May 23, 2014

To Whom It May Concern:

Company	:	Sumitomo Heavy Industries, Ltd.
Representative	:	Shunsuke Betsukawa President and Chief Executive Officer
Code	:	6302
Contact	:	Tsuneyoshi Sato General Manager, Corporate Communications Department
Phone	:	+81-3-6737-2333

Notice Regarding Partial Change and Continuance of Countermeasures to Large-Scale Acquisition Actions of the Company's Shares (Takeover Defense Measures)

At the meeting of the Board of Directors held on May 13, 2008, it was resolved that the Company should adopt countermeasures to the large-scale acquisition actions of the Company's shares and the Company obtained the approval of shareholders for the adoption of such countermeasures at the 112th Ordinary General Meeting of Shareholders of the Company held on June 27, 2008. Thereafter, pursuant to a resolution at the meeting of the Board of Directors of the Company held on May 9, 2011, that the countermeasures should be continued with partial changes thereto (hereinafter the revised countermeasures shall be referred to as the "Current Plan"), the Company obtained the approval of shareholders for the continuation of the Current Plan at the 115th Ordinary General Meeting of Shareholders of the Company held on June 29, 2011.

Given that the Current Plan shall remain effective until the closing of the ordinary general meeting of shareholders of the Company for the last of the fiscal years ending within three (3) years from the closing of the 115th Ordinary General Meeting of Shareholders of the Company, the Company has considered the viability of the Current Plan, including the propriety of its continuation, from the standpoint of improving corporate value and ensuring shareholders' common interest while taking into account changes in social and economic circumstances after the continuation of the Current Plan and the recent trends of discussions regarding takeover defense measures. Consequently, the Company hereby notifies you that it was resolved at the meeting of the Board of Directors of the Company held on May 23, 2014, that the Company shall, after confirming that the Company will continue to maintain the Basic Policy on control over decisions on financial and business policies of the Company (as defined in the main paragraph of Article 118, item 3 of the Ordinance for Enforcement of the Companies Act; hereinafter referred to as the "Basic Policy"), make necessary changes (hereinafter referred to as the "Revision") to the Current Plan as follows (the plan after changes shall be hereinafter referred to as the "Plan") and continue to adopt countermeasures to the large-scale acquisition actions of the Company's shares as part of the measures to prevent parties who are inappropriate in light of the Basic Policy from controlling the Company's decisions on financial and business policies, subject to approval of the shareholders at the 118th Ordinary General Meeting of Shareholders of the Company to be held on June 27, 2014 (hereinafter referred to as the "Shareholders' Meeting").

Furthermore, the Company also notifies you that it was resolved with the approval of all directors at the meeting of the Board of Directors mentioned above that a proposal for the approval of the continuing of takeover defense measures under the Plan shall be submitted to the Shareholders' Meeting. In addition, all of the auditors of the Company including the Outside Auditors were present at the meeting of the Board of Directors of the Company at which the takeover defense measures under the Plan were determined to be continued and all of the auditors approved the continuance of the takeover defense measures under the Plan on the condition that the practical implementation of the Plan will be conducted appropriately.

The Revision shall become effective on the condition that the approval of the shareholders is obtained for the proposal mentioned above at the Shareholders' Meeting, and the Current Plan shall be replaced by the Plan subject to the approval of the shareholders.

In the Plan, the main changes made to the Current Plan are as follows:

(i) The board assessment period was shortened, and the extendable period was eliminated.
(ii) The requirements for the initiation of countermeasures were revised.
(iii) It was clarified that the Corporate Value Committee may recommend that a general meeting of shareholders to ascertain shareholders' intention should be held; and
(iv) The countermeasure to be initiated by the Company against the large-scale acquisition action was limited to the allotment of stock acquisition rights without consideration.

In the event that the Companies Act, the Financial Instruments and Exchange Act, or related rules, government ordinances, cabinet office ordinances, ministerial ordinances, etc. (hereinafter referred to as "Laws and Regulations") are amended (including changes in the names of Laws and Regulations and the enactment of new Laws and Regulations that succeed the previous Laws and Regulations) or brought into force, the provisions referred to in the Plan shall be replaced with the provisions of the Laws and Regulations that substantially succeed the provisions of the prior Laws and Regulations, as amended, except as otherwise provided by the Board of Directors of the Company.

* * *

1. Basic Policy

(1) Contents of the Basic Policy

The Company believes that the issue of by whom and how decisions on the financial and business policies of the Company should be controlled should be ultimately decided by the shareholders from the standpoint of improving corporate value and ensuring shareholders' common interest. Therefore, the Company believes that the issue of whether to accept a large-scale acquisition action resulting in a change of control of the Company, etc. should be ultimately determined by the intention of the shareholders.

However, Large-Scale Acquisition Actions (as defined in 3.(2)(a) below; the same shall apply hereinafter) of the Company's stock are expected to include (i) those threatened to cause an obvious infringement on the corporate value and the shareholders' common interest in view of the purpose of acquisition, the management policy after the proposed acquisition, etc., (ii) those threatened to effectively coerce the Company's shareholders into selling their shares, (iii) those which are carried out without giving the Company a period reasonably necessary to present an alternative business plan, etc., (hereinafter referred to as the "Alternative Proposal") to replace the acquisition proposal, the business plan, etc., presented by the relevant Large-Scale Acquirer (as defined in 3.(1) below), and (iv) those which are carried out without providing sufficient information reasonably necessary for the Company's shareholders to assess the terms of the takeover bid. With a view to maximizing the Company's corporate value and the shareholders' common interest, as an exception to the general rule, the Company considers the parties engaging in these forms of Large-Scale Acquisition Actions to be inappropriate as parties fit to control the Company's decisions on financial and business policies.

The Company's corporate value derives from offering first class products; synergy generated by the value chain through the Company's business segments and global network; and the relationship of trust among shareholders, customers, business partners, employees and the society as a whole, maintained and enhanced by management in conformity with the

Sumitomo Business Spirit. These sources of corporate value function in an organically integrated manner in order to generate further value.

The Company, which manages operations in accordance with the Sumitomo Business Spirit described later, has adopted the following Basic Policy: Our duty is to increase the corporate value and maximize the shareholders' common interest through sharing generated profits with shareholders. Although the Company accepts in principle the fact that the Company is supported by shareholders who obtained shares of the Company through free trading in the market, when a party who intends to obtain more than 20% of all the voting rights of the Company (hereinafter referred to as the "Controlling Shares") or any member of the group to which such party belongs (hereinafter referred to as the "Acquirer(s)") through such acquisition infringes upon the corporate value and shareholders' common interest, the Company will consider such Acquirers who intend to acquire shares of the Company to be inappropriate to hold control over decisions regarding financial and business policies of the Company and shall take measures to ensure and increase the corporate value and the shareholders' common interest to whatever extent necessary and reasonable.

(2) Background to Establishment of the Basic Policy

Sumitomo launched the businesses of copper refining, copper trade, and copper mining about 400 years ago, and developed the businesses as the Besshi Copper Mine in Shikoku began to operate. Among such businesses, the "Sumitomo Besshi Tool Making Workshop" was formed in 1888 for the purpose of producing and repairing machines and tools used at the Besshi Copper Mine. The division was subsequently split to establish Sumitomo Machinery Co., Ltd. in 1934. In 1969, the Company and Uraga Heavy Industries, a shipbuilder, merged into Sumitomo Heavy Industries, Ltd., laying a foundation as a comprehensive heavy machinery manufacturer. Furthermore, in recent years, the Company has promoted its research and development primarily on precision, mechatronics, and system technologies, and focused on the development of businesses in areas such as medical devices, LCD and semiconductor manufacturing equipment, digital appliances related machinery, and precision control and machinery components.

Since its foundation, the Company has continuously made efforts toward technological innovation and application of advanced technologies. As a result, the Company's business domains have extended widely to cover social and industrial infrastructure and cutting-edge technologies. In addition, the product mix is not a mere collection of machinery products, but is characterized as a business model which provides products at each layer, including systems, devices, and components, systematically, and produces synergistic effects from the organic value chains among its product businesses. In particular, focused efforts have been made to develop and enhance the component business, which has established a competitive superiority, thoroughly reflecting the expertise as a manufacturer and seller of devices, in which such components are used, and customer needs. As a result, the Company's devices and products with such internally produced key components are recognized for their outstanding performance and quality, creating a positive growth cycle.

This business model has been realized through the combination of constantly focusing on market trends and customer needs and developing technology and products from a long-term perspective rather than discussing whether to continue or discontinue a certain business based on short-term shifts in demand. There have been countless cases where the Company launched into the market products meeting customers' expectations before any rivals in the respective industries, as illustrated by a compact proton cancer treatment equipment that uses a cyclotron particle accelerator having an excellent track record, an electric injection molding machine that enables precision high-speed molding, a hydraulic excavator and tanker that realized the world's top-class energy-saving efficiency, and a circulating fluidized-bed boiler that contributes to CO_2 reduction by burning a broad range of biomass wastes.

Moreover, the Company has established a global sale and service network in order to deliver these excellent products to global customers and support the use of such products. All the Company's products are essential to the customers' manufacturing systems, and the Company believes that maintaining optimal operations of such systems is the key to such customers' continued existence. Providing the same service worldwide as in Japan cannot be achieved without well-trained local staff and an excellent component supply system, nor can it be achieved in a short time. Hence, to maintain such a structure, the Company needs to continuously make investments from a long-term perspective.

Underlying the customer value provided by the Company are the following five principles of "Sumitomo Business Spirit" and the actual practice thereof: (i) the value of "trust", (ii) the prime importance placed on integrity, (iii) contribution to society, (iv) consideration for the environment, and (v) coexistence with the community. The Company is confident that managing the businesses in compliance with these principles will lead to the enhancement of our corporate value and ultimately the realization of the shareholders' common value.

As described above, the Company's corporate value derives from (i) the provision of first-class products backed by continuous R&D activities, (ii) a vertically integrated business model which provides systems, devices, and components, (iii) a global network of production, sales and services, and (iv) management rooted in the Sumitomo Business Spirit and the relationship of trust with the shareholders, customers, business partners, employees and society as a whole. And as these strengths function in an organically integrated manner, greater values have been created.

However, as a consequence of the recent circumstances such as development of new legal systems, conditions in the capital market, and changes in the economic structure and corporate culture, there have been occasional instances where, without obtaining approval of the management of the target company, an acquisition of a large number of shares is forced through unilaterally, and the Company can no longer deny the possibility that, in certain circumstances, the continuous enhancement of the Company's corporate value with the aforementioned management resources could be impeded.

The Company believes that, given such trends, it is necessary to constantly anticipate a situation where an Acquirer might emerge.

The Company stresses that it does not have a negative view on acquisition of controlling shares per se.

It is in these circumstances that the Basic Policy has been established as described in (1) above.

2. Special Measures to Pursue the Basic Policy

The Company Group has taken and will take the following measures in order to pursue the above-stated Basic Policy.

(1) New Medium-Term Management Plan and Implementation thereof

In the new medium-term management plan, "Medium-Term Management Plan 2016," the Company Group aims to achieve the financial targets of fiscal year 2016: sales of ¥700 billion and an operating margin of 7.5%. In addition, the Company Group will continue to set ROIC as a management indicator of the Company Group and to maintain ROIC >

WACC (weighted average of cost of capital) and continually ensure an ROIC of 7% or higher.

To achieve the above financial targets, the Company Group set forth three objectives: (i) "steady growth" to establish the basis for sustainable growth; (ii) a "shift to a high-profitability financial structure"; and (iii) "continuous improvement of business operations" to be "an enterprise that continues to provide first-rate products." It is important for the Company Group to achieve steady corporate growth not only in scale but also by forging a solid footing that enables a shift to a highly profitable financial structure.

The targeted payout ratio is set at 30% over the three years covered by the Medium-Term Management Plan 2016.

(2) Enhanced Corporate Governance
The Company has been promoting the enhancement of its corporate governance. Specifically, the Company has been striving to invigorate the Board of Directors and maintain the transparency of management, for instance, through the adoption of the system of executive officers in 1999, the election of Outside Directors since 2002, the adoption of a shortened term of Directors from two years to one year in 2007, etc.

In order to enhance auditing functions across the Company Group, the auditors of the Company hold group auditor meetings on a regular basis. In addition, the auditors conduct on-site audits annually at overseas subsidiaries in response to the increasingly globalized business conditions within the Company Group.

The Company has also notified the financial instruments exchange on which it is listed of all outside officers as Independent Officers, having determined that they are unlikely to have conflicts of interest with general shareholders. These Independent Officers are required to conduct activities taking into account the protection of general shareholders' interests, for example, by giving necessary opinions, when the Board of Directors, etc. make decisions with respect to the execution of duties, to give consideration to general shareholders' interests.

(3) Measures to Share Profits with Shareholders
The Company is committed to making further efforts through implementation of the above-stated measures and strategies in order to improve corporate value by the further growth of the businesses and to share profits with shareholders by continuously increasing dividends, thus increasing the shareholders' common interest.

3. Contents of the Plan (Measures to Prevent Parties Who Are Inappropriate in Light of the Basic Policy from Controlling the Company's Decisions on Financial and Business Policies)

(1) Purpose of Continuance of Takeover Defense Measures under the Plan
As stated in 1. above, while the Company finds it necessary to take certain measures against Acquirers in certain circumstances, the Company believes that, because it is a listed corporation, the determination of whether to sell shares to a certain Acquirer or the ultimate determination of whether to entrust such Acquirer with the company's management should be basically left up to individual shareholders.

However, in order that the shareholders can make appropriate determinations, it is a necessary condition to give sufficient consideration to the Company's business features and the Company Group's history and properly understand the Company's corporate value and the sources generating such value. Further, it can be easily envisaged that information to

be provided only by the Acquirer would be insufficient to allow shareholders to grasp what effects the acquisition by the Acquirer of the Company's Controlling Shares might have on the Company's corporate value and the sources of such value. In order for the shareholders to make an appropriate assessment, the Company believes it necessary for them to give consideration to information provided by the Board of Directors of the Company, which fully understands the Company's business features, and to the views and opinions of the Board of Directors of the Company with regard to such Acquirer's action aimed at acquisition of the Controlling Shares, and in certain cases, a new proposal of the Board of Directors of the Company addressing such action.

Accordingly, the Company finds it very important for the shareholders to secure sufficient time to analyze and review such multifaceted information.

From the standpoint stated above, the Company has come to the conclusion, in light of the Basic Policy mentioned in 1. above, that it is necessary to continue the takeover defense measures under the Plan as part of the measures whereby the Company can ensure, by seeking necessary information on such a Large-Scale Acquisition Action from the party who will attempt or has attempted to take such a Large-Scale Acquisition Action (hereinafter referred to as the "Large-Scale Acquirer"), as well as securing a period to consider and review such information, that the shareholders make an appropriate assessment as to whether to accept a Large-Scale Acquisition Action, that the Board of Directors of the Company presents to the shareholders its opinion or Alternative Proposal in connection with such a Large-Scale Acquisition Action as recommended by the Corporate Value Committee (as defined in (2)(e) below; the same shall apply hereinafter), and that the Company negotiates with the Large-Scale Acquirer for the benefit of the shareholders, and thereby, the Company can prevent the Company's decisions on financial and business policies from being controlled by any party who is inappropriate in light of the Basic Policy (which specifically refers to certain Large-Scale Acquirers set forth in accordance with the prescribed procedures by the Board of Directors of the Company, and also refers to such Large-Scale Acquirer's co-holder or special interested party (*tokubetsu kankeisha*) as well as such party as recognized by the Board of Directors of the Company as the party which any of the foregoing parties substantially controls or which operates in collaboration with or in coordination with any of the foregoing parties; each of the aforementioned parties shall be hereinafter referred to as an "Excluded Party").

Obviously, in continuing the takeover defense measures under the Plan, it is desirable to ascertain the shareholders' intention. To this end, the Company intends to ascertain the shareholders' intention by submitting the proposal to the Shareholders' Meeting.

Incidentally, at present, there exists no proposal for a specific Large-Scale Acquisition Action in respect of the Company's shares.

In addition, the status of the Company's large shareholders as of March 31, 2014 is as indicated in Annex 1, "Information of Large Shareholders."

(2) Outline of the Plan

The flowchart of the procedures under the Plan is as summarized in Annex 2, and the specific contents of the Plan are as outlined below.

(a) Definitions of Large-Scale Acquisition Actions which may invoke the countermeasure

The countermeasure under the Plan may be initiated if any of the actions which fall or could fall under (i) through (iii) below (except those approved in advance by the Board of Directors of the Company, collectively, hereinafter referred to as the "Large-Scale Acquisition Actions") occurs or is likely to occur.

(i) Takeover bid or other acquisition (note 3) in respect of the share certificates, etc. (note 1), issued by the Company, as a result of which the percentage (note 2) of such share certificates, etc., held by a specified shareholder of the Company would become 20% or more.

(ii) Takeover bid or other acquisition (note 7) in respect of the share certificates, etc. (note 4), issued by the Company, as a result of which the percentage (note 5) of such share certificates, etc., owned by a specified shareholder of the Company and the percentage of such share certificates, etc., owned by any special interested party (note 6) of such specified shareholder would become 20% or more.

(iii) Irrespective of whether either of the actions set out in (i) or (ii) above is carried out, an agreement or other action by and between a specified shareholder of the Company and any other shareholder(s) of the Company (including the case where more than one other shareholder is involved; the same shall apply hereinafter in this (iii)) whereby such other shareholder(s) fall under the status of co-holder of such specified shareholder, or an action which establishes a relationship between such specified shareholder and such other shareholder(s) wherein either one substantially controls the other, or they operate in collaboration or coordination (note 8) (note 9) (provided that this shall apply only if, in respect of the share certificates, etc., issued by the Company, the aggregate percentage of the share certificates, etc., held by such specified shareholder and such other shareholder(s) of the Company would become 20% or more).

(note 1) Refers to share certificates, etc., as defined in Article 27-23, paragraph 1, of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided.

(note 2) Refers to the shareholding percentage as defined in Article 27-23, paragraph 4, of the Financial Instruments and Exchange Act. The same shall apply hereinafter except that, for the purpose of calculating such shareholding percentage, (i) any special interested party as defined in Article 27-2, paragraph 7, of said Act, and (ii) any investment bank, securities company, or other financial institution which has executed a financial advisory agreement with said specified shareholder, as well as the takeover bid agent or the lead managing securities company (hereinafter referred to as the "Contracting Financial Institution(s)") for said specified shareholder shall be deemed as a co-holder (which refers to the co-holder as defined in Article 27-23, paragraph 5, of the Financial Instruments and Exchange Act; the same shall apply hereinafter) of said specified shareholder of the Company. Additionally, for the purpose of calculating such shareholding percentage, the most recent information publicly announced by the Company may be used for the aggregate number of the Company's issued shares.

(note 3) Includes ownership of the right to claim delivery of share certificates, etc., under a sale/purchase or other agreement and execution of the respective transactions set forth in Article 14-6 of the Ordinance for Enforcement of the Financial Instruments and Exchange Act.

(note 4) Refers to share certificates, etc., as defined in Article 27-2, paragraph 1, of the Financial Instruments and Exchange Act. The same shall apply in this item (ii).

(note 5) Refers to the share ownership percentage as defined in Article 27-2, paragraph 8, of the Financial Instruments and Exchange Act. The same shall apply hereinafter. Additionally, for the purpose of calculating such share ownership percentage, the most recent information publicly announced by the Company may be used for the aggregate number of the Company's voting rights.

(note 6) Refers to a special interested party as defined in Article 27-2, paragraph 7, of the Financial Instruments and Exchange Act; provided that, with respect to the parties indicated in item 1 of said paragraph, the party specified in Article 3, paragraph 2, of the Cabinet Ordinance Concerning Disclosure of Takeover Bid of Share Certificates, etc., by Parties Other than Issuer shall be excluded. Additionally, (i) co-holders and (ii) Contracting Financial Institutions shall be deemed as special interested parties in respect of the relevant specified shareholder. The same shall apply hereinafter unless otherwise provided.

(note 7) Includes an acquisition or other assignment for value as well as those similar to assignment for value as provided in Article 6, paragraph 3, of the Ordinance for Enforcement of the Financial Instruments and Exchange Act.

(note 8) The determination of whether "a relationship between such specified shareholder and such other shareholder(s) wherein either one substantially controls the other, or they operate in collaboration or coordination" has been established shall be made on the basis of the formation of a new capital relationship, business alliance, transactional or contractual relationship, relationships concerning interlocking directors and officers, funds provision relationship, credit offering relationship, substantial interest concerning the share certificates, etc. of the Company through derivatives or stock lending, etc., or other relationships, as well as the impact, etc., directly or indirectly brought upon the Company by such specified shareholder or such other shareholder(s).

(note 9) The determination of whether an action specified in this (iii) has been taken shall be reasonably made by the Board of Directors of the Company based on recommendations by the Corporate Value Committee. In addition, the Board of Directors of the Company may request the Company's shareholders to provide information to the extent found necessary for the determination of whether the requirements under (iii) apply.

(b) Submission of intention letter

Prior to the commencement or execution of a Large-Scale Acquisition Action, the relevant Large-Scale Acquirer shall be requested to submit to the Company's President and Chief Executive Officer a document, in the form to be separately prescribed by the Company, evidencing the Large-Scale Acquirer's undertaking to the Board of Directors of the Company that such Large-Scale Acquirer shall comply with the procedures set out in the Plan (hereinafter referred to as the "Large-Scale Acquisition Rules"), and bearing the signature or the name and seal of the Large-Scale Acquirer's representative, as well as a certificate of qualification with regard to the representative who affixes such signature or name and seal (together, hereinafter referred to as the "Intention Letter"). Upon receipt of such Intention Letter, the Board of Directors of the Company shall forthwith present the same to the Corporate Value Committee.

In addition to the undertaking to comply with Laws and Regulations and the Large-Scale Acquisition Rules, the Intention Letter shall clearly set forth the Large-Scale Acquirer's name or appellation, address or location of its principal office, business office, etc., the governing law of its establishment, its representative's name, contact information in Japan, the outline of the contemplated Large-Scale Acquisition Action, and other matters. Additionally, only Japanese shall be used in the Intention Letter.

When the Intention Letter is submitted by the Large-Scale Acquirer, the Company shall, in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges, make appropriate and timely disclosure of such matters as the Board of Directors of the Company or the Corporate Value Committee finds appropriate.

(c) Request to the Large-Scale Acquirer for provision of information

Within five (5) business days from the day on which the Board of Directors of the Company receives the Intention Letter (the first day of the period shall not be counted; the same shall apply in this item (c)), the Large-Scale Acquirer shall be required to submit to the Board of Directors of the Company the information set out in (i) through (xiii) below (hereinafter referred to as the "Large-Scale Acquisition Information"). Upon receipt of the Large-Scale Acquisition Information, the Board of Directors of the Company shall forthwith submit the same to the Corporate Value Committee.

Furthermore, if the Board of Directors of the Company determines that, solely on the basis of the information initially provided by the Large-Scale Acquirer, it would be difficult for the shareholders to appropriately determine whether to accept the Large-Scale Acquisition Action, or for the Board of Directors of the Company or the Corporate Value Committee to form an opinion as to the acceptability of such Large-Scale Acquisition Action (hereinafter referred to as the "Opinion Formation") or for the Board of Directors of the Company to devise an alternative proposal (hereinafter referred to as the "Alternative Proposal Formulation") and present the same to the shareholders in an appropriate manner, then the Board of Directors of the Company may, upon fixing a reasonable period (up to sixty (60) business days from the day on which the Board of Directors of the Company receives the Intention Letter) (hereinafter referred to as the "Necessary Information Provision Period") before the submission deadline, disclose the period so fixed and the reasons for requiring such reasonable period to the shareholders, and request that the Large-Scale Acquirer at any time provide additional information necessary for the shareholders' appropriate assessment and for the Opinion Formation by the Board of Directors of the Company or the Corporate Value Committee or for the Alternative Proposal Formulation by the Board of Directors of the Company. However, in such event, the Board of Directors of the Company shall place maximum value on the Corporate Value Committee's opinion.

Additionally, when the Board of Directors of the Company determines that the provision of information by the Large-Scale Acquirer has been completed, the Company shall make appropriate and timely disclosure to that effect in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges. Further, in accordance with the decision of the Board of Directors of the Company, the Company shall, as a general rule, make appropriate and timely disclosure of such portion of the Large-Scale Acquisition Information as deemed necessary for the shareholders to make an appropriate decision on whether to accept such Large-Scale Acquisition Action, in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges at an appropriate time after receiving the Large-Scale Acquisition Information. However,

in making such assessment or determination, the Board of Directors of the Company shall place maximum value on the Corporate Value Committee's opinion.

Note that the provision of the Large-Scale Acquisition Information in accordance with the Large-Scale Acquisition Rules and other notifications and communications to the Company shall be made only in Japanese.

(i) Outline of the Large-Scale Acquirer and its group companies (which shall include major shareholders or investors and significant subsidiaries and affiliates, and if the Large-Scale Acquirer is a fund or an entity investing in such fund, its major partners, investors (whether direct or indirect), and other members as well as general partners (*gyomu shikko kumiaiin*) and persons who continuously provide investment advice shall also be included; the same shall apply hereinafter) (such outline shall include each party's specific name, capital structure, investment ratio, financial matters, names and brief background descriptions of directors and officers, and records of previous violations of law (and if such violations exist, a summary thereof) as well as experience in trade similar to that of the Company or the Company Group, possibility of future competition, and other such details);

(ii) Detailed description of the internal control system of the Large-Scale Acquirer and its group as well as the effectiveness and status of such system;

(iii) With respect to the relevant Large-Scale Acquisition Action, its purpose (if what is planned or otherwise intended is an acquisition of control or participation in management, pure investment or strategic investment, transfer of the Company's share certificates, etc., to a third party after the execution of such Large-Scale Acquisition Action, or any Material Proposal Action, etc., (which refers to the material proposal action, etc., as defined in Article 27-26, paragraph 1, of the Financial Instruments and Exchange Act), then a statement to that effect and an outline thereof are to be provided; and if there are more than one purposes, all of them are to be indicated), method, and terms (including type and number of the Company's share certificates, etc., which are intended to be acquired through the Large-Scale Acquisition Action, type and amount of consideration in respect of the Large-Scale Acquisition Action, timing of such action, structure of the related transactions, legality of the method of such action, feasibility of such action and the related transactions, and if further acquisition of the Company's shares is intended upon the completion of such Large-Scale Acquisition Action, a statement to that effect and the reasons therefor, and if delisting of the Company's share certificates, etc., is expected upon the completion of such Large-Scale Acquisition Action, a statement to that effect and the reasons therefor; additionally, an opinion letter of a qualified attorney shall be required with regard to the legality of the method of such Large-Scale Acquisition Action);

(iv) If the purpose of the relevant Large-Scale Acquisition Action is to take a Material Proposal Action, etc., or if there is a possibility that a Material Proposal Action, etc., may be taken after the relevant Large-Scale Acquisition Action, then the purpose, terms, necessity, and timing of such Material Proposal Action, etc., as well as information as to the circumstances under which such Material Proposal Action, etc., could be taken;

(v) Number of the Company's share certificates, etc., currently held by the Large-Scale Acquirer or its group, and the status of transactions executed by the Large-Scale Acquirer in respect of the Company's share certificates, etc., for a period

of sixty (60) days preceding the submission of the Intention Letter (if such shares have been acquired in a bilateral transaction, the name of the counterparty in such transaction shall be included);

(vi) Whether there has been any communication with third parties in connection with the relevant Large-Scale Acquisition Action (including communication to the Company with respect to the intention to take a Material Proposal Action, etc.; the same shall apply hereinafter), and if there has been such communication, the specific manner and contents thereof;

(vii) Basis for the calculation of the price, etc., for the Large-Scale Acquisition Action as well as the calculation process (including facts and assumptions underlying the calculation, calculation method, calculation agent and information regarding such calculation agent, numerical values used for the calculation, and the amount of synergy and dis-synergy expected to arise as a result of a series of transactions relating to the Large-Scale Acquisition Action and the calculation basis therefor);

(viii) Financial support for the acquisition, etc., in connection with the Large-Scale Acquisition Action (including specific names of the relevant fund providers (including substantial providers (whether direct or indirect)), financing methods, conditions for financing, existence and terms of collateral and covenants after the financing (if the Large-Scale Acquirer intends to execute a collateral agreement or any other agreement with a third party in respect of the Company's share certificates, etc., expected to be acquired through the Large-Scale Acquisition Action, then the type of, the name of counterparty to, and the number of share certificates, etc., involved in, such agreement, and other important matters shall also be specifically indicated), and specific terms of the related transactions);

(ix) Expected management policies for the Company and the Company Group after the completion of the Large-Scale Acquisition Action (including policies relating to the position of the Company within the so-called "Sumitomo Group" to which the Company belongs, as well as policies relating to treatment of the Company's trade name (including treatment of the "Sumitomo" part of the corporate name), names of nominees for directors and statutory auditors expected to be dispatched after the completion of the Large-Scale Acquisition Action, as well as their brief background and such other information (including information relating to experience, etc., in any trade similar to that of the Company or the Company Group), business plan, financial plan, financing plan, investment plan, capital policy, dividend policy, etc., (including plans to sell, offer as collateral, or otherwise dispose of the Company's assets after the completion of the Large-Scale Acquisition Action), and other policies of how, after the completion of the Large-Scale Acquisition Action, the directors and officers, employees, business partners, and customers of the Company and the Company Group, and the local government bodies in the areas where the Company's factories, production facilities, etc., are situated, and other interested parties will be treated);

(x) Policies for recouping funds invested for the purpose of the Large-Scale Acquisition Action;

(xi) Regulated matters subject to domestic and foreign Laws and Regulations which may be applicable to the Large-Scale Acquisition Action, and the feasibility of obtaining necessary approvals, permissions, licenses, etc., from domestic and

foreign governments or third parties under the Anti-Monopoly Law, the Foreign Exchange and Foreign Trade Act, and other Laws and Regulations (additionally, an opinion letter of a qualified attorney shall be required with regard to these matters);

(xii) Likelihood of maintaining domestic and foreign permissions, licenses, etc., required for the operation of the Company Group and ability to comply with various domestic and foreign Laws and Regulations after the completion of the Large-Scale Acquisition Action;

(xiii) Whether there is any association with any antisocial forces or terrorist organizations (whether directly or indirectly) and if there is deemed to be any association, the details of the association as well as the policy to deal with the foregoing;

(d) Establishment, etc. of assessment period for the Board of Directors

The Board of Directors of the Company shall set a period for its evaluation, review, Opinion Formation, Alternative Proposal Formulation, and negotiation with the Large-Scale Acquirer (hereinafter referred to as the "Board Assessment Period") for up to sixty (60) business days (from the day on which the Company discloses that the Board of Directors of the Company has determined that the provision of the Large-Scale Acquisition Information has been completed, provided that the first day of such period shall not be counted for the purpose of such calculation), regarding the contents of the Large-Scale Acquisition Action disclosed by the Large-Scale Acquirer.

Unless otherwise provided in the Plan, the Large-Scale Acquisition Action shall commence only after the expiration of the Board Assessment Period. It is noted that such Board Assessment Period has been established in light of the difficulty in assessing and reviewing the Company's business and the level of difficulty in Opinion Formation, Alternative Proposal Formulation, etc.

During the Board Assessment Period, the Board of Directors of the Company shall, based on the Large-Scale Acquisition Information provided by the Large-Scale Acquirer, conduct the evaluation, review, Opinion Formation, Alternative Proposal Formulation, and negotiation with the Large-Scale Acquirer in connection with the contemplated Large-Scale Acquisition Action with a view to ensuring and enhancing the Company's corporate value and the shareholders' common interest. In conducting the evaluation, review, Opinion Formation, Alternative Proposal Formulation, and negotiation with the Large-Scale Acquirer, the Board of Directors of the Company shall obtain advice, as needed, from professional advisors (such as financial advisors, attorneys, and certified public accountants) who are in a third-party position and independent from the Board of Directors of the Company. Any and all expenses incurred therefor shall be borne by the Company except in an exceptional case where it is found unreasonable.

(e) Establishment of the Corporate Value Committee

In the Current Plan, for the purpose of eliminating arbitrary decisions on the part of the Board of Directors of the Company in respect of the invocation of the Plan, the Company has established the Corporate Value Committee (hereinafter referred to as the "Corporate Value Committee"), which shall consist of at least three (3) members from among Outside Directors and Outside Auditors (including alternates thereof) as well as experts, who shall be independent from the management operating the Company's business, and the Company will also continue to establish the Corporate Value Committee under the Plan.

The Corporate Value Committee may obtain advice, as needed, from professional advisors (such as financial advisors, attorneys, and certified public accountants) who are in the third party position and independent from the Board of Directors of the Company and the Corporate Value Committee. Any and all expenses incurred in obtaining such advice shall be borne by the Company except in exceptional cases where it is found unreasonable.

As a general rule, resolutions of the Corporate Value Committee shall be adopted by the majority of all the members at a meeting where all the incumbent committee members are present. However, in the event of a disability of any member, or if there is any other justifiable reason, such resolutions may be adopted by the majority of the members present at a meeting where the majority of the independent members are present.

(f) Procedures for recommendations of the Corporate Value Committee and resolutions by the Board of Directors of the Company

a. Recommendations of the Corporate Value Committee
During the Board Assessment Period, the Corporate Value Committee shall make recommendations to the Board of Directors of the Company with regard to the relevant Large-Scale Acquisition Action as set forth in (i) through (iv) below.

(i) When any of the Large-Scale Acquisition Rules is not complied with:
If the Large-Scale Acquirer breaches any of the Large-Scale Acquisition Rules in a material respect, and such breach is not cured within five (5) business days after the Board of Directors of the Company gives such Large-Scale Acquirer a written request to cure such breach (the first day of the period shall not be counted), then as a general rule, the Corporate Value Committee shall recommend that the Board of Directors of the Company take the countermeasure against the Large-Scale Acquisition Action except where it is clearly necessary to refrain from initiating the countermeasure or when any other particular circumstances exist in order to ensure and enhance the Company's corporate value and the shareholders' common interest. If such recommendation is made, the Company shall disclose the Corporate Value Committee's opinion, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges.

Additionally, even after the Corporate Value Committee has recommended that the Board of Directors of the Company initiate the countermeasure, if the Large-Scale Acquisition Action is withdrawn, or if otherwise the facts and other circumstances that formed the basis for such recommendation are altered, then the Corporate Value Committee may recommend that the Board of Directors of the Company discontinue the countermeasure, or make other recommendations. If such further recommendation is made, the Company shall also disclose the Corporate Value Committee's opinion, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges.

(ii) When the Large-Scale Acquisition Rules are complied with:
When the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, the Corporate Value Committee shall, as a general rule, recommend that the Board of Directors of the Company refrain from initiating the

countermeasure.

However, even if the Large-Scale Acquisition Rules are complied with, the Corporate Value Committee shall recommend that the Board of Directors of the Company initiate the countermeasure against such Large-Scale Acquisition Action if such Large-Scale Acquirer is recognized as having any of the circumstances set out in (A) through (E) below, and if it is found reasonable to initiate such countermeasure.

(A) When the Large-Scale Acquirer does not have a bona fide intention of participating in the management of the Company, but acquires the Company's share certificates, etc., for the purpose of making parties related to the Company buy back the shares at an inflated stock price (so-called "green mailer"), or when the main purpose of acquiring the Company's share certificates, etc., is to earn a short-term margin;

(B) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and cause it to transfer to the Large-Scale Acquirer, its group companies, etc., the Company's intellectual property, know-how, trade secrets, or major business partners and customers, which are essential to the Company's business operation;

(C) When the Large-Scale Acquirer is acquiring the Company's shares with the intention of inappropriately utilizing the Company's assets as collateral or funds for repayment of the obligations of such Large-Scale Acquirer, its group companies, etc., after taking control over the management of the Company (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value and the shareholders' common interest would be impaired. The Company shall not initiate the countermeasures merely because this item (C) formally applies.);

(D) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and sell or otherwise dispose of its real properties, securities, and other high-priced assets, which are irrelevant to the Company's business for the time being, and then distribute high dividends temporarily with gains from such disposition or sell the shares at a high price, seizing the timing of a sharp rise of the stock price due to temporary high dividend payments (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value and the shareholders' common interest would be impaired. The Company shall not initiate the countermeasures merely because this item (D) formally applies.);

(E) When the method of acquisition proposed by the Large-Scale Acquirer is such an oppressive method that the shareholders' opportunity for assessment or freedom of choice may be restricted due to the structure of such method, as exemplified by a two-tiered acquisition (acquisition of share certificates, etc., in a manner wherein the terms for the second-stage acquisition are set more disadvantageously or are unclear in the event all of the Company's shares are not acquired during the first-stage of acquisition, or otherwise concerns of the future liquidity of the Company's share certificates, etc., are raised by suggesting delisting,

etc., and the shareholders are thereby effectively coerced into accepting the acquisition);

Additionally, the procedures set out in (i) above shall apply *mutatis mutandis* to the disclosure procedures relating to such recommendation or the procedures relating to the subsequent further recommendation.

(iii) Recommendation on holding a general meeting of shareholders to ascertain the shareholders' intention
The Corporate Value Committee may give the Board of Directors of the Company a recommendation to hold a general meeting of shareholders of the Company if the Committee determines it appropriate to ascertain the shareholders' intention regarding the initiation of the countermeasure.

Additionally, the procedures set out in (i) above shall apply *mutatis mutandis* to the disclosure procedures relating to such recommendation or the procedures relating to the subsequent further recommendation.

(iv) Other recommendations by the Corporate Value Committee
In addition to the above, the Corporate Value Committee may give the Board of Directors of the Company recommendations, as necessary, on any matter appropriate in view of the maximization of the shareholders' common interest, or make determinations, etc., on abandonment of the countermeasure where permitted by certain Laws and Regulations.

Additionally, the procedures set out in (i) above shall apply *mutatis mutandis* to the disclosure procedures relating to such recommendation or the procedures relating to the subsequent further recommendation.

b. Resolutions by the Board of Directors of the Company
In the event that the Board of Directors of the Company determines, upon placing maximum value on the Corporate Value Committee's recommendation, that certain criteria set out in the "Guideline Concerning Large-Scale Acquisitions" (hereinafter referred to as the "Guideline"; such Guideline is outlined in Annex 3) are met, then the Board of Directors of the Company shall adopt a resolution for initiating or not initiating the countermeasure, suspending the countermeasure, or any other necessary resolution. Additionally, even when the Corporate Value Committee makes a recommendation of not initiating the countermeasure, the Board of Directors of the Company may, upon placing maximum value on the Corporate Value Committee's recommendation, if the Board of Directors of the Company finds that there are circumstances due to which the directors' fiduciary duty (*zenkan chui gimu*) is likely to be violated by complying with such recommendation, adopt a resolution to initiate the countermeasure or choose not to adopt a resolution not to initiate the countermeasure and then convene a general meeting of shareholders of the Company to present before the shareholders the question of whether to initiate the countermeasure.

Upon adopting such resolution, the Company shall disclose the opinion of the Board of Directors of the Company, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges.

c. Convening of a general meeting of shareholders of the Company
If the Board of Directors of the Company determines, in its own judgment

(including the case where the Corporate Value Committee has made a recommendation to the Board of Directors of the Company on whether a general meeting of shareholders of the Company should be held), that a general meeting of shareholders of the Company should be held in order to present to the shareholders the question of whether to initiate the countermeasure under the Plan, then the Board of Directors of the Company shall convene the general meeting of shareholders of the Company. In such event, the relevant Large-Scale Acquisition Action shall be carried out after the motion for initiating the countermeasure is rejected at the general meeting of shareholders of the Company, and such general meeting of shareholders is closed. If the motion for initiating the countermeasure under the Plan is rejected at such general meeting of shareholders, the countermeasure under the Plan shall not be initiated against the relevant Large-Scale Acquisition Action.

Additionally, even after the convocation procedures for such general meeting of shareholders are taken, if the Board of Directors of the Company subsequently adopts a resolution not to initiate the countermeasure, or the Board of Directors of the Company comes to determine it reasonable to adopt a resolution to initiate the countermeasure, then the Company may cancel the procedures for convening the general meeting of shareholders of the Company. In the event of the adoption of such resolution, the Company shall also disclose the opinion of the Board of Directors of the Company, reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges.

(g) Modification of Large-Scale Acquisition Information

After the Company discloses its determination that the provision of the Large-Scale Acquisition Information under the provisions in (c) above has been completed, if the Board of Directors of the Company determines that any material modification has been made by the Large-Scale Acquirer to the Large-Scale Acquisition Information, then the Company shall disclose to that effect, together with reasons therefor, and such other information as found appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges, and thereupon the procedures under the Plan in connection with the Large-Scale Acquisition Action based on the previous Large-Scale Acquisition Information shall be discontinued, and the Large-Scale Acquisition Action based on the modified Large-Scale Acquisition Information shall be treated as another Large-Scale Acquisition Action, separate from the earlier Large-Scale Acquisition Action, and the procedures under the Plan shall apply anew to such action. However, in making such determination, the Board of Directors of the Company shall place maximum value on the Corporate Value Committee's opinion.

(h) Specific contents of the countermeasure

The countermeasure to be initiated by the Company against the Large-Scale Acquisition Action under the Plan shall be the allotment of stock acquisition rights without consideration as set forth in Article 277 and subsequent provisions of the Companies Act (stock acquisition rights so allotted shall be referred to hereinafter as the "Stock Acquisition Rights"), where such countermeasure shall be found necessary and reasonable to ensure the maximization of the Company Group's corporate value and the shareholders' common interest or otherwise to protect the foregoing.

An outline of the allotment of Stock Acquisition Rights without consideration as a countermeasure against the Large-Scale Acquisition Action is as set out in Annex 4, but when the Stock Acquisition Rights are actually distributed without consideration,

the exercise period, conditions for exercise, terms for acquisition, etc., including an exercise condition to the effect that the right may not be exercised by any Excluded Parties, may be provided, as needed, by taking into consideration their effectiveness and reasonableness as a countermeasure against the Large-Scale Acquisition Action.

4. Continuance of Takeover Defense Measures under the Plan and Duration, Continuance, Abolishment, Amendment, etc., of the Plan

In continuing the takeover defense measures under the Plan, the Company shall submit the proposal to the Shareholders' Meeting in order to provide the opportunity to appropriately reflect the shareholders' intention.

The Plan shall remain effective from the time when the proposal is adopted at the Shareholders' Meeting until the closing of the ordinary general meeting of shareholders of the Company for the last of the fiscal years ending within three (3) years from the closing of the Shareholders' Meeting. However, if prior to the expiration of such effective period, (i) a proposal for abolishing the Plan is approved at a general meeting of shareholders of the Company, or (ii) the Board of Directors of the Company adopts a resolution to abolish the Plan, then the Plan shall be abolished at such time. This means that the Plan may be abolished at any time in accordance with the shareholders' intention. In addition, if the proposal is not adopted at the Shareholders' Meeting, the Revision shall not become effective and the Current Plan shall be terminated at the closing of the Shareholders' Meeting.

Furthermore, the Board of Directors of the Company may, upon obtaining approval of the Corporate Value Committee, reexamine or amend the Plan as needed to the extent considered reasonably necessary due to an amendment to Laws and Regulations as well as the regulations of financial instruments exchanges, or a change in the interpretation or operation of the foregoing, or a change in the taxation system or court cases.

In the event that a resolution is adopted to abolish or otherwise amend the Plan, the Company shall disclose such matters as the Board of Directors of the Company or the Corporate Value Committee finds appropriate, in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges.

Incidentally, at present, there exists no proposal for a specific Large-Scale Acquisition Action in respect of the Company's shares.

5. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors upon Changing the Current Plan to the Plan through the Revision

At the time of changing the Current Plan to the Plan through the Revision, the allotment of Stock Acquisition Rights without consideration will not be made. Accordingly, there will be no direct, concrete impact on the rights and economic interests of the shareholders and investors when the Plan or the Revision becomes effective.

(2) Impact on Shareholders and Investors upon Making Allotment of Stock Acquisition Rights Without Consideration

The Board of Directors of the Company may initiate the countermeasure under the Plan against a Large-Scale Acquisition Action for the purpose of securing and enhancing the corporate value and the shareholders' common interest, and given the structure of the countermeasure currently anticipated, the per share value of the Company's shares held is expected to be diluted at the time of the allotment of Stock Acquisition Rights without

consideration, but because the value of the entire shares of the Company would not be diluted, it is not anticipated that this would bring any direct, concrete impact on the legal rights and economic interests of the shareholders and investors.

However, with respect to the Excluded Parties, if the countermeasure is initiated, there may be some resulting impact upon the legal rights and economic interests of such party.

In addition, if a resolution of the allotment of Stock Acquisition Rights without consideration is adopted in connection with the countermeasure, and after the shareholders to receive the allotment of Stock Acquisition Rights are fixed, if the Company suspends allotment of Stock Acquisition Rights without consideration, or acquires, without consideration, the Stock Acquisition Rights once allotted without consideration, then because the per share value of the Company's stock will not be diluted as a result, any investor who has sold or purchased the Company's shares on the assumption that the per share value of the Company's shares would be diluted may suffer a fair amount of loss due to stock price fluctuations.

The procedures to be taken by the shareholders for exercise and acquisition of Stock Acquisition Rights without consideration allotted are as set forth below.

(i) Procedures for the allotment of Stock Acquisition Rights without consideration:
In the event that the Board of Directors of the Company adopts a resolution to make an allotment of Stock Acquisition Rights without consideration, the Company shall fix the record date for allotment of Stock Acquisition Rights and publicly announce the same in accordance with Laws and Regulations and the Company's Articles of Incorporation. In such a case, the Stock Acquisition Rights shall be allotted to the shareholders registered on the last register of shareholders on the relevant record date in proportion to the number of shares held by them respectively.

If Stock Acquisition Rights are to be allotted without consideration, the shareholders who are registered on the last register of shareholders on the record date shall all become holders of the Stock Acquisition Rights as a matter of course on the effective date of the allotment of the Stock Acquisition Rights without consideration.

(ii) Procedures for exercise or acquisition of Stock Acquisition Rights
The Company shall send to the shareholders registered on the last register of shareholders on the record date a request form for the exercise of Stock Acquisition Rights (such form shall be prescribed by the Company, and may include a statement declaring that the shareholder is not an Excluded Party) and other documents required for the exercise of such Stock Acquisition Rights. If the terms of acquisition of Stock Acquisition Rights are not provided and the Company does not intend to acquire the Stock Acquisition Rights, when any of the shareholders pays one (1) yen for each Stock Acquisition Right at the place designated for such payment and also submits the necessary documents within the exercise period for Stock Acquisition Rights to be separately prescribed by the Board of Directors of the Company, the Company's common shares shall be issued to such shareholder in a number to be separately prescribed by the Board of Directors of the Company, which number shall be 0.5 or more but not more than 1 share for each Stock Acquisition Right. However, no Excluded Party may be allowed to exercise such Stock Acquisition Rights.

On the other hand, if the terms of acquisition of Stock Acquisition Rights are provided and the Company intends to acquire Stock Acquisition Rights, the shareholders may receive the Company's common shares as consideration for the Company's acquisition of such Stock Acquisition Rights without paying the amount otherwise payable as the exercise price (additionally, in such event, the shareholders may be required to

separately present a document for identity verification and documents containing information concerning the account for book-entry transfer of the Company's common shares as well as a document wherein the relevant shareholder declares, among other things, that such shareholder is not an Excluded Party, and that such shareholder shall immediately return the Company's shares so issued if such declaration turns out to be false). However, as stated above, with regard to the Excluded Parties, their Stock Acquisition Rights may not be eligible for acquisition, or may be otherwise treated differently from those of the other shareholders.

Details for these procedures shall be disclosed in an appropriate and timely manner in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges when an actual situation occurs to require such procedures, and the contents of such disclosure are to be reviewed.

6. Reasonableness of the Plan

The Plan meets the three principles as stipulated in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholders' Common Interest" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005: (i) the principle of protecting and enhancing corporate value and shareholders' common interest, (ii) the principle of prior disclosure and shareholders' will, and (iii) the principle of ensuring the necessity and reasonableness of defensive measures; and the details of the Plan are founded upon the practice and discussions regarding takeover defense measures such as the "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008, by the Corporate Value Study Group established within the Ministry of Economy, Trade and Industry, and thus the Plan is highly reasonable.

(1) Ensuring and Enhancing of Corporate Value and Shareholders' Common Interest
As indicated in 3.(1) above, the purpose of the Plan is to ensure and enhance the Company's corporate value and the shareholders' common interest by ensuring, through requesting the Large-Scale Acquirer to provide necessary information relating to the relevant Large-Scale Acquisition Action in advance and allowing a period for deliberation and negotiation, that the shareholders are able to make an appropriate assessment as to whether to accept such Large-Scale Acquisition Action, and that the Board of Directors of the Company, upon receiving recommendations of the Corporate Value Committee, presents its view toward such Large-Scale Acquisition Action or the Alternative Proposal to the shareholders, or negotiates with the Large-Scale Acquirer for the benefit of the shareholders.

(2) Prior Disclosure
The Company makes prior disclosure of the Plan in order to increase predictability for the shareholders and investors as well as the Large-Scale Acquirer and secure a fair opportunity for the shareholders to make a choice.

Also in the future, the Company intends to make appropriate and timely disclosure as needed in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges.

(3) Emphasis on Shareholders' Intention
The Company intends to ascertain the shareholders' intention by submitting the proposal to the Shareholders' Meeting. As stated above, if a proposal for abolishing the Plan is approved at the general meeting of shareholders of the Company, the Plan shall be discontinued at such time, and as such, the continuance of the Plan is up to the shareholders.

(4) Procurement of Outside Experts' Opinion

As indicated in 3.(2)(d) above, in taking the countermeasure, the Board of Directors of the Company will conduct deliberations upon obtaining advice of outside professional advisors (such as financial advisors, attorneys, and certified public accountants) as needed. In this way, the objectivity and reasonableness will be secured with respect to determinations of the Board of Directors of the Company.

(5) Establishment of the Corporate Value Committee

As indicated in 3.(2)(e) above, the Company will establish a Corporate Value Committee in order to ensure the necessity and reasonableness of the Plan and prevent the management from abusing the Plan for their own protection, and in the event that the Board of Directors of the Company initiates the countermeasure, the Board of Directors of the Company shall place maximum value on the Corporate Value Committee's recommendation in order to ensure fairness in decisions of the Board of Directors of the Company and eliminate arbitrary decisions on the part of the Board of Directors of the Company.

(6) Establishment of the Guideline

In order to prevent the Board of Directors of the Company from making arbitrary decisions and treatment in various procedures under the Plan and to ensure procedural transparency, the Company has established the Guideline as an internal policy incorporating objective requirements. The establishment of the Guideline will increase the objectivity and transparency of the policy to be relied upon in making decisions to initiate, not to initiate, or to suspend the countermeasure, and provide sufficient predictability with respect to the Plan (see Annex 3 for the outline of the Guideline).

(7) No Dead-Hand or Slow-Hand Takeover Defense Measures

As stated in 4. above, because the Plan may be abolished at any time at the general meeting of shareholders of the Company or by the Board of Directors of the Company comprising the directors appointed at the general meeting of shareholders, it is neither the so-called "dead-hand" type takeover defense measure (a takeover defense measure which cannot be prevented from being initiated even if the majority of members on the Board of Directors is replaced) nor the so-called "slow-hand" type takeover defense measure (a takeover defense measure which requires time to be blocked because the members on the Board of Directors cannot be replaced all at once).

END

(Annex 1)

Information of Large Shareholders

(as of March 31, 2014)

Names of Shareholders	Investment in the Company	
	Number of Shares Held (Thousands of shares)	Shareholding Ratio (%)
Japan Trustee Services Bank, Ltd. (trust account)	42,433	6.9
The Master Trust Bank of Japan, Ltd. (trust account)	39,536	6.4
Sumitomo Life Insurance Company	21,666	3.5
State Street Bank and Trust Company 505224	19,726	3.2
Sumitomo Mitsui Banking Corporation	15,531	2.5
Sumitomo Heavy Industries, Ltd. *Kyoei-kai*	12,363	2.0
Japan Re Fidelity	8,342	1.4
Japan Trustee Services Bank, Ltd. The Sumitomo Trust and Banking Corporation retirement benefit trust	8,244	1.3
The Master Trust Bank of Japan, Ltd. (trust account 9)	7,713	1.3
Sumitomo Corporation	7,461	1.2

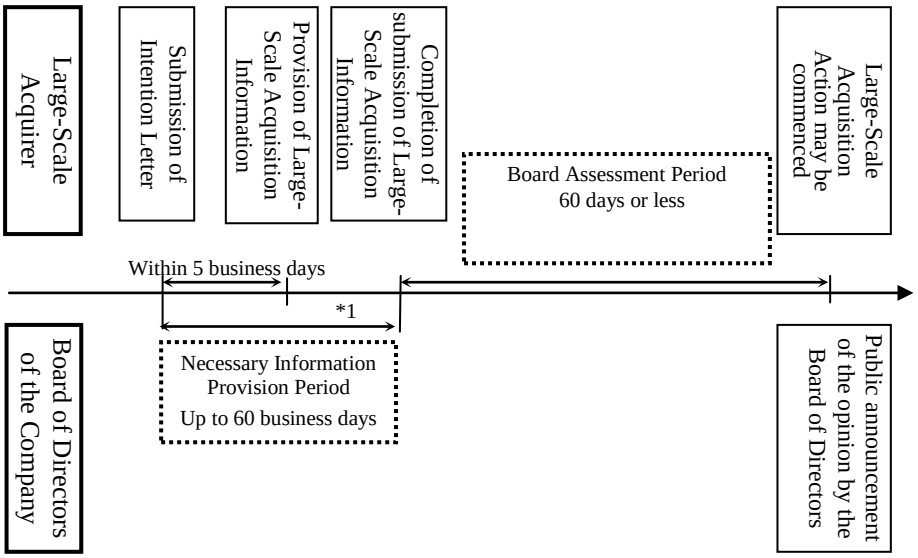
(Notes)

1. The shareholding ratios are calculated excluding the Company's treasury stock (1,249,184 shares). Further, the Company's treasury stock includes 1,000 shares that are not substantially owned by the Company although the Company is the nominal owner thereof in the register of shareholders.
2. Shares (as of March 31, 2014)
   (1) Total number of authorized shares: 1,800,000,000 shares
   (2) Total number of issued shares: 614,527,405 shares
   (3) Number of shareholders: 48,685

(Annex 2)

FLOW OF PROCEDURES UNDER THE PLAN

[Outline of Large-Scale Acquisition Rules]



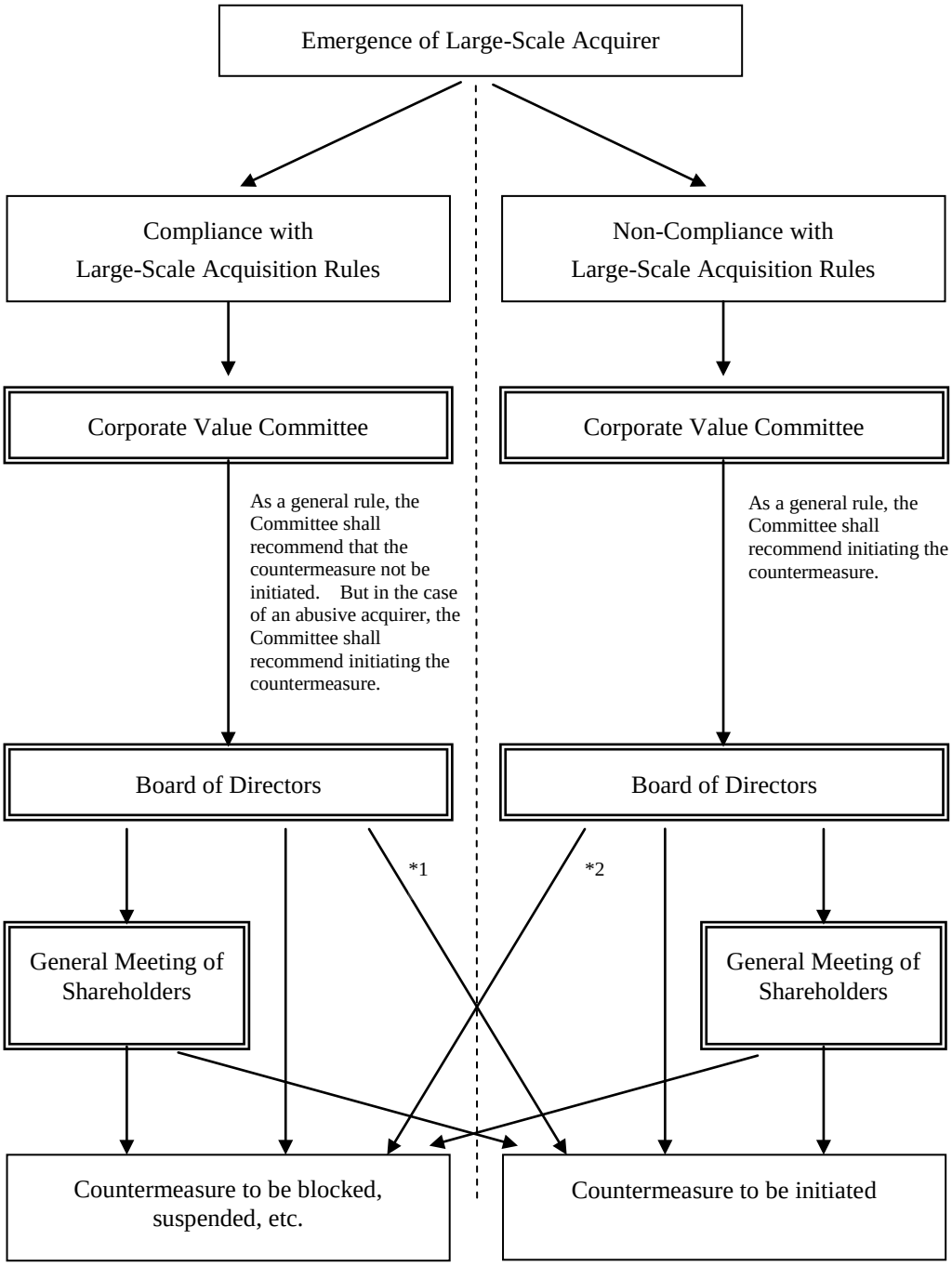
*1: If the Board of Directors of the Company determines that, solely on the basis of the information provided initially, it would be difficult for the shareholders to appropriately determine whether to accept the Large-Scale Acquisition Action, or for the Board of Directors of the Company or the Corporate Value Committee to form an opinion as to the acceptability of such Large-Scale Acquisition Action (hereinafter referred to as the "Opinion Formation") or for the Board of Directors to devise an alternative proposal (hereinafter referred to as the "Alternative Proposal Formulation") and present the same to the shareholders in an appropriate manner, then the Board of Directors of the Company may, upon fixing a reasonable period (up to sixty (60) business days from the day on which the Board of Directors receives the Intention Letter (the first day of the period shall not be counted) (hereinafter referred to as the "Necessary Information Provision Period") before the submission deadline, disclose the period so fixed and the reasons for requiring such reasonable period to the shareholders, and request that the Large-Scale Acquirer at any time provide additional information necessary for the shareholders' appropriate assessment and for the Opinion Formation by the Board of Directors of the Company or the Corporate Value Committee or for the Alternative Proposal Formulation by the Board of Directors of the Company. However, in such event, the Board of Directors of the Company shall place maximum value on the Corporate Value Committee's opinion.

*2: The Corporate Value Committee shall make recommendations to the Board of Directors of the Company as needed.

*3: The Board of Directors of the Company shall, as needed, present to the shareholders an alternative business plan to replace the acquisition proposal or, the business plan, etc., presented by the relevant Large-Scale Acquirer, or shall negotiate with the Large-Scale Acquirer for the benefit of the shareholders.

*4: If the Board of Directors of the Company determines, in its own judgment (including where the Corporate Value Committee has made a recommendation to the Board of Directors of the Company on whether a general meeting of shareholders should be held), that a general meeting of shareholders of the Company should be held in order to present to the shareholders the question of whether to initiate the countermeasure under the Plan, then the Board of Directors of the Company shall convene the general meeting of shareholders of the Company.

[Outline Relating to Initiation of Countermeasure]



*1: Countermeasure to be initiated if the acquirer is determined to be abusive.
*2: Countermeasure to be blocked, suspended, etc., if the acquirer is determined not to be abusive.

Note: Annex 2 summarizes the flow of the procedures set forth under the Plan. Please refer to the main text of the proposal for more details.

(Annex 3)

GUIDELINE CONCERNING LARGE-SCALE ACQUISITION ACTIONS (OUTLINE)

1. Purpose

In connection with the countermeasures to be taken with regard to the Large-Scale Acquisition Actions of the Company's shares (hereinafter referred to as the "Plan"), the Guideline Concerning the Large-Scale Acquisition Actions (hereinafter referred to as the "Guideline") is intended to provide the procedures and principles in advance so that, when any Large-Scale Acquirer (as defined immediately below) emerges, the Board of Directors of the Company and the Corporate Value Committee (as defined below in 6.) may adopt resolutions to initiate or refrain from initiating the countermeasure of the allotment of stock acquisition rights without consideration, with a view to ensuring and enhancing the Company's corporate value and the shareholders' common interest.

For purposes of the Guideline, a "Large-Scale Acquisition Action" refers to any of the actions which fall or could fall under (i) through (iii) below (except those approved in advance by the Board of Directors of the Company), and a "Large-Scale Acquirer" refers to the party who will attempt or has attempted to take such Large-Scale Acquisition Action.

(i) Takeover bid or other acquisition[3] in respect of the share certificates, etc.[1], issued by the Company, as a result of which the percentage[2] of such share certificates, etc., held by a specified shareholder of the Company would become 20% or more.

(ii) Takeover bid or other acquisition[7] in respect of the share certificates, etc.[4], issued by the Company, as a result of which the percentage[5] of such share certificates, etc., owned by a specified shareholder of the Company and the percentage of such share certificates, etc., owned by any special interested party[6] of such specified shareholder would become 20% or more.

(iii) Irrespective of whether either of the actions set out in (i) or (ii) above is carried out, an agreement or other action by and between a specified shareholder of the Company and any other shareholder(s) of the Company (including the case where more than one other shareholder is involved; the same shall apply hereinafter in this item (iii)) whereby such other shareholder(s) fall under the status of co-holder of such specified shareholder, or an action which establishes a relationship between such specified shareholder and such other shareholder(s) wherein either one substantially controls the other, or they operate in collaboration or coordination[8] [9] (provided that this shall apply only if, in respect of the share certificates, etc., issued by the Company, the aggregate percentage of the share certificates, etc., held by such specified shareholder and such other shareholder(s) of the Company would become 20% or more).

---

1 Refers to share certificates, etc., as defined in Article 27-23, paragraph 1, of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise provided.

2 Refers to the shareholding percentage as defined in Article 27-23, paragraph 4, of the Financial Instruments and Exchange Act. The same shall apply hereinafter except that, for the purpose of calculating such shareholding percentage, (i) any special interested party as defined in Article 27-2, paragraph 7, of said Act, and (ii) any investment bank, securities company, or other financial institution which has executed a financial advisory agreement with said specified shareholder, as well as the takeover bid agent or the lead managing securities company (hereinafter referred to as the "Contracting Financial Institution(s)") for said specified shareholder shall be deemed a co-holder (which refers to the co-holder as defined in Article 27-23, paragraph 5, of the Financial Instruments and Exchange Act; the same shall apply hereinafter) of said specified shareholder of the Company for purposes of the Plan. Additionally, for the purpose of calculating such shareholding percentage, the most recent information publicly announced by the Company may be used for determining the aggregate number of the Company's issued shares.

3 Includes ownership of the right to claim delivery of share certificates, etc., under a sale/purchase or other agreement and execution of the respective transactions set forth in Article 14-6 of the Ordinance for Enforcement Ordinance of the Financial Instruments and Exchange Act.

4 Refers to share certificates, etc., as defined in Article 27-2, paragraph 1, of the Financial Instruments and Exchange Act. The same shall apply in this item (ii).

5 Refers to the share ownership percentage as defined in Article 27-2, paragraph 8, of the Financial Instruments and Exchange Act. The same shall apply hereinafter. Additionally, for the purpose of calculating such share ownership percentage, the most recent information publicly announced by the Company may be used for determining the aggregate number of the Company's voting rights.

6 Refers to a special interested party as defined in Article 27-2, paragraph 7, of the Financial Instruments and Exchange Act; provided that, with respect to the parties indicated in item 1 of said paragraph, the party specified in Article 3, paragraph 2, of the Cabinet Ordinance Concerning Disclosure of Takeover Bid of Share Certificates, etc., by Parties Other than Issuer shall be excluded. Additionally, (i) co-holders and (ii) Contracting Financial Institutions shall be deemed to be special interested parties of such specified shareholders for purposes of the Plan. The same shall apply hereinafter.

7 Includes an acquisition or other assignment for value as well as those similar to assignment for value as provided in Article 6, paragraph 3, of the Ordinance for Enforcement of the Financial Instruments and Exchange Act.

8 The determination of whether "a relationship between such specified shareholder and such other shareholder(s)wherein either one substantially controls the other, or they operate in collaboration or coordination" has been established shall be made on the basis of the formation of a new capital relationship, business alliance, transactional or contractual relationship, relationships concerning interlocking directors and officers, funds provision relationship, credit offering relationship, substantial interest concerning the share certificates, etc., of the Company through derivatives or stock lending, etc., or other relationships, as well as the impact, etc., directly or indirectly brought upon the Company by such specified shareholder or such other shareholder(s).

9 The determination of whether an action specified in this (iii) has been taken shall be reasonably made by the Board of Directors of the Company based on recommendations by the Corporate Value Committee. In addition, the Board of Directors of the Company may request the Company's shareholders to provide necessary information to the extent found necessary for the determination of whether the requirements under (iii) apply.

2. Initiation of Countermeasure

(1) If the Large-Scale Acquirer breaches any of the procedures set out in the Plan (hereinafter referred to as the "Large-Scale Acquisition Rules") in a material respect (including the cases where the Large-Scale Acquirer fails to provide additional, necessary information within the reasonable period prescribed by the Board of Directors of the Company (up to sixty (60) business days from the day on which the Board of Directors of the Company receives the Intention Letter (the first day of the period shall not be counted), and where the Large-Scale Acquirer refuses to have discussions or negotiations with the Board of Directors of the Company), and such breach is not cured within five (5) business days after the Board of Directors of the Company gives such Large-Scale Acquirer a written request to cure such breach (the first day of the period shall not be counted), then as a general rule, the Corporate Value Committee shall recommend that the Board of Directors of the Company take the countermeasure, or (2) even if the Large-Scale Acquirer complies with the Large-Scale Acquisition Rules, the Corporate Value Committee shall recommend that the Board of Directors of the Company initiate the countermeasure if such Large-Scale Acquirer is recognized as having any of the circumstances set out in (A) through (E) below (hereinafter referred to as the "Abusive Acquirer"), and if it is found reasonable to initiate such countermeasure, and the Board of Directors of the Company shall, upon placing maximum value on the Corporate Value Committee's recommendation, adopt a resolution to initiate the countermeasure.

However, even after the Corporate Value Committee has recommended that the Board of Directors of the Company initiate the countermeasure, if the Large-Scale Acquisition Action is withdrawn, or if otherwise the facts and other circumstances that formed the basis for such recommendation are altered, then the Corporate Value Committee may recommend that the Board of Directors of the Company discontinue the countermeasure, or make other recommendations, and if the Board of Directors of the Company finds that the directors' fiduciary duty (*zenkan chui gimu*) is likely to be violated by placing maximum value on the Corporate Value Committee's recommendation and complying with such recommendation, then the Board of Directors of the Company may choose to adopt or not to adopt a resolution to initiate the countermeasure, and then convene a general meeting of shareholders of the Company to present before the shareholders the question of whether to initiate the countermeasure.

(A) When the Large-Scale Acquirer does not have a bona fide intention of participating in the management of the Company, but acquires the Company's share certificates, etc., for the purpose of making parties related to the Company buy back the shares at an inflated stock price (so-called "green mailer"), or when the main purpose of acquiring the Company's share certificates, etc., is to earn a short-term margin;

(B) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and cause it to transfer to the Large-Scale Acquirer, its group companies, etc., the Company's intellectual property, know-how, trade secrets, or major business partners and customers, which are essential to the Company's business operation;

(C) When the Large-Scale Acquirer is acquiring the Company's shares with the intention of inappropriately utilizing the Company's assets as collateral or funds for repayment of the obligations of such Large-Scale Acquirer, its group companies, etc., after taking control over the management of the Company (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value and the shareholders' common interest would be impaired. The Company shall not initiate the countermeasures merely because this item (C) formally applies.);

(D) When the main purpose of participating in the management of the Company is to temporarily control the management of the Company and sell or otherwise dispose of its real properties, securities, and other high-priced assets, which are irrelevant to the Company's business for the time being, and then distribute high dividends temporarily with gains from such disposition or sell the shares at a high price, seizing the timing of a sharp rise of the stock price due to temporary high dividend payments (Provided, however, that the initiation of the countermeasures shall be determined based on whether the Company's corporate value and the shareholders' common interest would be impaired. The Company shall not initiate the countermeasures merely because this item (D) formally applies.);

(E) When the method of acquisition proposed by the Large-Scale Acquirer is such an oppressive method that the shareholders' opportunity for assessment or freedom of choice may be restricted due to the structure of such method, as exemplified by two-tiered acquisition (acquisition of share certificates, etc., in a manner wherein the terms for the second-stage acquisition are set more disadvantageous or are unclear in the event all of the Company's shares are not acquired during the first stage of acquisition, or otherwise concerns of the future liquidity of the Company's share certificates, etc., are raised by suggesting delisting, etc., and the shareholders are thereby effectively coerced into accepting the acquisition);

3. No Initiation of Countermeasure

The Board of Directors of the Company shall not initiate the countermeasure in the following cases:

(1) when the shareholders (other than the relevant Large-Scale Acquirer) holding one-half or more of the voting rights of all the shareholders of the Company express their intention to accept the takeover bid;

(2) when the Board of Directors of the Company determines, as a result of having sufficient discussions and negotiations with the Large-Scale Acquirer, that such Large-Scale Acquirer is not an Abusive Acquirer;

(3) when the proposal for initiating the countermeasure under the Plan is rejected at the general meeting of shareholders of the Company held to determine whether to initiate the countermeasure under the Plan;

(4) when the Corporate Value Committee recommends that the Board of Directors of the Company not initiate the countermeasure against the Large-Scale Acquisition Action, and the Board of Directors of the Company finds that there are no circumstances under which the directors' fiduciary duty (*zenkan chui gimu*) is likely to be violated by placing maximum value on the Corporate Value Committee's recommendation and complying with such recommendation;

(5) when the Corporate Value Committee recommends that the Board of Directors of the Company initiate the countermeasure against the Large-Scale Acquisition Action, and the Board of Directors of the Company finds that there are circumstances under which the directors' fiduciary duty (*zenkan chui gimu*) is likely to be violated by placing maximum value on the Corporate Value Committee's recommendation and complying with such recommendation; or

(6) in such other event as the Board of Directors of the Company separately provides.

4. Abandonment of Countermeasure

The Board of Directors of the Company shall abandon the countermeasure in the following cases:

(1) when an ordinary resolution to agree to the Large-Scale Acquirer's proposal of acquisition is passed at the general meeting of shareholders of the Company;

(2) upon the unanimous agreement of all the members of the Corporate Value Committee; or

(3) in such other event as the Board of Directors of the Company separately provides.

5. Contents of Countermeasure

The countermeasure shall be either the allotment of stock acquisition rights without consideration as set forth in Article 277 and subsequent provisions of Companies Act (stock acquisition rights so allotted shall be referred to as "Stock Acquisition Rights" hereinafter) where such countermeasure shall be found necessary and reasonable to ensure the maximization of the Company Group's corporate value and the shareholders' common interest or otherwise to protect the foregoing.

Additionally, the outline of the allotment of Stock Acquisition Rights without consideration as a countermeasure against the Large-Scale Acquisition Action is as set out in Annex 4, and the exercise period, conditions for exercise, terms for acquisition, etc., including the exercise condition to the effect that the right may not be exercised by certain Large-Scale Acquirers set forth in accordance with the procedures established by the Board of Directors of the Company, and such Large-Scale Acquirer's co-holder or special interested party (*tokubetsu kankeisha*) as well as such party as recognized by the Board of Directors of the Company as the party which any of the foregoing parties substantially controls or which operates in collaboration with or in coordination with any of the foregoing parties (each of the aforementioned parties shall be hereinafter referred to as an "Excluded Party"), shall be provided, as needed, by taking into consideration their effectiveness and reasonableness as a countermeasure against the Large-Scale Acquisition Action.

6. Corporate Value Committee

The Corporate Value Committee shall consist of at least three (3) members, and such members shall be appointed by the Board of Directors of the Company from among Outside Directors and Outside Auditors (including alternates thereof) as well as other recognized experts, who shall be independent from the management operating the Company's business. Additionally, each of such experts shall execute, with the Company, an agreement which shall include, among others, a clause to impose a fiduciary duty (*zenkan chui gimu*) toward the Company.

As a general rule, resolutions of the Corporate Value Committee shall be adopted by the majority of all the members at a meeting where all the incumbent committee members are present. However, in the event of a disability of any member of the Corporate Value Committee, or if there is any other justifiable reason, such resolutions may be adopted by the majority of the independent members present at a meeting where the majority of the independent members are present.

7. Timely Disclosure

The Board of Directors of the Company shall, in accordance with applicable Laws and Regulations as well as the regulations of financial instruments exchanges, make appropriate and timely disclosure to the shareholders and investors of such matters as deemed necessary under the Plan.

8. Continuance of Takeover Defense Measures under the Plan and Duration, Continuance, Abolishment, Amendment, etc., of the Plan

The Plan shall remain effective until the closing of the ordinary general meeting of shareholders of the Company for the last of the fiscal years ending within three (3) years from the closing of the 118th Ordinary General Meeting of Shareholders of the Company to be held on June 27, 2014 (hereafter referred to as the "Shareholders' Meeting"). However, if prior to the expiration of such effective period, (i) the proposal for approval of the continuance of takeover defense measures under the Plan is not adopted at the Shareholders' Meeting, (ii) a proposal for abolishing the Plan is approved at a general meeting of shareholders of the Company, or (iii) the Board of Directors of the Company adopts a resolution to abolish the Plan, then the Plan shall be abolished at such time.

Furthermore, from the viewpoint of securing and enhancing the corporate value and the shareholders' common interest, the Board of Directors of the Company shall reexamine or amend the Plan as needed.

END

(Annex 4)

OUTLINE OF ALLOTMENT OF STOCK ACQUISITION RIGHTS WITHOUT CONSIDERATION

1. Shareholders to whom allotment may be made:

   One (1) stock acquisition right shall be allotted without consideration for every one (1) share (other than the Company's common shares held by the Company) held by the shareholders registered on the last register of shareholders on the record date to be separately determined by the Board of Directors of the Company.

2. Type and number of shares to be acquired upon exercise of stock acquisition rights:

   The type of shares to be acquired upon the exercise of stock acquisition rights shall be common shares of the Company, and the number of common shares to be so acquired shall be 0.5 or more but not more than one (1) share for each stock acquisition right as the Board of Directors of the Company shall separately determine.

3. Effective date of allotment of stock acquisition rights without consideration:

   To be separately determined by the Board of Directors of the Company.

4. Value of assets to be invested upon exercise of each stock acquisition right:

   The form of investment to be made upon exercise of stock acquisition rights shall be cash, and the amount to be invested upon exercise of one (1) stock acquisition right shall be one (1) yen for each common share of the Company.

5. Restriction on transfer of stock acquisition rights:

   Stock acquisition rights shall only be transferred with the approval of the Board of Directors of the Company.

6. Conditions for the exercise of stock acquisition rights:

   Conditions for the exercise of stock acquisition rights shall be separately determined by the Board of Directors of the Company (it is noted that an exercise condition may be attached to the effect that the right may not be exercised by certain Large-Scale Acquirers set forth in accordance with the procedures established by the Board of Directors of the Company, or such Large-Scale Acquirer's co-holder or special interested party (*tokubetsu kankeisha*), or such party as recognized by the Board of Directors of the Company as the party which any of the foregoing parties substantially controls or which operates in collaboration with or in coordination with any of the foregoing parties (each of the aforementioned parties shall be hereinafter referred to as an "Excluded Party").

7. Acquisition by the Company of stock acquisition rights:

   The Board of Directors of the Company may attach an acquisition clause setting forth, among

others, that the Company may, pursuant to the resolution of the Board of Directors of the Company, acquire only the stock acquisition rights held by the holders other than the Excluded Parties, on condition that any of the following occurs: when the Large-Scale Acquirer violates any of the Large-Scale Acquisition Rules; when any of the other prescribed events occurs; or when any date separately specified by the Board of Directors of the Company occurs.

8. Reasons for acquisition of stock acquisition rights without value (reasons for abandonment of the countermeasures):

The Company may acquire all of the stock acquisition rights without value upon the occurrence of any of the following events:

(a) when an ordinary resolution to agree to the Large-Scale Acquirer's proposal of acquisition is passed at the general meeting of shareholders of the Company;

(b) upon the unanimous agreement of all the members of the Corporate Value Committee; or

(c) in such other event as the Board of Directors of the Company separately provides.

9. Exercise period and other matters in respect of stock acquisition rights:

The exercise period and other necessary matters in respect of the stock acquisition rights shall be separately determined by the Board of Directors of the Company.

(Reference)

Names and Brief Background Descriptions of
Members of the Corporate Value Committee

[Name] Hideo Kojima
[Brief Background Description]

Mar. 1980	Registered as an Certified Public Accountant, to date
May 1995	Representative Partner, Ota-Showa Auditors Office (currently Ernst & Young ShinNihon LLC)
May 2000	Vice Chairman, Century Ota Showa & Co. (currently Ernst & Young ShinNihon LLC)
May 2004	General Manager, International Division, Tokyo Office, Shin-nihon Auditors Office (currently Ernst & Young ShinNihon LLC)
May 2006	Executive Vice Chairman, Shin-nihon Auditors Office (currently Ernst & Young ShinNihon LLC)
Sep. 2010	Senior Advisor, Ernst & Young ShinNihon LLC
Jun. 2011	Outside Auditor of the Company, to date
Jun. 2011	Outside Auditor of the ALPINE ELECTRONICS, INC.

[Name] Takeo Wakae
[Brief Background Description]

Apr. 1983	Registered as an attorney at law, to date
Apr. 1992	Member of the Civil Affairs Conciliation Board, Tokyo District Court, to date
Jun. 2012	Outside Director of the Company, to date

[Name] Seishiro Tsukada
[Brief Background Description]

Apr. 1981	Registered as an attorney at law, to date
Apr. 1992	Member of the Civil Affairs Conciliation Board, Shibuya Summary Court (currently Tokyo Summary Court), to date
Apr. 1997	Vice Chairman, The Daiichi Tokyo Bar Association (fiscal 1997)
Jun. 2008	Outside Corporate Auditor of the Company
Apr. 2009	Director, The Japan Federation of Bar Associations (fiscal 2009)
Jun. 2012	Alternative Corporate Auditor of the Company, to date

The Company notified Tokyo Stock Exchange, Inc. that Messrs. Hideo Kojima and Takeo Wakae, who are outside officers, are Independent Officers.