve the Renewal. If approved, the new anti-takeover plan will be effective until the conclusion of the 91<sup>st</sup> Ordinary General Meeting of Shareholders, scheduled to convene on June 2016.

The main change to the current anti-takeover plan is that the new anti-takeover plan will not be changed until it expires, except for formal changes due to revisions of the relevant laws and regulations and the like. This is to respect the consent of shareholders at this Ordinary General Meeting of Shareholders.

#### **1. Objectives of the New Anti-Takeover Plan**

Control over the Company is in principle to be determined by free-market transactions in the shares of the Company. Judgments as to whether to respond to proposals for large-scale share acquisition of the Company's shares (here and below, as defined in 3. (1) (a) below) must in principle respect the free will of all individual shareholders.

However, there can be large-scale share acquisition which may be considered contrary to medium-to-long-term shareholder value in that they may significantly harm medium-to-long-term shareholder value, effectively compel shareholders to sell their shares, fail to offer the Board of Directors of the Company

enough time and information to present a substitute proposal to shareholders, or include a necessity for negotiation with acquirers for more favorable trade terms. Moreover, the Company is striving to create value as a complex business group. Any large-scale share acquirer of the Company's shares must correctly recognize the business environment in which the Company operates, understand the sources of the Company's enterprise value, and protect and enhance that value over the medium-to-long term. Failure to do so may damage medium-to-long-term shareholder value.

Needless to say, shareholders have the freedom to decide their own investment activities, and that right must be respected. In the Company's view, however, the current system of tender offer in Japan does not provide the necessary time and procedures for shareholders to decide whether to agree to a large-scale share acquisition, opening the possibility of damage to medium-to-long-term shareholder value.

For the above reasons, the Board of Directors had decided to renew the current anti-takeover plan with certain revisions, to protect and enhance medium-to-long-term shareholder value.

The possibility of arbitrary countermeasures by the Board of Directors must be excluded. In accordance with the Independent Committee Regulations (please refer to Appendix 1 for an overview), an Independent Committee is established, consisting solely of persons independent from the management team responsible for executing the operations of the Company. The Board of Directors respects to the maximum degree the recommendations of the Independent Committee. Also, to ensure transparency, information is disclosed to shareholders in a timely manner. For the names and brief curricula vitae of the members of the Independent Committee at the Renewal, please refer to Appendix 2.

A list of current major shareholders in the Company and their details as of March 31, 2013 can be found in Appendix 3. At this time the Company is not aware of any moves to make large-scale share acquisition of the Company's shares, nor is it aware of receiving any proposals for the same.

## 2. Basic Policy on the New Anti-takeover Plan

To protect and enhance medium-to-long-term shareholder value, the Company has established procedures that must be strictly followed by any persons making or attempting to make large-scale share acquisition of the Company's shares, as described below. The details of the new anti-takeover plan are published in a timely manner by the Tokyo Stock Exchange, Inc. (TSE), in the business reports and other disclosure documents of the Company, and on the Company's website. The Company warns persons making or attempting to make large-scale share acquisition of the Company's shares that such persons must strictly follow certain procedures; that in certain cases the Company may take countermeasures against such efforts; and in certain cases the Company will take countermeasures against such efforts. This is the Company's Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures).

### 3. Details of the New Anti-takeover Plan

#### (1) Procedures for the New Anti-takeover Plan

##### (a) Large-scale share acquisition, etc. subject to the new anti-takeover plan

The new anti-takeover plan is applicable whenever a large-scale share acquisition of the Company's shares or similar action (hereinafter referred to as "a large-scale share acquisition"), corresponding to ① or ② below, is initiated (unless approved in advance by the Board of Directors). A person who initiates or attempts to initiate a large-scale share acquisition (hereinafter referred to as a "acquirer") must first complete the procedures stipulated in the new anti-takeover plan.

- ① Acquisition of outstanding shares issued by the Company<sup>1</sup> ending holdings<sup>2</sup> of 20% or more by keepers of shares<sup>3</sup>
- ② Acquisition by the tender offer that causes the holdings<sup>4</sup> by the tender offer<sup>5</sup> of a acquirer and special related persons<sup>6</sup> of that acquirer to total 20% or more of shares issued by the Company<sup>7</sup>

##### (b) Submission of letter of intent to the Company

Before executing a large-scale share acquisition, a acquirer must submit to the Board of Directors a written declaration in Japanese, in the format stipulated by the Company, stating that the acquirer will comply strictly with the procedures stipulated in the new anti-takeover plan (hereinafter referred to as a "letter of intent").

An overview of the content of the letter of intent is as follows.

- (i) Overview of the acquirer<sup>8</sup>
- (ii) The number of the Company's shares currently held by the acquirer, and all transactions in the Company's shares over the 60-day period before submission of the letter of intent
- (iii) Overview of the large-scale share acquisition proposed by the acquirer<sup>9</sup>

##### (c) Submission of information

When a acquirer submits a letter of intent as in (b) above, the acquirer must provide the Company with sufficient information in Japanese, to enable shareholders to judge the large-scale share acquisition, using the procedure described below (hereinafter referred to as the "necessary information").

First, within 10 business days<sup>10</sup> of submission of the letter of intent (not counting the first day), the Company sends the acquirer an "information list," which describes the information that must be supplied in the original submission. The acquirer then provides the Company with sufficient information in accordance with the information list.

If the Board of Directors duly judges that the information provided by the acquirer in accordance with the information list is not sufficient to enable shareholders to judge the content and aspects of the large-scale share acquisition, and to the Board of Directors to evaluate and examine it, the Board of Directors may separately request that the acquirer provide additional information.

The Board of Directors requests that the acquirer submit the necessary information and establishes a 60-day period from the date the request is sent (not counting the first day) as the period in which the acquirer must submit the information (hereinafter referred to as the "information submission request period"). When the information submission request period has ended, the Board of Directors' evaluation period (here and hereinafter, defined in (e) below) begins. However, if the acquirer requests an extension based on a reasonable cause, the information submission request period may be extended up to a maximum of 30 days (not counting the first day) as necessary. Alternatively, if the Board of Directors

judges that the information already submitted by the acquirer satisfies the requirements of the necessary information, the Board of Directors may immediately end the information submission request period and begin the Board of Directors' evaluation period, even before the information submission request period expires. Also, the Board of Directors may set a different period within which to submit the necessary information, according to circumstances or need.

Regardless of the details and aspects of the large-scale share acquisition, in principle each of the information items listed below is included in the information list.

- ① Details<sup>11</sup> about the acquirer and the acquirer's corporate group (in the case of joint keepers<sup>12</sup>, special related persons and funds, including union members and other members)
- ② The purpose (detailed description of the purpose listed in the letter of intent), methods and details<sup>13</sup> of the large-scale share acquisition
- ③ Basis of calculation<sup>14</sup> of the price of the large-scale share acquisition
- ④ Sources of funds<sup>15</sup> for the large-scale share acquisition
- ⑤ Existence of any notification of intent with respect to the large-scale share acquisition to any third parties, details of that notification, and an overview of said third parties
- ⑥ Detailed information on any loan agreements, collateral agreements, sell-back agreements, agreements to sell or other important agreements or decisions with respect to shares held by the acquirer (hereinafter referred to as "collateral and/or other agreements"), including types of agreements, counterparties to agreements, and number of shares affected by such agreements, if any
- ⑦ Detailed information on any plans to agree with any third parties to form collateral and/or other agreements with respect to the Company's shares that the acquirer intends to acquire through the large-scale share acquisition, including types of agreements, counterparties to agreements, and number of shares affected by such agreements
- ⑧ The Company or Group management policies, operating plans, capital policies and dividend policies to be introduced after the large-scale share acquisition
- ⑨ Policies to be introduced after the large-scale share acquisition with respect to treatment of stakeholders, including the Company employees, labor unions, business partners, customers and regional communities
- ⑩ Specific measures to avoid conflicts of interest with other shareholders

(d) Disclosure

The Company discloses the fact of any proposals for large-scale share acquisition by acquirers, along with overviews of those proposals. Also, if the overview of the necessary information and other information includes information the Company deems necessary for shareholders to judge said proposals, the Company discloses said information with timing it deems appropriate.

If the Board of Directors deems that the necessary information submitted by the acquirer is sufficient, the Board of Directors promptly provides notification of that judgment to the acquirer (hereinafter referred to as “notice of completed information”) and discloses said notification.

(e) Setting of Board of Director’s evaluation period

After the Board of Directors has provided the notice of completed information, or after the information submission request period expires, the Board of Directors begins evaluation and examination of the large-scale share acquisition. The period in which the Board of Directors evaluates, examines, negotiates about, forms opinions about and/or submits an alternative proposal (hereinafter referred to as the “Board of Directors’ evaluation period”) consists of period ① or ② below (in each case, not counting the first day).

① Maximum of 60 days in the case of a tender offer acquisition of all the Company’s shares using cash only (denominated in Japanese yen)

② Maximum of 90 days in the case of all other large-scale share acquisition

Notwithstanding the above maximums, in either of cases ① and ② above, the Board of Directors’ evaluation period may be extended if the Board of Directors deems such extension necessary, or if the Board of Directors receives a recommendation to extend from an Independent Committee. In this case, the acquirer shall be notified of the specific period of extension and reason for extension, and the matter shall be disclosed to shareholders. Also, said extension shall not exceed 30 days (not counting the first day).

During the Board of Directors’ evaluation period, the Board of Directors fully evaluates and examines the necessary information submitted by the acquirer, while retaining if necessary the counsel of an appropriate outside specialist or other advisor. The Board of Directors carefully forms an opinion from the perspective of protecting and enhancing medium-to-long-term shareholder value and notifies the acquirer of its opinion, while disclosing said opinion to shareholders in an appropriate and timely manner. If necessary, the Board of Directors may negotiate with the acquirer regarding conditions and methods of the large-scale share acquisition, and may submit an alternative proposal to the shareholders.

(f) Consulting with the Independent Committee

If the acquirer fails to comply strictly with the procedures stipulated in (b) through (e) above and (j) below, or if the large-scale share acquisition by the acquirer is judged to be significantly detrimental to medium-to-long-term shareholder value, the Board of Directors may judge, from the point of view of protecting and enhancing medium-to-long-term shareholder value, that countermeasures are appropriate. In such a case, the Board of Directors consults with the Independent Committee regarding whether or not to initiate countermeasures.

(g) Recommendations of the Independent Committee on initiating countermeasures

If the Board of Directors has inquiries for the Independent Committee regarding whether or not to initiate countermeasures, the Independent Committee follows the procedures below to offer the Board of Directors its recommendation on this question. The Independent Committee can, at the Company's expense, obtain advice from third parties independent of the management team responsible for the execution of the Company's operations (including investment banks, securities firms, financial advisers, certified public accountants, lawyers, consultants and other specialists). If the course of action the Independent Committee recommends to the Board of Directors corresponds to either ① or ② below, the Board of Directors promptly discloses the fact of the recommendation, an overview of it, and other information as it judges appropriate.

① The Independent Committee recommends initiating countermeasures

If the acquirer fails to comply strictly with the procedures stipulated in (b) through (e) above and (j) below, or if the large-scale share acquisition by the acquirer is judged to be significantly detrimental to medium-to-long-term shareholder value, the Independent Committee will recommend that the Board of Directors initiate countermeasures. The large-scale share acquisition will be deemed significantly detrimental to medium-to-long-term shareholder value, in principle, if the acquisition is judged to conform, or is reasonably suspected to conform, to any of the patterns listed in Appendix 4.

② The Independent Committee recommends not initiating countermeasures

Except as stipulated in ① above, the Independent Committee shall recommend that no countermeasures be initiated.

(h) Decision of the Board of Directors

The Board of Directors will respect the recommendations of the Independent Committee in (g) above to the maximum degree, drawing on the recommendations of the Independent Committee to decide whether to initiate countermeasures from the perspective of protecting and enhancing medium-to-long-term shareholder value.

When reaching this decision, whether its decision is to initiate countermeasures or not to do so, the Board of Directors discloses an overview of its decision and other information as it deems appropriate.

(i) Convening of general meeting of shareholders to confirm intent

In either of the cases below, unless extraordinary circumstances render it difficult or impossible to convene a general meeting of shareholders, the Board of Directors convenes a general meeting of shareholders as soon as practicable, to table a resolution on the initiation of countermeasures (hereinafter the general meeting of shareholders in this case is referred to as a "general meeting of shareholders to confirm intent").

① When the Independent Committee offers its recommendation regarding the initiation of countermeasures, the Independent Committee makes it a condition to obtain the prior approval of the general meeting of shareholders.

② The Board of Directors judges that it is appropriate to confirm the intent of shareholders.

The Board of Directors decides whether or not to initiate countermeasures in accordance with the decision of the general meeting of shareholders to confirm intent.

(j) Timing of start of large-scale share acquisition



If the Board of Directors decides to convene the general meeting of shareholders to confirm intent, the acquirer may not begin the large-scale share acquisition until the Board of Directors has reached a decision on initiating countermeasures based on the decision of the general meeting of shareholders to confirm intent. If the general meeting of shareholders to confirm intent is not convened, the acquirer may only begin the large-scale share acquisition after the Board of Directors' evaluation period is complete.

(k) Cancellation or withdrawal of countermeasures

Even if the Board of Directors decides to initiate countermeasures according to the procedures in (h) or (i) above, the Board of Directors shall consult with the Independent Committee regarding the withdrawal of countermeasures in the following cases.

- ① The acquirer cancels or withdraws the large-scale share acquisition.
- ② The circumstances on which the decision to initiate countermeasures or not is based have changed, and the maintenance of countermeasures is not appropriate from the perspective of protecting and enhancing medium-to-long-term shareholder value.

Based on inquiries from the Board of Directors, the Independent Committee examines whether or not to maintain countermeasures and submits its recommendations to the Board of Directors. The Board of Directors promptly discloses this recommendation in accordance with the recommendation in (g) above.

The Board of Directors respects the recommendations of the Independent Committee to the maximum degree. If the Board of Directors judges, drawing on the recommendations of the Independent Committee, that maintaining countermeasures is not appropriate from the perspective of protecting and enhancing medium-to-long-term shareholder value, the Board of Directors will cancel or withdraw the initiated countermeasures and promptly disclose that fact.

(2) Specific Details of Countermeasures in the New Anti-takeover Plan

In principle the countermeasures initiated by the Board of Directors based on the decisions described in (1) (h) and (i) consist of the allotment of share options (hereinafter referred to as "the share options") without contribution. However, if it judges that it is appropriate to initiate other countermeasures as recognized under the Companies Act and other laws and regulations, as well as under the Articles of Incorporation, the Board of Directors may use other countermeasures as appropriate.

An overview of the allotment of the share options without contribution is provided in Appendix 5.

Also, to ensure flexibility in initiating countermeasures by means of the allotment of the share options without contribution, the Board of Directors plans to register the issue of the share options.

### (3) Effective Term, Abolition and Change of the New Anti-takeover Plan

The new anti-takeover plan is effective until the conclusion of the 91<sup>st</sup> Ordinary General Meeting of Shareholders, scheduled for June 2016.

In the following cases, however, the new anti-takeover plan will be abolished before the effective term expires.

- ① A motion to abolish the new anti-takeover plan is approved at a general meeting of shareholders.
- ② The Board of Directors decides to abolish the new anti-takeover plan.

Also, in the event of formal events such as the revision of relevant laws and regulations, the new anti-takeover plan may be changed, if such change does not violate the Basic Policy.

After 2014, the question of whether to continue, abolish or change the new anti-takeover plan shall be decided at the first meetings of the Board of Directors after the close of annual ordinary general meetings of shareholders.

If the new anti-takeover plan is abolished, the Company will promptly disclose the abolition and other information as deemed appropriate by the Board of Directors, in accordance with the appropriate laws and regulations and the regulations of the securities exchanges.

### 4. Reasonableness of the New Anti-takeover Plan

#### (1) The new anti-takeover plan satisfies all policies and other requirements for anti-takeover plans.

The new anti-takeover plan fully satisfies the three principles stipulated in *Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholder's Common Interests*, published jointly on May 27, 2005 by the Ministry of Economy, Trade and Industry (METI) and Ministry of Justice (MOJ). These three principles are; protecting and enhancing corporate value and the interests of shareholders as a whole; prior disclosure and shareholder's will; and ensuring the necessity and reasonableness. The new anti-takeover plan also takes into account, and is reasonable in view of, the information on various practical duties and controversies regarding anti-takeover plans including *State of Anti-takeover Plans in View of Recent Changes in the Business Environment*, published June 30, 2008 by the Corporate Value Study Group within METI. Furthermore, the new anti-takeover plan conforms to the regulations of both the TSE and the Osaka Securities Exchange Co., Ltd. (OSE).

#### (2) The purpose of the new anti-takeover plan is to protect and enhance medium-to-long-term shareholder value.

The new anti-takeover plan is to protect and enhance medium-to-long-term shareholder value, in that, as stated in 1 above, when a move to effect a large-scale share acquisition of the Company's shares occurs, the new anti-takeover plan secures the necessary information and time to enable shareholders to judge whether to respond to the bid for large-scale share acquisition and the Board of Directors to table an alternative proposal, and that the new anti-takeover plan also enables the Board of Directors to negotiate over the acquisition for shareholders.

(3) The new anti-takeover plan respects the shareholder's intent.

To confirm the intent of shareholders regarding the Renewal, the Company's renewal of the anti-takeover plan is subject to approval by shareholders at the general meeting of shareholders.

Also, in certain cases, the Board of Directors will confirm the intent of shareholders regarding whether or not to initiate the countermeasures specified in the new anti-takeover plan, at a general meeting of shareholders to confirm intent.

Moreover, the new anti-takeover plan is effective until the conclusion of the 91<sup>st</sup> Ordinary General Meeting of Shareholders, scheduled for June 2016. Moreover even before the expiration, as stated in 3 (3) above, the new anti-takeover plan will be abolished immediately if the general meeting of shareholders approves a motion to abolish the new anti-takeover plan.

In addition, the term of office of the Directors of the Company is one year. As such, the intent of shareholders may be solicited through the election of the Directors, even during the effective term of the new anti-takeover plan.

For all the above reasons, the framework under which the new anti-takeover plan is implemented well reflects the intent of shareholders regarding the introduction or abolition of the new anti-takeover plan.

(4) Disclosure and careful attention to the judgment of highly independent outside parties

The Independent Committee consists of at least three members, appointed from a slate of outside directors, outside auditors and outside experts. All of these committee members are independent from the management team that executes the operations of the Company.

The Company discloses to shareholders overviews of the judgments of the Independent Committee as necessary. To ensure that the new anti-takeover plan supports medium-to-long-term shareholder value, the Company establishes a framework for transparent operation of the new anti-takeover plan.

(5) Setting of reasonable and objective conditions for initiation of countermeasures

As stated in 3 (1) (g), (h) and (i) above, the new anti-takeover plan is designed so that countermeasures will not be initiated unless certain reasonable and objective conditions are fully met in order to prevent arbitrary initiation of countermeasures by the Board of Directors.

(6) The new anti-takeover plan is not a "dead-hand" or "slow-hand" anti-takeover plan.

As stated in 3 (3) above, the new anti-takeover plan can be abolished at any time by the Board of Directors, which consists of directors appointed at the general meeting of shareholders. As such, the new anti-takeover plan does not constitute a "dead-hand" anti-takeover plan<sup>16</sup>. Similarly, because the term of office of each director is one year, the new anti-takeover plan does not constitute a "slow-hand" anti-takeover plan<sup>17</sup>.

## 5. Impact on Shareholders and Investors

### (1) Impact on shareholders and investors at the time of the Renewal

The Renewal does not by itself trigger the issue of the share options. As such, the new anti-takeover plan has no direct, tangible impact on the legal rights and economic interests of shareholders and investors with respect to the Company's shares at the time of its introduction.

### (2) Impact on shareholders and investors at the time of the allotment of the share options without contribution

If the Board of Directors decides to initiate countermeasures, resulting in the allotment of the share options without contribution, the share options are allotted without contribution (free of charge) to shareholders listed or registered in the shareholder registry on that date, at a ratio of one share option per share in each shareholder's holdings. As a result of this arrangement, if the allotment of the share options without contribution is executed, the economic value of each share held by shareholders and investors is diluted, but the overall share value of each shareholder and investor is not diluted. Moreover, voting rights per share are not diluted. As such, the new anti-takeover plan has no direct, tangible impact on the legal rights and economic interests of shareholders and investors with respect to the Company's shares.

Even if the Board of Directors decides to execute the allotment of the share options without contribution, if the Board of Directors decides to cancel or withdraw the countermeasures according to the procedure described in 3 (1) (k) above, the economic value of each share held by shareholders and investors is not diluted. For this reason, shareholders and investors who trade in the Company's shares on the assumption that their value per share will be diluted may find that they incur a loss due to share-price fluctuation.

If the exercise or acquisition of the share options imposed disadvantageous conditions on the acquirer, said exercise or acquisition would be expected to dilute the legal rights of the acquirer. However, even in this case, the exercise or acquisition of the share options imposes no direct, tangible impact on the legal rights and economic interests of shareholders and investors in the Company's shares, other than those of the acquirer.

### (3) Procedures required of shareholders to receive the allotment of the share options without contribution

If the Board of Directors decides to execute the allotment of the share options without contribution, the Board of Directors will specify and publish the date of the allotment.

All shareholders listed or registered in the final shareholder register on the date of allotment will of course hold the right to subscribe to new shares on the date when the allotment of the share options without contribution is executed. No application or request procedures are required.

Shareholders may be required to exercise the share options within a specified period of time to acquire the new shares (a fee will be payable at that time).

The Board of Directors will disclose and notify shareholders in a timely and appropriate manner the details regarding the method of allotment, method of execution, the method by which the Company acquires the shares, and other matters, based on the appropriate laws and regulations and the regulations of the securities exchanges, after the Board of Directors has reached a decision regarding the allotment of the share options without contribution.

## Notes

1. As defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. The same applies below unless separately specified otherwise. In the case of revisions to the laws and regulations referenced in the new anti-takeover plan (including the enactment of changes to the names of laws and regulations and new laws and regulations to succeed the old), each article of the laws and regulations referenced in the new anti-takeover plan, unless separately determined otherwise by the Board of Directors, shall be replaced with the

- wording of the laws and regulations that effectively succeed them.
2. Here and below, as defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act.
  3. Refers to keepers as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. This includes keepers based on Paragraph 3 of the same Article.
  4. Here and below, as defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act.
  5. Here and below, as defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act.
  6. Here and below: Refers to a “special related person” as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act. Regarding the persons as described in Item 1 of this paragraph, however, the persons stipulated in Article 3, Paragraph 2 of the Cabinet Order on Disclosure of Tender Offer of Shares by Persons Other than the Issuer are excluded.
  7. As defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act.
  8. Includes 1) name and address, 2) name and position of representative, 3) purpose and operations of company or enterprise, 4) overview of major shareholders and investors (top 10 in terms of shareholdings or share of investment), 5) contact information in Japan, and 6) laws on whose basis the company was founded.
  9. Includes type and number of shares the acquirer is expected to acquire in the large-scale share acquisition, and the purpose of the large-scale share acquisition (nature and description of purpose, including but not limited to acquisition of controlling rights, participation in management, pure investment, investment for policy purposes, transfer to a third party after completion of the large-scale share acquisition or execution of major proposals (“Execution of major proposals” as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Enforcement Orders of the Financial Instruments and Exchange Act and Article 16 of the Cabinet Order on Disclosure of the Status of Major Shareholdings). If multiple purposes exist, all purposes must be listed.).
  10. A “business day” is a day other than as described in each item of Article 1, Paragraph 1 of the Law on Holidays for Administrative Organizations.
  11. Includes company history, full company name, capital structure, details of operations, financial details, and names and curricula vitae of directors.
  12. Here and below, refers to a “joint keeper” as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, and includes persons deemed joint keepers based on Paragraph 6 of the same Article.
  13. Includes types and amounts of considerations in the large-scale share acquisition, timing of large-scale share acquisition, framework of related transactions, method and legality of large-scale share acquisition, and practical feasibility of the large-scale share acquisition.
  14. Includes assumptions in and methods of calculation, numerical data used in calculation, synergies expected to be realized as a result of transactions arising from the large-scale share acquisition, synergies expected to accrue to minority shareholders, names of any third parties whose opinions are sought in calculation, overviews of said opinions, and the process of deciding amounts in view of those opinions.
  15. Full names of providers of funds (including effective providers of funds), fundraising methods and details of related transactions.
  16. Refers to an anti-takeover measure whose initiation cannot be obstructed even if the majority of the members of the Board of Directors are replaced.
  17. Refers to an anti-takeover measure whose initiation requires a great deal of time to obstruct, because the entire Board of Directors cannot be replaced at once.

## Overview of the Independent Committee Regulations

1. The Independent Committee is established as an advisory body to the Board of Directors. Its purpose is to overcome arbitrary judgments by the Board of Directors with respect to the initiation of countermeasures against large-scale share acquisition, and to guarantee the objectivity and reasonableness of the Board of Directors' judgments and responses.
2. The Independent Committee consists of at least three members (hereinafter referred to as "the Independent Committee members"). The Independent Committee members are appointed based on the decisions of the Board of Directors, from among any of the following persons who are independent from the management team that executes the operations of the Company: (1) outside directors, (2) outside corporate auditors and (3) outside experts (experienced business managers, former employees of government offices, lawyers, certified public accountants, other persons of learning and experience, and others commensurate with the above). The Company concludes an agreement with each of the Independent Committee members, which includes provisions on due diligence and confidentiality.
3. The term of office of the Independent Committee members shall be from the date of appointment to the date of conclusion of the ordinary general meeting of shareholders concerning the last fiscal year ending within one (1) year from the date of appointment, or a term separately agreed between each Independent Committee member and the Company. However, different provisions may be made by the decision of the Board of Directors.
4. The Independent Committee is convened by the representative director of the Company or each Independent Committee member.
5. The chair of the Independent Committee shall be appointed by mutual election of the Independent Committee members.
6. In principle, the decisions of the Independent Committee are made by majority vote of all Independent Committee members. However, in the event of accident or illness to an Independent Committee member or other extenuating circumstance, the decisions of the Independent Committee are made by majority vote of Independent Committee members present, if a majority of Independent Committee members are present.
7. Based on inquiries from the Board of Directors, the Independent Committee deliberates with respect to each of the items listed below, reaches a decision, and makes recommendations to the Board of Directors, indicating its decision and the reasons for that decision.
  - (1) Whether or not to initiate the countermeasures in the new anti-takeover plan (including judgment of whether or not the large-scale share acquisition is significantly detrimental to medium-to-long-term shareholder value and whether to convene the general meeting of shareholders to confirm intent)
  - (2) Whether to cancel or withdraw the countermeasures provided in the new anti-takeover plan
  - (3) Whether to abolish or change the new anti-takeover plan

- (4) Whether to extend the Board of Directors' evaluation period
- (5) Such other matters on which the Board of Directors may choose to inquire with the Independent Committee with respect to the new anti-takeover plan

Each Independent Committee member must participate in the deliberations and decisions of the Independent Committee solely from the perspective of whether or not the matter in question is beneficial to medium-to-long-term shareholder value. In participating in the Independent Committee, Independent Committee members must not seek their own gain or the personal gain of a member or members of the management team of the Company.

- 8. The Independent Committee can as necessary summon Directors, Corporate Auditors, employees or other persons the Independent Committee deems necessary, to request opinions or explanations regarding items of inquiry.
- 9. The Independent Committee can, at the Company's expense, obtain advice from third parties independent of the management team responsible for the execution of the Company's operations (including investment banks, securities firms, financial advisers, certified public accountants, lawyers, consultants and other specialists) in the execution of its duties.

Personal History of Independent Committee Members

There are four (4) initial Independent Committee members for the new anti-takeover plan as follows:

Yukio Okamoto

November 23, 1945

Outside Director of the Company

[Personal history]

Apr. 1968	Joined the Ministry of Foreign Affairs of Japan (MOFA)
Aug. 1985	Manager, Security Division, North American Affairs Bureau, MOFA
Jul. 1988	Manager, First North America Division, North American Affairs Bureau, MOFA
Jan. 1991	Resigned from MOFA
Mar. 1991	Representative Director, Okamoto Associates, Inc. (to present)
Jun. 2000	Director of the Company (to present)
Jun. 2006	Outside Corporate Auditor, Mitsubishi Motors Corporation (to present)
Jun. 2008	Outside Director, Nippon Yusen Kabushiki Kaisha (NYK Line) (to present)

\* Mr. Yukio Okamoto is an Outside Director as defined in the Companies Act, Article 2, Item 15.

\* Mr. Okamoto meets the requirements as an independent director stipulated by Tokyo Stock Exchange Inc. and Osaka Securities Exchange Co., Ltd.

\* There are no special interests between Mr. Okamoto and the Company.



Akihiko Minato

October 16, 1953

Outside Corporate Auditor (Standing)

[Personal history]

Apr. 1976            Joined the Mitsubishi Bank, Ltd. (Current, The Bank of Tokyo-Mitsubishi UFJ, Ltd.)

May 2007            Senior Executive Officer, the Mitsubishi Bank, Ltd.

Jun. 2009            President, Marunouchi Yorozu Corporation

Outside Corporate Auditor, The NANTO BANK, LTD. (to present)

Jun. 2010            Executive Vice President, Mitsubishi UFJ Research and Consulting Co., Ltd.

Jun. 2012            Outside Corporate Auditor (Standing) of the Company (to present)

\* Mr. Akihito Minato is an Outside Corporate Auditor as defined in the Companies Act, Article 2, Item 16.

\* Mr. Minato meets the requirements as an independent auditor stipulated by Tokyo Stock Exchange Inc. and Osaka Securities Exchange Co., Ltd.

\* There are no special interests between Mr. Minato and the Company.

Masakazu Iwakura

December 2, 1962

Partner lawyer of Nishimura & Asahi LPC

[Personal history]

Apr. 1987	Registered Daiichi Tokyo Bar Association Joined Nishimura Law Office (later Nishimura & Asahi LPC)
Apr. 1992	Instructor at Rikkyo University
Sep. 1993	Worked at Debevoise & Plimpton LLP (New York)
Feb. 1994	Admitted to the bar, New York State Bar Association
Aug. 1994	Worked at Arnold & Porter LLP (Washington D.C.)
Jan. 1996	Partner lawyer of Nishimura Law Office (later Nishimura & Asahi LPC) (to present)
Apr. 2004	Instructor at Law School of Hitotsubashi University (to present)
Apr. 2005	Instructor of Graduate School of Law, Kyoto University
Jun. 2005	Outside Auditor of Kakaku.com, Inc
Apr. 2006	Professor at Graduate School of International Corporate Strategy at Hitotsubashi University (to present)
Jun. 2006	Outside Director of Fancel Corporation
Apr. 2007	Visiting Professor at Law School of Harvard University
Jan. 2008	Outside Corporate Auditor of Kakaku.com Financial, Inc.
Jun. 2009	Outside Director of Kakaku.com, Inc
Mar. 2010	Outside Corporate Auditor of GMO Internet, Inc. (to present)
Jun. 2010	Outside Director of Nidec Corporation
Jun. 2011	Outside Corporate Auditor of Imperial Hotel, Ltd. (to present)
Jul. 2012	Outside Director of Cookpad Inc. (to present)

\* There are no special interests between Mr. Masakazu Iwakura and the Company.

\* The Company has not executed a contract with the law office which Mr. Iwakura belongs making the latter the Company's legal adviser.

Saburo Horiuchi

January 14, 1945

Certified public accountant

[Personal history]

Apr. 1969	Joined Shimada Accounting
Jan. 1971	Joined auditing firm Wako & Co.
Oct. 1972	Registered as a certified public accountant
May 1985	Member of Shinwa Auditing Firm (Current, KPMG AZSA LLC.)
May 1993	Partner of auditing firm Asahi Shinwa & Co. (Current, KPMG AZSA LLC.)
May 2001	Head Office Director, Asahi & Co. (Current, KPMG AZSA LLC.)
May 2003	Managing Director, Asahi & Co.
Jun. 2004	Retired at Asahi & Co.
Jun. 2004	Part time engagement, Finance & Accounting Div. of the Company
Nov. 2004	Outside Corporate Auditor of Sanei-International Co., Ltd (to present)
Jul. 2006	Outside Director of Meiji Yasuda Life Insurance Company (to present)
Mar. 2007	Discharged part time engagement, Finance & Accounting Div. of the Company
Jun. 2010	Outside Corporate Auditor of Mitsubishi Logistics Corporation (to present)
Jun. 2011	Outside Corporate Auditor of TSI Holdings Co., Ltd. (to present)

\* There are no special interests between Mr. Saburo Horiuchi and the Company.

## Status of Major Shareholders of the Company

Name of Shareholders	Investment in the Company	
	Number of Shares Held	Percentage of Shareholding
Japan Trustee Services Bank, Ltd. (Trust account)	77,291 <sup>Thousand shares</sup>	5.90%
The Master Trust Bank of Japan, Ltd. (Trust account)	54,206	4.14
National Mutual Insurance Federation of Agricultural Cooperatives	33,961	2.59
Meiji Yasuda Life Insurance Company	31,018	2.37
SSBT OD05 OMNIBUS ACCOUNT – TREATY CLIENTS	24,768	1.89
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	24,651	1.88
Nippon Life Insurance Company	19,688	1.50
Mitsubishi Heavy Industries, Ltd.	19,209	1.47
Japan Trustee Services Bank, Ltd. (Trust account 9)	18,286	1.40
Mitsubishi Estate Co., Ltd	17,397	1.33

Note: Percentages of shareholding were calculated after deducting treasury stock (4,170,327 shares).

**Patterns Deemed Significantly Detrimental to medium-to-long-term shareholder value**

- (1) The acquirer is a “greenmailer”: a person who has no interest in participating in the management of the Company but acquires, or attempts to acquire, the Company’s shares with the aim of bidding up their price and causing persons related to the Company to purchase them at high prices.
- (2) The acquirer is judged to be acquiring the Company’s shares for the purpose of temporarily controlling the management of the Company in order to acquire assets vital to the Company’s operations and transfer them to the acquirer or the acquirer’s corporate group etc. Such assets may include, but are not limited to, intellectual property, expertise, business secrets, and key business partners and/or customers.
- (3) The acquirer is judged to be acquiring the Company’s shares for the purpose of misusing the Company’s or group companies’ assets as loan collateral or as settlement capital for the acquirer or the acquirer’s group etc. after taking control of the Company’s management.
- (4) The acquirer is judged to be acquiring the Company’s shares for the purpose of taking temporary control of the Company’s management in order to dispose of high-priced assets such as real estate and securities in which the Company or group companies are not currently involved, and use the income from the disposal to distribute temporary high dividends, and/or to use the temporary high dividends to ramp the share price and sell at a high profit.
- (5) The conditions proposed by the acquirer for the acquisition of the Company’s shares are significantly insufficient or inadequate in view of the Company’s enterprise value. Such conditions may include, but are not limited to, the type and amount of payment, the basis of calculation of the purchase price, other specific conditions (including the timing and method of acquisition), and questions about the legality or practicality of the acquirer’s proposal.
- (6) The method of acquisition of the Company’s shares proposed by the acquirer is judged to restrict shareholders’ opportunity and freedom to consider the proposal, and may therefore effectively constitute a coercive purchase. For example, the method may constitute a high-handed two-tier acquisition: at first the acquirer seeks to acquire only some of the Company’s shares, then sets disadvantageous conditions for the acquire of a second tranche, or leaves the conditions unclear, then acquires the shares by means of the tender offer.
- (7) The acquisition is judged to be extremely contrary to medium-to-long-term shareholder value because it threatens to destroy relationships vital to the Company’s generation of enterprise value. Such relationships include the Company’s relationships with shareholders, employees, business partners and the people in the communities in which the Company’s production facilities are located.

## Overview of the Allotment of the Share Options Without Contribution

### 1. Total Number of Share Options Allotted

The total number of share options allotted is the same as the final number of issued shares on a certain date separately determined by the Board of Directors (hereinafter referred to as “the allotment date”) in the decision of the Board of Directors regarding the allotment of the share options without contribution (hereinafter referred to as “the allotment decision”). This number does not include treasury shares (shares held by the Company).

### 2. Shareholders to Whom Share Options are Allotted

The share options are allotted without contribution (free of charge) to shareholders listed or registered in the final shareholder registry on the allotment date, at a ratio of one share option per share in each shareholder’s holdings. Share options are not allotted for treasury shares.

### 3. Effective Date of the Allotment of the Share Options Without Contribution

The Board of Directors shall decide the effective date separately in the allotment decision.

### 4. Share Types and Number of Shares Targeted by the Share Options

The shares of the Company for which the share options are allotted are common shares in the Company. One share option is allotted per share (this total number of shares for which share options are allotted is hereinafter referred to as “the target number of shares”). In the event of a split or merger of the Company’s shares, the Company shall make the appropriate adjustments.

### 5. Details and Prices of Assets Contributed in the Exercise of the Share Options

The subject of the contribution when exercising the share options is monies. The assets contributed when the share options are exercised constitute an amount equal to or higher than ¥1 per common share of the Company. This amount is separately determined in the allotment decision of the Board of Directors.

### 6. Restrictions on Transfer of the Share Options

Transfer of the share options requires the approval of the Board of Directors.

### 7. Conditions for Exercise of the Share Options

The following persons are prohibited from exercising the share options: 1) Special large-volume keepers<sup>1</sup>; 2) Joint keepers with special large-volume keepers<sup>2</sup>; 3) Special large-volume acquirers; 4) Special related persons of special large-volume acquirers; 5) Persons receiving or inheriting the share options from 1) to 4) without the consent of the Board of Directors; 6) Persons related to persons corresponding to those from 1) to 5)<sup>3</sup>. These persons are collectively hereinafter referred to as “ineligible persons.” Details regarding the conditions for exercise of the share options are determined separately in the allotment decision.

### 8. Acquisition of the Share Options by the Company

On a date separately determined by the Board of Directors, the Company may acquire the share options held by persons other than ineligible persons and exchange them for common shares in the Company of the target number of shares for each share option. Details regarding the conditions for acquisition of the share options are determined separately in the allotment decision.

9. Acquisition Without Contribution in the Event of Cancellation, etc. of Initiation of Countermeasures

If the Board of Directors decides to cancel or withdraw already initiated countermeasures, or in those circumstances set in the allotment decision, the Company may acquire all of the share options without contribution.

10. Period of Exercise of the Share Options, etc.

The Board of Directors separately determines the period in which the share options can be exercised and other required items regarding the share options in the allotment decision.

## Notes

1. Persons who are keepers of shares of which the Company is the issuer and who hold 20% or more of said shares, or persons deemed by the Board of Directors to be commensurate with the above. This provision does not apply to persons whose acquisition or holding of the Company's shares the Board of Directors deems not to be detrimental to medium-to-long-term shareholder value, or to other persons separately determined in the allotment decision.
2. Persons who have given official notice of the acquisition (here and below, "acquisition" as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act) by means of the tender offer of shares of which the Company is the issuer (here and below, "shares" as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act) and whose holdings (including items commensurate with holdings as defined in Article 7, Paragraph 1 of the Enforcement Orders of the Financial Instruments and Exchange Act) after the acquisition, together with the holdings of said persons' special related persons, total 20% or more of the total; or persons deemed by the Board of Directors to be commensurate with the above. This provision does not apply to persons whose acquisition or holding of the Company's shares the Board of Directors deems not to be detrimental to medium-to-long-term shareholder value, or to other persons separately determined in the allotment decision.
3. "Related persons" of certain persons refers to persons who effectively control said persons; are controlled by said persons or are jointly under the control of said persons (including persons deemed by the Board of Directors to be commensurate with the above); or persons deemed by the Board of Directors to be acting in concert with said persons. "Control" refers to "control of decisions on policy regarding finance and operations" of other companies, etc. (as defined in Article 3, Paragraph 3 of the Enforcement Regulations of the Companies Act).