

[Translation: For reference only]

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Sanwa Holdings Corporation

(Stock Code: 5929)

June 4th, 2014

1-1, Nishi-Shinjuku 2-Chome,
Shinjuku-ku, Tokyo, Japan

Toshitaka Takayama
Representative Director,
Chairman, President & CEO

Convocation Notice of The 79th Ordinary General Meeting of Shareholders

To Our Shareholders;

We hereby would like to appreciate your constant and deep consideration to Sanwa Holdings Corporation (the “Company”).

The 79th Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially invited to attend the Meeting.

If you cannot attend the Meeting, you may exercise your voting rights either in writing or via electronic media (including Internet). We ask that you please exercise your voting rights no later than 5:15 p.m. on June 25, 2014 (Wednesday) after carefully reading the “Reference Materials for Shareholders’ Meeting” shown below.

Recitals

- 1. Date and Time** Thursday, June 26th, 2014, at 10:00 a.m.
- 2. Place** **NS Sky-Conference Room 1, Shinjuku NS Building, 30th floor**
4-1, Nishi-Shinjuku 2-Chome
Shinjuku-ku, Tokyo

3. Agenda of the Meeting:

Matters to be Reported:

1. Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports of the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements, for the 79th Term (from April 1, 2013 to March 31, 2014).
2. Report on the Non-Consolidated Financial Statements for the 79th Term (from April 1, 2013 to March 31, 2014).

Matter to be Resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Partial Amendment of the Articles of Incorporation
- Proposal 3: Election of Nine Directors
- Proposal 4: Election of One Corporate Auditor
- Proposal 5: Revision to Amount of Remuneration for Directors
- Proposal 6: Delegation of the Gratis Allotment of Stock Acquisition Rights for the Purpose of a Takeover Defense

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- Upon attending the Meeting, please present the enclosed Form for Exercise of Voting Rights to the receptionist.
 - When the need arises to amend “Reference Materials for Shareholders’ Meeting,” such amendments will be announced on the Company’s website at <http://www.sanwa-hldgs.co.jp/> on Internet.

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How to Exercise Voting Rights

[Exercise of voting rights in writing]

You are kindly asked to send us via return mail the enclosed voting form after indicating your approval or disapproval of the Proposal to arrive no later than 5:15 p.m. on June 25, 2014 (Wednesday).

[Exercise of voting rights via electronic media (including Internet)]

You are kindly asked to exercise your voting rights no later than 5:15 p.m. on June 25, 2014 (Wednesday) in accordance with the instructions contained in the “Guide to Exercising Your Voting Rights via Electronic Media (including Internet)” shown on page 39.

Reference Materials for Shareholders' Meeting

Proposal and Reference Materials

Proposal 1: Appropriation of Surplus

It is proposed that surplus to be appropriated as follows.

1. Matters related to appropriation of surplus

Pursuant to the resolution adopted at the Board of Directors meeting held on May 14, 2014, the Company retired eight million of the treasury shares it then held, on May 30, 2014. In association therewith, the amount corresponding to the retired shares will be reduced from the retained earnings brought forward by an accounting processing for the 80th term, the next fiscal year ending March 31, 2015.

We therefore propose that the general reserve be reversed and transferred to the retained earnings brought forward to deal with the retirement of treasury shares.

(1) Item and amount of the surplus to decrease

General reserve	¥4,340,000,000
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(2) Item and amount of the surplus to increase

Retained earnings brought forward	¥4,340,000,000
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2. Matters related to term-end dividends

It is the Company's basic policy to provide dividend payments related to consolidated performance and to keep stable payout ratio in order to further pursue corporate management for increasing the corporate value. Concretely, dividend payments of the consolidated net income for the term are aimed to be 30% as payout ratio.

By giving consideration to the business performance for the year under review and future business development, among others, the term-end dividend for the 79th fiscal term is proposed to be ¥7 per share, an increase of ¥1 per share from the previous forecast as detailed below.

(1) Type of dividend assets

Cash

(2) Items relating to the allocation of dividend assets to shareholders and its total amount

¥7 per share of common stock	Total ¥1,678,219,788
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(¥13 per annum adding paid interim dividend ¥6 per share)

(3) Effective date of payment of dividend from surplus

June 27, 2014

Proposal 2: Partial Amendment of the Articles of Incorporation

1. Reasons for the proposal

To clarify the relationship between representative directors and directors with titles, and to deal promptly with the procedure of convening meetings of the Board of Directors and the Board of Corporate Auditors, partial amendments are proposed to Article 23 (Directors with Titles and Representative Directors), Article 24 (Convocation of a Meeting of the Board of Directors) and Article 32 (Convocation of a Meeting of the Board of Corporate Auditors) and other necessary changes be conducted.

2. Contents of the amendment

Contents of the amendment are as follows.

(The amended parts are underlined)

Current Articles of Incorporation	Proposed Amendment
<p>Section III: General Meetings of Shareholders</p> <p>(Person to Convene General Meetings) Article 16 <text omitted></p> <p>Section IV: Directors and Board of Directors</p> <p><u>(Directors with Titles and Representative Directors)</u> Article 23 (1) <u>One Chairman and one President may</u> be elected <u>from among the directors</u> by resolution of the Board of Directors. (2) <u>The President shall represent the Company.</u> (3) <u>Directors who represent the Company</u> may be elected <u>in addition to the President</u> by resolution of the Board of Directors.</p> <p>(Convocation of Meetings of the Board of Directors) Article 24 (1) <text omitted> (2) Notice of convocation of a meeting of the Board of Directors <u>must</u> be sent to each Director and Corporate Auditor at least three days prior to the meeting. (3) <text omitted></p>	<p>Section III: General Meetings of Shareholders</p> <p>(Person <u>Qualified</u> to Convene General Meetings) Article 16 <same as present></p> <p>Section IV: Directors and Board of Directors</p> <p><u>(Representative Directors and Directors with Titles)</u> Article 23 (1) <u>Representative directors shall</u> be elected by resolution of the Board of Directors. (Deleted) (2) <u>One Chairman and one President</u> may be elected <u>from among the directors</u> by resolution of the Board of Directors.</p> <p>(Convocation of Meetings of the Board of Directors) Article 24 (1) <same as present> (2) Notice of convocation of a meeting of the Board of Directors <u>shall</u> be sent to each Director and Corporate Auditor at least three days prior to the meeting. <u>Provided, however, that in the event of emergency, such period may be shortened.</u> (3) <same as present></p>

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Current Articles of Incorporation	Proposed Amendment
<p data-bbox="231 324 821 459">Section V: Corporate Auditors, Board of Corporate Auditors and Accounting Auditors (Convocation of Meetings of the Board of Corporate Auditors)</p> <p data-bbox="231 470 343 504">Article 32</p> <p data-bbox="255 510 821 616">Notice of convocation of a meeting of the Board of Corporate Auditors <u>must</u> be sent to each Corporate Auditor at least three days prior to the meeting.</p>	<p data-bbox="842 324 1428 459">Section V: Corporate Auditors, Board of Corporate Auditors and Accounting Auditors (Convocation of Meetings of the Board of Corporate Auditors)</p> <p data-bbox="842 470 954 504">Article 32</p> <p data-bbox="866 510 1433 683">Notice of convocation of a meeting of the Board of Corporate Auditors <u>shall</u> be sent to each Corporate Auditor at least three days prior to the meeting. <u>Provided, however, that in the event of emergency, such period may be shortened.</u></p>

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Proposal 3: Election of Nine Directors

At the close of this shareholders' meeting, the terms of all seven Directors will expire. We are seeking to add two new members to the Board of Directors to reinforce management supervisory function of the Group. We therefore propose the election of nine Directors. The candidates of Directors are as follows.

Candidate No.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
1	Toshitaka Takayama (April 25, 1939)	August 1963 Joined the Company April 1972 Director April 1974 General Manager of Construction Material Div. April 1974 Managing Director January 1977 Head of Construction Material Dept. April 1980 Director, Vice President May 1981 Representative Director, President (present post) August 1985 Representative Director, President, SHOWAFRONT Sales Co. (currently SHOWAFRONT Co., Ltd.) June 2000 Executive Officer, President October 2007 Representative Director, Chairman of the Board, Sanwa Shutter Corp. (present post) April 2012 CEO&COO (present post) June 2012 Representative Director, Chairman (present post) (Important concurrent position) Representative Director, Chairman of the Board, Sanwa Shutter Corp. Director, Sanwa USA Inc. Director, Overhead Door Corp. Director, Novoferm Europe Ltd.	1,858,000 shares

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Candidate No.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
2	Tamotsu Minamimoto (August 23, 1944)	<p>June 1995 London Branch Manager of Sakura Bank Ltd.</p> <p>August 1997 Joined the Company</p> <p>October 1997 General Manager of Financing Div.</p> <p>April 1998 General Manager of Accounting Div.</p> <p>April 2000 General Manager of Management Div.</p> <p>June 2000 Managing Executive Officer</p> <p>June 2000 (concurrent) General Manager of Financing Div.</p> <p>December 2000 (concurrent) General Manager of Audit Div.</p> <p>April 2001 General Manager of Accounting Div.</p> <p>April 2004 General Manager of President Office</p> <p>June 2004 Director</p> <p>April 2005 Responsible for New Business Planning Div.</p> <p>October 2005 Responsible for Asia, (concurrent) President, Asian Business</p> <p>April 2006 Managing Executive Officer</p> <p>April 2006 (concurrent) Hochiki Coalition Business</p> <p>October 2007 Senior Managing Executive Officer</p> <p>October 2007 Responsible for Group Headquarter Div., (concurrent) CSR Div. and Corporate Strategy Div.</p> <p>April 2010 Executive Officer, Vice President (present post)</p> <p>April 2012 Deputy President (present post)</p> <p>June 2012 Representative Director (present post) (Important concurrent position)</p> <p>Director, Sanwa USA Inc. Director, Overhead Door Corp. Director, Novoferm Europe Ltd.</p>	162,000 shares

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Candidate No.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
*3	Kazuhiko Kinoshita (September 18,1947)	<p>September 1972 Joined the Company</p> <p>April 1995 Project Leader of Hanshin-Area Reconstruction PJ</p> <p>April 1996 General Manager of West Region Residential Material Business Div., Residential Material Headquarters</p> <p>April 1999 General Manager of Kyushu District, West Region Business Headquarters</p> <p>April 2000 General Manager of Heavy Shutter & OSD Div., West Japan Company</p> <p>April 2001 General Manager of Marketing Div., West Japan Company</p> <p>April 2003 Executive Officer</p> <p>April 2003 President of Reform Company</p> <p>April 2006 President and Representative Director of Sanwa Tajima Corporation</p> <p>October 2007 Senior Executive Officer</p> <p>July 2009 Executive Vice President of Sanwa Shutter Corporation</p> <p>April 2010 Representative Director President , Sanwa Shutter Corporation</p> <p>April 2014 Executive Vice President (present post)</p> <p>April 2014 Domestic Business Unit (present post)</p> <p>April 2014 Vice Chairman of Sanwa Shutter Corporation (present post)</p> <p>(Important concurrent position)</p> <p>Vice Chairman, Sanwa Shutter Corporation (present post)</p>	23,000 shares

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Candidate No.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
4	Yasushi Takayama (February 3, 1971)	<p>October 2006 Joined the Company</p> <p>April 2008 General Manager of TCR Div.</p> <p>April 2009 General Manager of Structural Reform Div.</p> <p>April 2010 Director, Senior Executive Officer of Sanwa Shutter Corp.</p> <p>April 2010 Responsible for Group Function of Sanwa Shutter Corp.</p> <p>April 2011 Senior Executive Officer</p> <p>April 2011 Assistant Director of Overseas Business</p> <p>April 2012 Senior Managing Executive Officer (present post)</p> <p>April 2012 Responsible for Corporate Planning (present post)</p> <p>June 2012 Director (present post) (Important concurrent position)</p> <p>Director, Sanwa Shutter Corp. Director, Sanwa USA Inc. Director, Overhead Door Corp. Director, Novoferm Europe Ltd.</p>	73,795 shares
5	Wadami Tanimoto (March 5, 1950)	<p>October 2001 General Manager of Business Planning Dept., Yorozu, Corp.</p> <p>December 2001 Joined the Company</p> <p>April 2003 Executive Adviser, Sanwa USA Inc.</p> <p>April 2004 Executive Officer</p> <p>October 2005 Responsible for Overhead Door Corp.</p> <p>April 2006 Managing Executive Officer</p> <p>June 2006 Director (present post)</p> <p>October 2007 Assistant Director of Overseas Business (concurrent) Responsible for Novoferm</p> <p>April 2011 Responsible for Overseas Business Unit</p> <p>April 2012 Senior Managing Executive Officer (present post)</p> <p>April 2014 Responsible for Europe Business Unit (present post) (Important concurrent position)</p> <p>Director, Novoferm Europe Ltd. Director, Novoferm Germany GmbH</p>	64,000 shares

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Candidate No.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
6	Ichiro Ueeda (December 20, 1960)	<p>March 1983 Joined the Company</p> <p>April 2005 General Manager of Window Shutter Div., Residential Material Company</p> <p>April 2006 General Manager of Marketing Div., East Japan Company</p> <p>April 2007 General Manager of Business Administration Div.</p> <p>October 2007 General Manager of Planning Administration Div.</p> <p>April 2008 Executive Officer</p> <p>April 2008 General Manager of TCR Div.</p> <p>April 2009 Assistant Director of Domestic Business</p> <p>July 2009 Executive Officer of Sanwa Shutter Corp.</p> <p>July 2009 Assistant Vice President of Sanwa Shutter Corp.</p> <p>April 2010 Director, Senior Executive Officer of Sanwa Shutter Corp.</p> <p>April 2010 Responsible for Headquarters Operations of Sanwa Shutter Corp.</p> <p>April 2012 Senior Managing Executive Officer (present post)</p> <p>April 2012 Responsible for Domestic Business Unit</p> <p>June 2012 Director (present post)</p> <p>April 2014 Responsible for Asia Business Unit (present post)</p>	33,000 shares
7	Masahiro Fukuda (June 14, 1955)	<p>October 2003 General Manager of Gotanda Corporate sales Div. 2, Sumitomo Mitsui Banking Corporation</p> <p>September 2005 Joined the Company</p> <p>September 2005 General Manager</p> <p>January 2006 Executive Adviser , Sanwa USA Inc.</p> <p>October 2007 Executive Officer</p> <p>October 2007 Responsible for Overhead Door Corporation</p> <p>April 2008 Senior Executive Officer (present post)</p> <p>April 2011 Responsible for Americas Business</p> <p>April 2012 Assistant Director of Overseas Business</p> <p>June 2012 Director (present post)</p> <p>April 2014 Responsible for Americas Business Unit (present post) (Important concurrent position)</p> <p>Director, Sanwa USA Inc.</p> <p>Director, Overhead Door Corp.</p>	56,000 shares

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Candidate No.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
*8	Hiroatsu Fujisawa (March 4, 1953)	<p>April 2003 President and CEO, Marubeni-Itochu Steel America Inc.</p> <p>April 2011 Representative Director and President, DRESSER JAPAN, LTD.</p> <p>November 2012 Joined the Company</p> <p>April 2013 Senior Executive Officer (present post)</p> <p>April 2013 Responsible for Strategic Re-Engineering Unit (present post)</p>	3,000 shares
*9	Makoto Yasuda (November 7, 1937)	<p>May 1977 Director and Executive Vice President of Private Investment Company for Asia (PICA) S.A.</p> <p>May 1987 Representative Chairman of Elders and Yasuda</p> <p>May 1990 Director, Li & Fung Ltd.</p> <p>June 2006 Director, Azbil Corporation (present post)</p> <p>June 2007 Kanematsu Textile Corporation (present post)</p> <p>September 2008 President, Yasuda Makoto & Co., Ltd. (present post) (Important concurrent position)</p> <p>President, Yasuda Makoto & Co., Ltd.</p> <p>Director, Kanematsu Textile Corporation</p>	0 shares

Notes:

1. Those marked with an asterisk (*) are new candidates.
2. None of the candidates for the Directors has any special conflict of interest with the Company.
3. Mr. Makoto Yasuda is a candidate for Outside Director. We will submit to Tokyo Stock Exchange, Inc. an Independent Director List which states his name as an independent director. Mr. Makoto Yasuda receives compensation as a member of the Independent Committee for the Takeover Defense of the Company. The Company has determined that he has no special conflict of interest with ordinary shareholders because the compensation as a committee member is not significant (less than ¥5 million per annum) and the Company Group has no business relationship with the companies where he concurrently serves.
4. Mr. Makoto Yasuda has long experience in bank management and corporate management as an outside director. Due to his wide-ranging career, not limited to corporate management, and abundant experience and deep insights as to economic and business management issues, we expect to receive valuable advice from him on the management of the Company and therefore propose to appoint him as Outside Director.
5. To invite competent persons for Outside Director for the enhancement of corporate governance of the Company, Article 27 of our Articles of Incorporation provides that the Company can enter into a limited liability agreement with an Outside Director. In case of

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his election, the Company intends to enter into a liability limitation agreement with Mr. Makoto Yasuda, which limits the liability as set forth in Article 423(1) of the Companies Act up to the upper-limit amount stipulated by laws and regulations, in accordance with Articles 427 (1) of said Act and Article 27 of the Articles of Incorporation of the Company.

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Proposal 4: Election of One Corporate Auditor

At the close of this shareholders' meeting, the term of Mr. Jumpei Morimoto will expire. We therefore propose the election of one Corporate Auditor.

As to this proposal, approval from the Board of Auditors has been obtained.

The candidate for Corporate Auditor is as follows:

Candidate No.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
1	Jumpei Morimoto (February 26, 1940)	April 1962 Joined Obayashi Corporation June 2001 Senior Managing Director of Obayashi Corporation May 2004 Vice Chairman of Economic Policy Committee of Kansai Association of Corporate Executives September 2004 Vice Chairman of Consortium on Management and Technology of Japan Techno-Economics Society June 2005 Counselor of Obayashi Corporation June 2006 Corporate Auditor (present post)	0 shares

Notes:

1. The candidate for Corporate Auditor has no special conflict of interest with the Company.
2. Mr. Jumpei Morimoto is a candidate for Outside Auditor. We have submitted to Tokyo Stock Exchange, Inc. an Independent Director List which states his name as an independent auditor. Mr. Jumpei Morimoto is a former employee of Obayashi Corporation, with which the Company Group has business transactions. As the transaction volume between Obayashi and the Company Group in the respective consolidated net sales of Obayashi and the Company Group for the past five business years has been less than 2%, on average, and because Mr. Jumpei Morimoto retired from Obayashi more than nine years ago, the Company has determined that he has no special conflict of interest with ordinary shareholders.
3. Mr. Jumpei Morimoto is currently our Outside Auditor and his eight-year term as Outside Auditor will expire at the close of this shareholders' meeting.
4. Reason for proposing Mr. Jumpei Morimoto as a candidate for Outside Auditor is that we expect to receive valuable advice on the management of the Company based on his long-term management experience of corporation as well as ample experience and high view for management and economy through his wide-spread career.
5. In June 2010, the Company and one of its subsidiaries, Sanwa Shutter Corporation (hereinafter "Sanwa Shutter"), were given a cease-and-desist order (Sanwa Shutter) and a Surcharge Payment Order (the Company and Sanwa Shutter) by Japan Fair Trade Commission regarding the alleged act of adjusting the acceptance of orders in the Kinki region in violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade. In addition, Sanwa Shutter was given a Cease-and-Desist Order and a

surcharge payment order regarding the alleged act of forming a nationwide price cartel in violation of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade. When the said Cease-and-Desist Order regarding the act of adjusting the acceptance of orders in the Kinki region became final and binding, Sanwa Shutter was ordered to suspend business by the Ministry of Land, Infrastructure, Transport and Tourism in October 2010 pursuant to the Construction Business Act.

Mr. Jumpei Morimoto had habitually made suggestions from the perspective of compliance and promoted awareness of compliance. Since the occurrence of the aforementioned incidents, he has provided various suggestions and opinions to reinforce the internal control system for preventing the recurrence of such incidents.

6. In order to invite skillful persons as for outside auditors for aiming enhancement of corporate governance of the Company, article 35 of our Articles of Incorporation provides that the Company can enter into a limited liability agreement with Outside Auditor. Hence, according to paragraph 1 in article 427 of Companies Act and article 35 of our Articles of Incorporation, the Company has entered into an agreement with Mr. Jumpei Morimoto that the liability amount related to paragraph 1 in article 423 of the same law shall be limited within the amount of provision by law.

In case of his reelection, the Company will further continue to enter into a limited liability agreement with him.

Proposal 5: Revision to Amount of Remuneration for Directors

The remuneration for directors of the Company was approved by the 54th Ordinary General Meeting of Shareholders held on June 29, 1989, to be within ¥43 million per month (that is, ¥516 million per annum). Thereafter, an establishment of a separate scheme of stock-compensation-type stock options for directors within the aforementioned upper limit was approved by the 73rd Ordinary General Meeting of Shareholders held on June 24, 2008, according to which the remuneration for directors shall be within ¥456 million (including ¥40 million for outside directors) per annum, plus within ¥60 million per annum as stock options as compensation. As per the aforementioned rule, the remuneration for directors of the Company has been in place until now.

Although the Company has left the amounts of directors' remuneration unchanged for a long time, taking into account the increasing responsibilities of directors, along with the expansion of business operations of the Group and other diverse circumstances, we propose the overall directors' remuneration to be within ¥630 million. Also, basic compensation shall be within ¥450 million, including the portion for outside directors of within ¥40 million per annum, with the performance-based variable compensation (bonus) within ¥180 million per annum, to raise their incentive to improve business performance.

Meanwhile, the Company will not modify the amount of the stock-compensation-type stock options with an upper limit of ¥60 million, of which granting was approved by the 73rd Ordinary General Meeting of Shareholders held on June 24, 2008.

The aforementioned remuneration amounts shall not include the portion of pay for employees of the Directors who concurrently serve as regular employees, as in the past.

As there are seven incumbent directors (including one outside director), the number of directors will be nine (including one outside director) if Proposal 3 is approved at this shareholders' meeting.

Proposal 6: Delegation of the Gratis Allotment of Stock Acquisition Rights for the Purpose of a Takeover Defense

As a countermeasure against the Large-Volume Acquisition of the Company's Shares (the "Plan") to ensure and enhance the corporate value of the Company and the common interests of its shareholders, we request approval at this shareholders' meeting to delegate the decision making on the matter of the gratis allotment of stock acquisition rights to the Company's Board of Directors in accordance with the transaction procedures stipulated in "3. Content of the Plan" below, based on Article 14 (Decision making body for the gratis allotment of stock acquisition rights) of the Company's Articles of Incorporation.

Recitals.

1. Reasons for the necessity of the resolution for delegating the decision making on the matter of the gratis allotment of stock acquisition rights

In accordance with the basic policy regarding the eligibility of a person to control the decision making of the financial and business policies of the Company (the "Basic Policy"), as an initiative for preventing a non-qualified person from controlling the decision making of the financial and business policies of the Company, the countermeasure to the Large-Volume Acquisition of the Company's Shares (the "Takeover Defense") was renewed at the 76th Ordinary General Meeting of Shareholders on June 24, 2011 (the renewed Takeover Defense is the "Current Plan").

Given that the Current Plan will expire at the close of this shareholders' meeting, the Company's Board of Directors determined that the Plan should be renewed as a framework for preventing inappropriate persons from controlling the decision making of the financial and business policies of the Company and restraining any large-volume acquisition from infringing on the corporate value of the Company or the common interests of its shareholders, as well as, at the time of such large-volume acquisition attempt, for enabling the Company's Board of Directors to present plans or alternative proposals, etc., to the shareholders, or for the shareholders to secure time for information collection, consideration and decision making as to whether to accept such large-volume acquisition proposal, or, on behalf of shareholders to negotiate with those persons. Consequently, the Company's Board of Directors resolved on May 16, 2014, that the Plan was to be renewed by adding necessary revisions to the Current Plan subject to the approval of shareholders at this shareholders' meeting, in accordance with the Basic Policy. Hence, the Company's Board of Directors requests approval to delegate the decision making on the matter of the gratis allotment of stock acquisition rights to the

Company's Board of Directors for the above reasons.

2. Basic Policy on persons to be qualified for controlling the decision making of the financial and business policies of the Company

The mission of the Company group (the "Group") is "To Contribute to society through providing safety, security and convenience," and the Company group has made efforts to ensure and enhance the corporate value of the Company and the interests of its shareholders by providing products and services that substantiate the Group's mission.

Furthermore, the Group has established the following management philosophy and believes that implementing the philosophy is a source of its corporate value.

- (1) To deliver products and services that satisfy all customers;
- (2) To become a truly global Company group and be highly valued in each market of the world; and
- (3) To put the creativity of each individual together as a team to enhance the corporate value.

Under such a management philosophy, the Group has developed its business in the major areas of the world such as the United States, Europe and China (Asia) based on its strong business base in Japan. The Group has promoted sales, procurement, production, technology development and new business development that meet the characteristics of each area in cooperation with local group companies, and believes that it needs to maximize its global synergies to provide competitive products and services that satisfy customers. The Group also has tackled achievement of the "Steadfast, top brand in the movable construction materials market in Japan, the United States and Europe." Fostering and establishing the Group's brand cannot be achieved in a short time. The executive officers and employees of the Group have closely cooperated to provide security, safety and convenience to customers on a medium- to long-term basis. The Group understands that it needs to expand its information disclosure and make its best efforts to achieve corporate responsibility such as compliance with laws and regulations, environmental protection and social contribution in order to respond to expectations and maintain the credibility granted to us by society, as well as credibility in the eyes of our customers.

To enhance the corporate value of the Group and the interests of its shareholders continuously on a long-term basis as a result of these challenges, it is necessary for the Company to maintain and develop an appropriate relationship not only with the shareholders but also with other stakeholders such as customers, business partners, employees and local communities. Accordingly, the Company needs to consider the

interests of these stakeholders in the corporate management of the Company.

Therefore, if the Company receives a large-volume acquisition proposal, it needs to fully understand the various factors that constitute its corporate value such as the purpose of the large-volume acquisition proposal by the purchaser, the feasibility and legality of the business plan proposed by the purchaser, the possible impact on the tangible and intangible management resources such as the Group's brand and human resources, the impact on the stakeholders and the subsequent effects on the corporate value, and the synergies as a result of the organic combination of global resources in order to properly determine the impact of the acquisition proposal on its corporate value and the common interests of its shareholders.

The Company recognizes that its shareholders are necessarily determined through the free transaction of its shares in the market. Decisions regarding any acquisition proposal that would result in the transfer of control of a corporation should ultimately be made based on the shareholders' intent as a whole. However, in consideration of the various factors mentioned above, the Company believes that a purchaser who would propose a large-volume acquisition of the Share Certificates, etc., of the Company, which does not ensure or enhance the corporate value and, in turn, the common interests of the shareholders, is not appropriate to control the decision making of its financial and business policies.

Specifically, it is not unusual to see proposals that are not beneficial to the corporate value of the Company and the common interests of its shareholders such as a purpose of acquiring the Company that would obviously harm its corporate value and the common interests of its shareholders; an acquisition that applies a method that substantially coerces the shareholders to sell their shares; a takeover bid or an acquisition proposal without providing sufficient information or time to allow shareholders and the Company's Board of Directors to examine and show any alternative ideas to the acquisition proposal; an acquisition proposal without providing sufficient time for the Company to negotiate with the purchaser in order to make conditions more beneficial for shareholders than the purchaser's proposal, etc.

3. Content of the Plan

(1) Purpose of the Plan

The Plan shall be renewed along with the Basic Policy to ensure and enhance the corporate value of the Company as well as the common interests of its shareholders. The Company's Board of Directors believes, as indicated in the Basic Policy, that persons who would propose large-volume acquisitions of the Share Certificates, etc., of the Company in a manner where such acquisitions do not contribute to the corporate value of the Company and the common interests of its shareholders would be inappropriate to control

the decision making of the financial and business policies of the Company. The purpose of the Plan is to prevent such inappropriate persons from controlling the decision making of the financial and business policies of the Company and to restrain any large-volume acquisition from infringing on the corporate value of the Company or the common interests of its shareholders. In addition, at the time of a large-volume acquisition attempt, the Plan aims to present plans or alternative proposals, etc., of the Company's Board of Directors to the shareholders, or for the shareholders to secure time for information collection, consideration and decision making as to whether to accept such a large-volume acquisition proposal, or, on behalf of shareholders, the Company's Board of Directors should negotiate with those persons.

For your information, the Company has not received any proposal from any third party for a large-volume acquisition at this time.

(2) Procedures for Triggering or Not Triggering the Plan

(a) Targeted Acquisition

The Plan will be applied when the following action stated in 1) or 2) or an action similar to those (including proposals, but excluding proposals that are exempted by separate resolution of the Company's Board of Directors Meeting: the "Acquisition") is conducted.

1) An Acquisition that would result in the Holding Ratio of Share Certificates, etc.,¹ of the holders² amounting to 20% or more of the Share Certificates, etc.,³ issued by the Company.

2) A Tender Offer⁴ that would result in the Share Certificates, etc., Holding Rate,⁵ relating to the tender offerer and the Share Certificates, etc., Holding Rate of the Persons in Special Relationship⁶ with the tenderer totaling 20% or more of the Share Certificates, etc.,⁷ issued by the Company.

The person who is to make or propose the Acquisition (the "Acquirer") must comply

¹ The term "Holding Ratio of Share Certificates, etc.," is defined in Article 27-23(4) of the Financial Instruments and Exchange Act (the "Law"). This definition is applied throughout this proposal unless otherwise so stated herein.

² The term "holders" includes those who shall be included in accordance with Article 27-23(3) of the Law (including a person whom the Board of Directors would consider to include). The same shall apply throughout this proposal.

³ The term "Share Certificates, etc.," is defined in Article 27-23(1) of the Law. The same shall apply throughout this proposal.

⁴ The term "Tender Offer" is defined in Article 27-2(6) of the Law. The same shall apply throughout this proposal.

⁵ The term "Share Certificates, etc., Holding Rate" is defined in Article 27-2(8) of the Law. The same shall apply throughout this proposal.

⁶ The term "Persons in Special Relationship" is defined in Article 27-2(7) of the Law (including a person whom the Board of Directors would consider to include). Provided, however, that for the persons who are listed in Item 1 of the same Paragraph, a person who is set forth in Article 3(2) of the Cabinet Office Regulation concerning disclosure of a tender offer for stock by any person or body other than the issuer shall be excluded. The same shall apply throughout this proposal.

⁷ The term "Share Certificates, etc.," is defined in Article 27-2(1) of the Law.

with the procedures previously set forth in the Plan, and any Acquisition is prohibited until and unless the Company's Board of Directors resolves not to implement the gratis allotment of stock acquisition rights (summarized in Item (7) below titled "Outline of the Stock Acquisition Rights": the "Stock Acquisition Rights") in accordance with the Plan.

(b) Establishment of an Independent Committee

The Plan shall establish an Independent Committee in accordance with the "Rules of the Independent Committee,"⁸ in order to eliminate arbitrary decisions by the management of the Company (internal directors and executive officers) in making decisions on the implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights or on the acquisition of the Stock Acquisition Rights. The members of the Independent Committee at the time of renewal of the Plan are to be listed in Attachment 1, "Names and Career Summary of Members of the Independent Committee."

(c) Submission of the Acquirer's Statement

Prior to the commencement of the Acquisition, the Acquirer shall submit a legally binding document to the Company on a form separately provided by the Company that includes the Acquirer's pledge to comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer; such document shall not have conditions or qualifiers) and a qualification certificate of the representative who signed or affixed his/her name and seal to the document (collectively, the "Acquirer's Statement"). The Acquirer's Statement must include the name, address or location of the headquarters, the location of offices, the governing law for establishment, the name of the representative, the contact persons in Japan for the

⁸ The outline of the "Rules of the Independent Committee" is as follows.

- The number of members of the Independent Committee shall be no less than three (3), and the Company's Board of Directors shall elect the members from (i) outside directors of the Company, (ii) outside auditors of the Company or (iii) outside experts who are independent from the management that conducts the execution of the business of the Company; provided, however, that such experts must be experienced corporate managers, persons with knowledge of the investment banking industry, lawyers, Certified Public Accountants, researchers whose research focuses on the Companies Act of Japan or the like, or persons of similar qualifications, and must have executed with the Company an agreement separately specified by the Company's Board of Directors that contains a provision obligating them to exercise the due care of a prudent manager or a similar provision.
- The initial term of office of the members of the Independent Committee shall be until the expiration of the effective period of the Plan, in principle; provided, however, that if any of the outside directors or outside auditors of the Company are no longer an outside director or outside auditor (excluding the case of reappointment), the term of office as a member of the Independent Committee shall simultaneously terminate.
- The Independent Committee shall make decisions on designated matters, including the implementation of the gratis allotment of the Stock Acquisition Rights, the cancellation of the gratis allotment of the Stock Acquisition Rights, and the gratis acquisition of the Stock Acquisition Rights.
- The Independent Committee can be convened by any member the Independent Committee and resolution of the Independent Committee shall, in principle, be passed by a majority of votes with at least two-thirds (2/3) of the members of the Independent Committee to be present.

Acquirer and an outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set forth in (d) below, which should be submitted by the Acquirer to the Company or the Independent Committee, must be written in Japanese.

(d) Request to the Acquirer for the provision of information

The Company will deliver the format (including a list of the information that is required to be submitted to the Company by the Acquirer) of the Acquisition Document (defined hereunder) to the Acquirer no later than ten (10) business days after receiving the Acquirer's Statement. The Acquirer shall submit to the Company's Board of Directors the information regarding the Acquisition listed in Attachment 2, "Acquisition Information" (the "Acquisition Information"), in the form prescribed by the Company (the "Acquisition Document") within a period reasonably determined by the Independent Committee.

(3) Consideration and analysis of the terms and method of Acquisition, negotiation with the Acquirer and presentation of an alternative proposal, etc.

(a) Request to the Acquirer for the provision of additional information

If the Company's Board of Directors receives the above Acquisition Document from the Acquirer, the Board immediately submits it to the Independent Committee. If the Company's Board of Directors and the Independent Committee determine that the content of the Acquisition Document is insufficient as to the Acquisition Information, it may, upon setting an appropriate deadline for a response, request the Acquirer to provide additional Acquisition Information. In such a case, the Acquirer shall provide the additional Acquisition Information within the set time limit. The time limit for the additional provision of Acquisition Information (the "Final Deadline"), however, shall be no later than sixty (60) days from the receipt of the Acquisition Document.

(b) Request to the Company's Board of Directors for the provision of information

If the Acquirer submits the Acquirer's Statement and the additionally requested Acquisition Information (the "Additional Information") as specified in Paragraph (a) above, the Independent Committee needs to consider and analyze the details of the Acquirer's Statement and the Acquisition Information, the business plan of the Company's Board of Directors and the company valuation conducted by the Company's Board of Directors in light of ensuring and enhancing the Company's corporate value and the common interests of its shareholders and thus may require the Company's Board of Directors to submit an opinion (including reservation of opinions; hereinafter the same shall apply.) on the terms of the Acquirer's Acquisition and supporting materials thereof, an alternative proposal (if any) and any other information or materials that the Independent Committee considers necessary. When such request is made, the Company's Board of Directors shall submit the requested information

within a reply period stipulated by the Independent Committee (the “Board Consideration Period”).

The Company group is coping with ensuring and enhancing the corporate value of the Company as well as the common interests of its shareholders by providing competitive products/services that meet customers’ needs by balancing each business in Japan, the United States, Europe and China (Asia) to maximize the global synergies of the Company group. Therefore, to evaluate/examine from many aspects whether the Acquirer’s Acquisition might harm the corporate value of the Company as well as the common interests of its shareholders, and then to prudently gather opinions, the Company’s Board of Directors considers that there would be a maximum period of ninety (90) days for the Board Consideration Period and the Committee Consideration Period (defined in Paragraph (c) below titled “Consideration by the Independent Committee”) altogether.

(c) Consideration by the Independent Committee

The Independent Committee will consider the terms and method of the Acquirer’s Acquisition and an alternative proposal submitted by the Company’s Board of Directors (if any), collect information on the business plans and other information of the Acquirer and the Company’s Board of Directors, and provide comparison results for a maximum period of ninety (90) days from the next day of the Final Deadline (together with the Board Consideration Period) (hereinafter, the period for said consideration and information collection shall be referred to as the “Committee Consideration Period”).

To ensure and enhance the Company’s corporate value and the common interests of its shareholders, the Independent Committee may, at the Company’s cost, obtain advice from independent professionals such as investment banks (financial advisers), attorneys, Certified Public Accountants, consultants or any other experts.

Furthermore, if it is necessary to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will directly or indirectly (through the Company’s Board of Directors) confer and negotiate with the Acquirer, if necessary, or present an alternative proposal, etc., by the Company’s Board of Directors (if any) to shareholders or others. If the Independent Committee requests that the Acquirer, directly or indirectly, provide materials to be reviewed or any other information, or to confer or negotiate therewith, the Acquirer must immediately respond to such a request.

If the Independent Committee does not reach agreement on a recommendation on the implementation of the Plan or otherwise by the expiry of the Committee Consideration Period, the Independent Committee may pass a resolution to extend the

Committee Consideration Period to a reasonable extent (but no more than thirty (30) days) that is considered necessary for actions such as consideration of the terms and method of the Acquirer's Acquisition, negotiation with the Acquirer and discussion of an alternative proposal.

(4) Procedure to make a recommendation, etc., by the Independent Committee

(a) Recommendation by the Independent Committee

If the Independent Committee determines that the Acquisition by the Acquirer meets any of the requirements set forth in Item (6) below "Requirements for the gratis allotment of the Stock Acquisition Rights" (the "Trigger Event"), the Independent Committee will recommend the implementation of the gratis allotment of the Stock Acquisition Rights to the Company's Board of Directors unless otherwise it may need to negotiate or confer with the Acquirer or to obtain further information from the Acquirer. In the case where it is concerned whether the Acquisition falls under the Trigger Event 2, the Independent Committee may recommend the implementation of the gratis allotment of the Stock Acquisition Rights subject to obtaining approval at a general meeting of shareholders in advance.

Notwithstanding the aforesaid paragraph, even after the Independent Committee has recommended the implementation of the gratis allotment of the Stock Acquisition Rights, if it determines that either of the Trigger Events 1) or 2) below applies, it may make a resolution to suspend the gratis allotment of the Stock Acquisition Rights on or before two (2) business days prior to the date of ex-rights with respect to the gratis allotment of the Stock Acquisition Rights, or a new resolution concerning any act to be conducted, including acquiring the Stock Acquisition Rights without consideration, for the period on and after the effective date of the gratis allotment of the Stock Acquisition Rights up to one (1) day preceding the first day of the exercise period thereof, to be recommended to the Company's Board of Directors.

1) The case where the Acquirer withdraws from the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

2) The case where there is no longer any Trigger Event due to a change in the facts, etc., upon which the recommendation decision was made.

Meanwhile, if the Independent Committee determines that the Acquisition does not meet the requirements of the Trigger Event, it shall not recommend the implementation of the gratis allotment of the Stock Acquisition Rights to the Company's Board of Directors. Provided, however, that if there is a change in the facts, etc., on which a recommendation decision was made and the Trigger Event emerges, the Independent Committee may make a new resolution, including a recommendation on the implementation of the gratis allotment of the Stock Acquisition Rights, and

recommend it to the Company's Board of Directors.

In addition to the above, the Independent Committee may make a recommendation with the reason therefor that the Company should confirm the Company's shareholders' intent with respect to the Acquirer's Acquisition by holding a general meeting of shareholders, if the Acquisition threatens to harm the corporate value of the Company and/or the common interests of its shareholders.

(b) Resolutions of the Board of Directors

The Company's Board of Directors as the organ set forth in the Companies Act shall pass a resolution relating to the implementation of the gratis allotment of the Stock Acquisition Rights, taking into consideration any recommendation of the Independent Committee to the maximum extent. However, based on Paragraph (c) below, when the Shareholders' Meeting for Confirmation is held, the Company's Board of Directors shall pass a resolution thereof in accordance with the resolution approved at that shareholders' meeting.

(c) Convocation of the Shareholders' Meeting for Confirmation

The Company's Board of Directors may convene a general meeting of shareholders (the "Shareholders' Meeting for Confirmation") to confirm the Company's shareholders' intent if, (i) in accordance with Paragraph (4)-(a) above, the Independent Committee has determined that the implementation of the gratis allotment of the Stock Acquisition Rights should be subject to approval at a general meeting of shareholders or has recommended that the shareholders' intent should be confirmed with regard to the Acquirer's Acquisition, or (ii) in the case of being concerned whether an Acquisition falls under the Trigger Event 2, and the Company's Board of Directors resolves that it is appropriate to confirm the shareholders' intent in light of the due care of a prudent manager upon consideration of the time it takes to hold a general meeting of shareholders.

(5) Disclosure of the Information

In the case where the Plan is applied, the Company will, in a timely manner and in accordance with related laws and/or ordinances and the rules of the financial instruments exchange, disclose information on the progress of each procedure stipulated in the Plan (the factual issue that the Acquirer's Statement/Acquisition Document are submitted, whether the Acquirer submits sufficient information, the start of the Committee's Consideration Period and the extension of the Committee's Consideration Period, if any, including the fact and the reason, as well as the terms of the extension), an outline of the recommendation provided by the Independent Committee, an outline of the resolution made by the Company's Board of Directors, an outline of the resolution approved at the Shareholders' Meeting for Confirmation and anything considered

[Translation: For reference only]

appropriate to be disclosed by the Independent Committee or the Company's Board of Directors.

(6) Requirements for the gratis allotment of the Stock Acquisition Rights

The Company intends to implement the gratis allotment of the Stock Acquisition Rights in accordance with the procedures prescribed in Item (4) above "Procedure to make a recommendation, etc., by the Independent Committee," if it is considered that an Acquisition of an Acquirer falls under any of the items below. As described in Item (4) "Procedure to make a recommendation, etc., by the Independent Committee," the determination of whether an Acquisition of an Acquirer falls under any requirement below shall be made without fail based on the determination of the Independent Committee at any time.

Recitals

Trigger Event 1

In the case where an Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and/or information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of the Stock Acquisition Rights.

Trigger Event 2

In the case where an Acquisition falls under any of the requirements stated below and it is reasonable to implement the gratis allotment of the Stock Acquisition Rights.

- (a) An Acquisition that threatens to jeopardize ensuring and enhancing the corporate value of the Company and the common interests of its shareholders through any of the acts stated in 1) through 4) below:
- 1) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company at an inflated price.
 - 2) An act to achieve an advantage for the Acquirer and its group companies to the detriment of the Group, such as temporary control of the Group's management for the low-cost acquisition of the Group's material assets (production facility, intellectual property rights, know-how, confidential corporate information and/or transactions with customers and business partners).
 - 3) Diversion of the Group's assets as an underlying asset for the security or the expected reimbursement of an obligation of the Acquirer or its group company.
 - 4) An act of temporary control of the Group's management to bring about the

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disposal of high-value assets that have no current relevance to the Group's business such as real estate and securities, and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.

- (b) Certain Acquisitions that threaten to have the effect of virtually forcing shareholders into selling share certificates, such as coercive two-tiered tender offers (meaning acquisitions of shares by setting unfavorable acquisition terms for the second stage or acquisition of shares without making clear such terms in case the acquisition of all shares in the initial acquisition cannot be made).
- (c) Acquisitions with terms (including the amount and type of consideration, the schedule, the legality of the method, the feasibility, the post-Acquisition management policies or business plans) inadequate or inappropriate in light of the Group's intrinsic value.
- (d) Acquisitions that materially threaten to harm the corporate value of the Group and the common interests of shareholders by destroying the relationship with employees of the Group, business partners, etc., or the brand value of the Group, which are indispensable to the continuous increase of the value of the Group.

(7) Outline of the Stock Acquisition Rights

The outline of the Stock Acquisition Rights is as follows:

(a) Number of the Stock Acquisition Rights

The number of the Stock Acquisition Rights to be allotted to shareholders shall be the same number as the final aggregate number of issued shares of the Company (excluding the number of shares of the Company held by the Company at that time) as of a certain date (the "Allotment Date") separately stipulated in the resolution relating to the gratis allotment of the Stock Acquisition Rights (the "Gratis Allotment Resolution").

(b) Shareholders eligible for allotment

The Company shall make the gratis allotment of the Stock Acquisition Rights to shareholders other than the Company, who are entered or recorded in the Company's final register of shareholders on the Allotment Date, at a ratio of one (1) Stock Acquisition Right per one (1) share of the Company held by such shareholders.

(c) Effective date of the gratis allotment of the Stock Acquisition Rights

The effective date of the gratis allotment of the Stock Acquisition Rights shall be the date separately determined by the Gratis Allotment Resolution.

(d) Number of shares to be acquired upon the exercise of the Stock Acquisition Rights

The number of shares to be acquired upon the exercise of one (1) Stock Acquisition

Right (the “Applicable Number of Shares”) shall be one (1) share.

(e) The amount to be contributed upon the exercise of the Stock Acquisition Rights

The purpose of contributions made upon the exercise of the Stock Acquisition Rights shall be cash. The amount per share to be contributed upon the exercise of the Stock Acquisition Rights shall be an amount separately determined by the Gratis Allotment Resolution within a range between the lower limit of one (1) yen and the higher limit equivalent to one-half (1/2) of the fair market value of one (1) share of the Company. The fair market value means the amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the ninety (90) day period prior to the Gratis Allotment Resolution (excluding the days when trades were not made), with any fraction less than one yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise period of the Stock Acquisition Rights

The commencement day of the exercise period shall be separately determined by the Gratis Allotment Resolution (hereinafter such commencement day shall be referred to as the “Exercise Period Commencement Date”) and the period shall be, in principle, within the period of one (1) to six (6) months as separately prescribed in the Gratis Allotment Resolution made by the Company’s Board of Directors; provided, however, that if the Company acquires the Stock Acquisition Rights in accordance with the provisions of Paragraph (i) below, the exercise period for the Stock Acquisition Rights with respect to such acquisition shall end on the preceding business day of the acquisition date. Furthermore, if the final day of the exercise period falls on a holiday of the payment handling place of the cash to be paid upon exercise, the preceding business day of such day shall be the final day.

(g) Conditions for the exercise of the Stock Acquisition Rights

A (I) Specified Large-Volume Holder,⁹ (II) Joint Holder of the Specified Large Volume Holder, (III) Specified Large-Volume Purchaser,¹⁰ (IV) Persons in Special Relationship

⁹ “Specified Large-Volume Holder” shall mean, in principle, a person who is a holder of share certificates, etc., issued by the Company and the Holding Ratio of Share Certificates, etc., is twenty percent (20%) or more (including any person considered to be a Specified Large Volume Holder by the Company’s Board of Directors). However, a person that the Company’s Board of Directors recognizes as a person whose acquisition or holding of Share Certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders, and other given persons that the Company’s Board of Directors separately determined in the Gratis Allotment Resolution, are not included. The same shall apply hereinafter.

¹⁰ “Specified Large-Volume Purchaser” shall mean, in principle, a person who makes a public announcement of Purchase, etc. (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act (the “Law”); the same shall apply hereinafter in this subparagraph) of Share Certificates, etc., issued by the Company (as defined in Article 27-2(1) of the Law; the same shall apply hereinafter in this subparagraph) through a tender offer and whose Share Certificates, etc., Holding Rate, in respect to such Share Certificates, etc., owned by such person after such Purchase, etc. (including a similar holding rate as prescribed in Article 7(1) of the Enforcement Order of the Financial Instruments and Exchange Act), is 20% or more when

with the Specified Large-Volume Purchaser, or (V) any person who is a transferee of or a successor to the Stock Acquisition Rights, was assigned or inherited the Stock Acquisition Rights from any person falling under (I) through (IV) above without obtaining approval of the Company's Board of Directors, or, (VI) any Affiliated Person¹¹ falling under (I) through (V) (hereinafter the person falling under any of (I) through (VI) above generally shall be referred to as "Non-Qualified Persons") may not exercise the Stock Acquisition Rights, in principle. Also, a non-resident who is required to perform certain procedures for exercising the Stock Acquisition Rights under the applicable foreign laws and ordinances may not exercise the Stock Acquisition Rights, in principle. (However, the Stock Acquisition Rights of said non-resident shall be acquired by the Company subject to following the applicable laws and ordinances by providing the Company's shares as consideration, as stated in item 2) of Paragraph (i) below.) Furthermore, any person who does not submit a covenant in the form of the Company's format, which includes paragraphs of representation, warranty and so forth concerning conditions for execution of the Stock Acquisition Rights to be satisfied, etc., may not exercise the Stock Acquisition Rights.

(h) Transfers of the Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires approval of the Company's Board of Directors.

(i) Acquisition of the Stock Acquisition Rights by the Company

1) At any time before one day prior to the Exercise Period Commencement Date, if the Company's Board of Directors recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights separately, the Company may, on a date separately specified by the Company's Board of Directors, acquire all of the Stock Acquisition Rights without consideration in accordance with the Gratis Allotment Resolution.

2) On a day that falls on a date separately specified by the Company's Board of Directors, the Company may acquire all of the Stock Acquisition Rights (acquisition of part thereof may not be admitted) that have not been exercised one day prior to the date specified by the Company's Board of Directors, that are held by persons

combined with the Share Certificates, etc., Holding Rate of the Persons in Special Relationship (including any person considered to be a Specified Large-Volume Purchaser by the Company's Board of Directors). However, a person that the Company's Board of Directors recognizes as a person whose acquisition or holding of Share Certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders, and other given persons that the Company's Board of Directors separately determined in the Gratis Allotment Resolution, are not included. The same shall apply hereinafter.

¹¹ "Affiliated Person" of a given person shall mean a person who controls, is controlled by or is under the common control of such given person (including a person deemed by the Company's Board of Directors to fall under these), or a person deemed by the Company's Board of Directors to act in concert with such given person. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.

other than the Non-Qualified Persons and, in exchange, deliver shares of the Company in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right.

Furthermore, if, after the date upon which the aforesaid acquisition takes place, the Company's Board of Directors recognizes the existence of a person other than the Non-Qualified Persons among persons who hold the Stock Acquisition Rights, the Company may, on a day falling on a date separately determined by the Company's Board of Directors after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that person that have not been exercised by or on one day prior to a date separately determined by the Company's Board of Directors and, in exchange, deliver shares of the Company in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. The same shall apply thereafter.

(j) Others

In addition to the aforesaid paragraphs, the details of the Stock Acquisition Rights shall be separately determined in the Gratis Allotment Resolution.

(8) Effective period of the Plan, as well as its abolition, revision and amendment

The effective period of the Plan is three (3) years from the close of this shareholders' meeting to the close of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2017 (scheduled in June 2017). However, if, even before the expiration of the Effective Period, (i) a general meeting of shareholders of the Company passes a resolution to withdraw the assignment to the Board of Directors to decide matters regarding the gratis allotment of the Stock Acquisition Rights relating to the Plan, or (ii) the Company's Board of Directors passes a resolution to abolish the Plan, the Plan shall be abolished at that time. The Company's Board of Directors may revise or amend the Plan during the Effective Period of the Plan, within the limits that are not against the intent of the assignment by the general meeting of shareholders above, upon obtaining approval of the Independent Committee

If the Plan is abolished, revised or amended, the Company's Board of Directors shall promptly disclose the details of such amendment and any other matters.

(9) Revisions due to amendment of laws and ordinances

Any provisions of laws and ordinances referred to in the Plan are subject to the provisions of any laws and ordinances effective as of May 16, 2014. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the aforesaid paragraphs due to the establishment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the

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aforesaid paragraphs may be read or revised accordingly to a reasonable extent, taking into consideration the purposes of such establishment, amendment or abolishment.

(Reference)

The content of the Plan is as stated in 3. above. The decision of the Board of Directors regarding the Plan and the reasoning therefor, as well as the impact on shareholders at the time of the renewal of the Plan and the gratis allotment of the Stock Acquisition Rights, are as described below.

1. The decision of the Board of Directors regarding the Plan and the reasoning therefor

The Company's Board of Directors considers that the Plan complies with the Basic Policy, does not impair the common interests of its shareholders and does not intend to maintain the position of directors and officers of the Company. The reasons hereof are as described in (1) through (6) below:

(1) Reflection of shareholders' intent

The Plan will be renewed subject to the approval of shareholders at this Ordinary General Shareholders' Meeting. Furthermore, the effective period of the Plan is three (3) years until the close of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2017. Also, even before the expiration of the effective period of the Plan, the Plan shall be abolished if the resolution to rescind the assignment of the right to decide issues of the gratis allotment of the Stock Acquisition Rights to the Company's Board of Directors is passed at a general meeting of shareholders. Thus, the life of the Plan rests on the shareholders' intent, as a whole.

(2) Decisions of independent persons outside the Company

In the procedure of triggering the Plan, the Company will establish an Independent Committee as an organization that will eliminate arbitrary decisions by its directors and objectively carry out the decisions. The Independent Committee is composed of people who are (i) outside directors of the Company, (ii) outside auditors of the Company and/or (iii) experienced company managers, persons who have professional knowledge on investment banking business, attorneys, Certified Public Accountants or academic researchers whose major area is the Companies Act and other related business laws, and elected by the Board of Directors. Thus, the Independent Committee maintains its independence.

(3) Setting of objective requirements to trigger the Plan

The Plan is established not to be triggered unless the predetermined, objective requirements have been satisfied, and these objective requirements match the conditions of the persons who are unqualified to determine the financial and business policies of the Company set forth in the Basic Policy. This mechanism ensures a structure to eliminate

arbitrary triggering by the Company's Board of Directors.

(4) Fully satisfying the requirements of the Guidelines for Takeover Defense Measures

The Company believes that the Plan fully satisfies the three (3) principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests" (principle of ensuring and enhancing corporate value and shareholders' common interests; principle of prior disclosure and shareholders' intent; principle of ensuring the necessity and reasonableness) released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

(5) Having the purpose of ensuring and enhancing the corporate value and the common interests of its shareholders.

As described in the aforesaid Item 3.(1) "Purpose of the Plan," the Plan, upon the Acquisition of shares in the Company, shall be introduced for the purpose of securing time for the Company to conduct information collection, consideration and analysis with respect to the Acquisition, and enable the presentation of plans and any alternative proposal of the Company's Board of Directors to its shareholders, or conducting negotiations with the Acquirer where it aims to ensure and enhance the corporate value and, in turn, the common interests of its shareholders.

(6) No dead-hand or slow-hand takeover defense measures

As described in the aforesaid Item 3.(8) "Effective period of the Plan, as well as its abolition, revision and amendment," the Plan is designed to be abolished by directors appointed by a person who acquires a large volume of shares in the Company and elected at a general meeting of shareholders, and is not a dead-hand takeover defense measure (a takeover defense measure, the triggering of which cannot be prevented even if a majority of the members of the Board of Directors are replaced). Also, as the Company does not adopt a system of staggered terms of office, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure, which takes time to stop to prevent triggering thereof due to the fact that the directors cannot be replaced all at once).

2. Impact on shareholders, investors and other stakeholders

(1) Impact on shareholders and investors at the time of renewal of the Plan

At the time of its renewal, the Plan will have no direct specific impact on shareholders and investors. This is because at that time, by resolution of a general meeting of shareholders, only the assignment of authority to determine matters relating to the gratis allotment of the Stock Acquisition Rights will take place and no actual gratis allotment of the Stock Acquisition Rights will be implemented

(2) Impact on shareholders and investors at the time of the gratis allotment of the Stock Acquisition Rights

[Translation: For reference only]

If a resolution is made to implement the gratis allotment of the Stock Acquisition Rights, the Rights are allotted to all registered shareholders of the Company as of the Allotment Date, at a ratio of one (1) Stock Acquisition Right per one (1) share held.

If the shareholders do not proceed with the payment for the allotment and the other procedures described in (b) of (3) below “Necessary procedures for shareholders upon the gratis allotment of the Stock Acquisition Rights” within the rights exercise period, the shares they hold in the Company will be diluted by the exercise of the Stock Acquisition Rights by other shareholders.

However, there may be possibilities that the Company will, in accordance with the procedures described in (c) of (3) below “Necessary procedures for shareholders upon the gratis allotment of the Stock Acquisition Rights,” acquire the Stock Acquisition Rights of shareholders other than the Non-Qualified Persons and, in exchange, deliver shares in the Company. If the Company carries out such an acquisition procedure, all shareholders other than the Non-Qualified Persons will come to receive shares in the Company without exercising their Stock Acquisition Rights or paying an amount equivalent to the exercise price, and no dilution of the value of the aggregate shares in the Company they hold will result, although dilution of the value per share of shares in the Company they hold will result.

Even after the Allotment Date or after effecting the gratis allotment of the Share Allotment Rights, for example, due to the withdrawal of the Acquisition by the Acquirer, the Company may cancel its gratis allotment of the Stock Acquisition Rights on or before two (2) business days prior to the date of ex-rights with respect to the gratis allotment of the Stock Acquisition Rights, or acquire those Stock Acquisition Rights without distributing the shares in the Company to the persons who hold the Stock Acquisition Rights without consideration by one preceding day of the first day of the exercise period thereof. In such case, no dilution of the value per share of shares in the Company will result. So investors who sell the shares by assuming the dilution of the value per share may suffer a certain loss due to the fluctuation of the stock price.

(3) Necessary procedures for shareholders upon the gratis allotment of the Stock Acquisition Rights

(a) Procedures for the gratis allotment of the Stock Acquisition Rights

If the resolution is made to implement the gratis allotment of the Stock Acquisition Rights, the Company will first make public notice of the Allotment Date for the gratis allotment of the Stock Acquisition Rights. In this case, as the Company will make a gratis allotment of the Stock Acquisition Rights to the shareholders who are registered or recorded in the last register of shareholders as of the Allotment Date (the “Allotment Shareholders”).

In this connection, the Allotment Shareholders will become the holders of the Stock

Acquisition Rights as a matter of course on the effective date of the gratis allotment of the Stock Acquisition Rights, and thus it is unnecessary to take any entry procedures.

(b) Procedures for exercising the Stock Acquisition Rights

The Company will deliver, as a general rule, a form of submission to the Allotment Shareholders for exercising the Stock Acquisition Rights (in a form prescribed by the Company and containing necessary matters such as the terms and number of the Stock Acquisition Rights for exercise and the exercise date for the Stock Acquisition Rights, as well as representations and warranties regarding matters such as whether the shareholders themselves are not the Non-Qualified Persons, indemnity clauses and other pledges, as well as necessary information of the Allotment Shareholders' banking account for wire transfer) and other documents necessary for the exercise of the Stock Acquisition Rights. After the gratis allotment of the Stock Acquisition Rights, the shareholders will be issued one (1) share in the Company per one (1) Stock Acquisition Right upon submitting these necessary documents during the exercise period and before the acquisition of the Stock Acquisition Right by the Company comes into effect, and as a general rule, by paying with a designated method the price determined by the Gratis Allotment Resolution, which will be an amount within a range of one (1) yen as a minimum and 50% of the fair market value per stock of the Company as a maximum.

(c) Procedures for the acquisition of the Stock Acquisition Rights by the Company

If the Company's Board of Directors determines to acquire the Stock Acquisition Rights, the Company will acquire the Stock Acquisition Rights in accordance with the statutory procedures, on the day that falls on the date separately determined by the Company's Board of Directors. If the Company is to deliver shares in the Company to shareholders in exchange for the acquisition of the Stock Acquisition Rights, it shall do so promptly. Furthermore, in such a case, the shareholders concerned will be separately requested to submit, in a form prescribed by the Company, representations and warranties regarding matters such as the fact that they are not Non-Qualified Persons, indemnity clauses and other pledges.

In addition to the above, the Company will disclose information or notify all of its shareholders with respect to the particulars of the allotment method of the Stock Acquisition Rights, the exercise method and the method for the acquisition of the Stock Acquisition Rights by the Company after any resolution in relation to a gratis allotment of the Stock Acquisition Rights, so we request that shareholders check these details at that time.

---End---

Attachment 1

Names and Career Summary of Members of the Independent Committee

The initial members of the Independent Committee after the renewal of the Plan will be the following three (3) members. There is no special conflict of interest between each member and the Company.

Yukio Yanagida

April 1960	Attorney Registration
April 1972	Representative of Yanagida International Law Firm (present post)
April 1988	Executive Governor of Japan Federation of Bar Association
January 1991	Visiting Professor at Harvard Law School, U.S.A.
June 2003	Outside Director of YKK Corporation (present post)
November 2010	Director of Waseda University (present post)

Makoto Yasuda

May 1987	Representative Chairman of Elders and Yasuda
June 2006	Director of Yamatake Co., Ltd. (currently Azbil Corporation) (present post)
June 2007	Director of Kanematsu Textile Corp. (present post)
September 2008	President of Yasuda Makoto & Co., Ltd. (present post)

(Note) It is scheduled that Mr. Yasuda will be elected as Outside Director at the 79th Ordinary General Meeting of Shareholders to be held on June 26, 2014.

Nobuyuki Ishiwata

April 1975	Certified Public Accountant Registration
January 1976	Certified Tax Accountant Registration
April 1988	Partner of Seishin Audit Corporation (present post)
August 1999	Outside Auditor of Adeco Co., Ltd. (present post)
July 2003	Partner of Seishin Tax Audit Corporation (present post)

---End---

Attachment 2

Acquisition Information

- (1) Details of the Acquirer and its group companies (including the Joint Holder¹², Persons in Special Relationship whose Persons in Special Relationship and/or the Acquirer are the controlled judicial person¹³, as well as members or any other constituents (in case of a fund), including the specific name, capital composition, composition of finance, management policy (including the fact of any past illegal commitment or anything pointed out by a governmental agency concerning legal compliance), details of any past transaction of the same kind as the Acquisition by the Acquirer, and the result thereof).
- (2) Purpose, method and content of the Acquisition (including the amount and type of consideration for the Acquisition, the time of the Acquisition, the scheme of the related transaction, the legality of the method for the Acquisition, the feasibility of the Acquisition, etc.).
- (3) Grounds for computation of the acquisition price (including the prerequisite facts of the Acquisition, the method of computation, information on the figures used, etc.).
- (4) Guarantee of the Acquisition fund (including the specific name of the offerer of the Acquisition fund (including the substantial offerer), the method of fund-raising and the content of related transactions).
- (5) Any information on the Acquirer's past acquisition of Share Certificates, etc., of the Company, and any mutual agreement between the Acquirer and a third party regarding Share Certificates, etc., of the Company (including the date of entering into such, the name of the other party and its concrete content).
- (6) Existence of communications with any third party with regard to the Acquisition and their content.
- (7) Management policy, business plan, capital policy and dividend policy intended by the Acquirer after completion of the Acquisition.
- (8) Basic policies applicable to employees, business partners, creditors of the Company Group or any other parties concerned in the Company after the Acquisition.
- (9) Specific measures to avoid conflicts of interest with other shareholders of the Company.
- (10) Regulatory matters under any domestic or foreign laws applied to the acquisition offer, the possibility of obtaining any approval or permit that should be obtained from a local or foreign government or any third party under competition law or any other laws.
- (11) Information regarding any relationship with antisocial forces.
- (12) Any other information that the Independent Committee decides necessary.

¹² The term "Joint Holder" refers to the Joint Holder set forth in Article 27-23(5) of the Law and includes a person deemed as a Joint Holder in accordance with Article 27-23(6) (including a person whom the Board of Directors would consider to include). The same shall apply throughout this proposal.

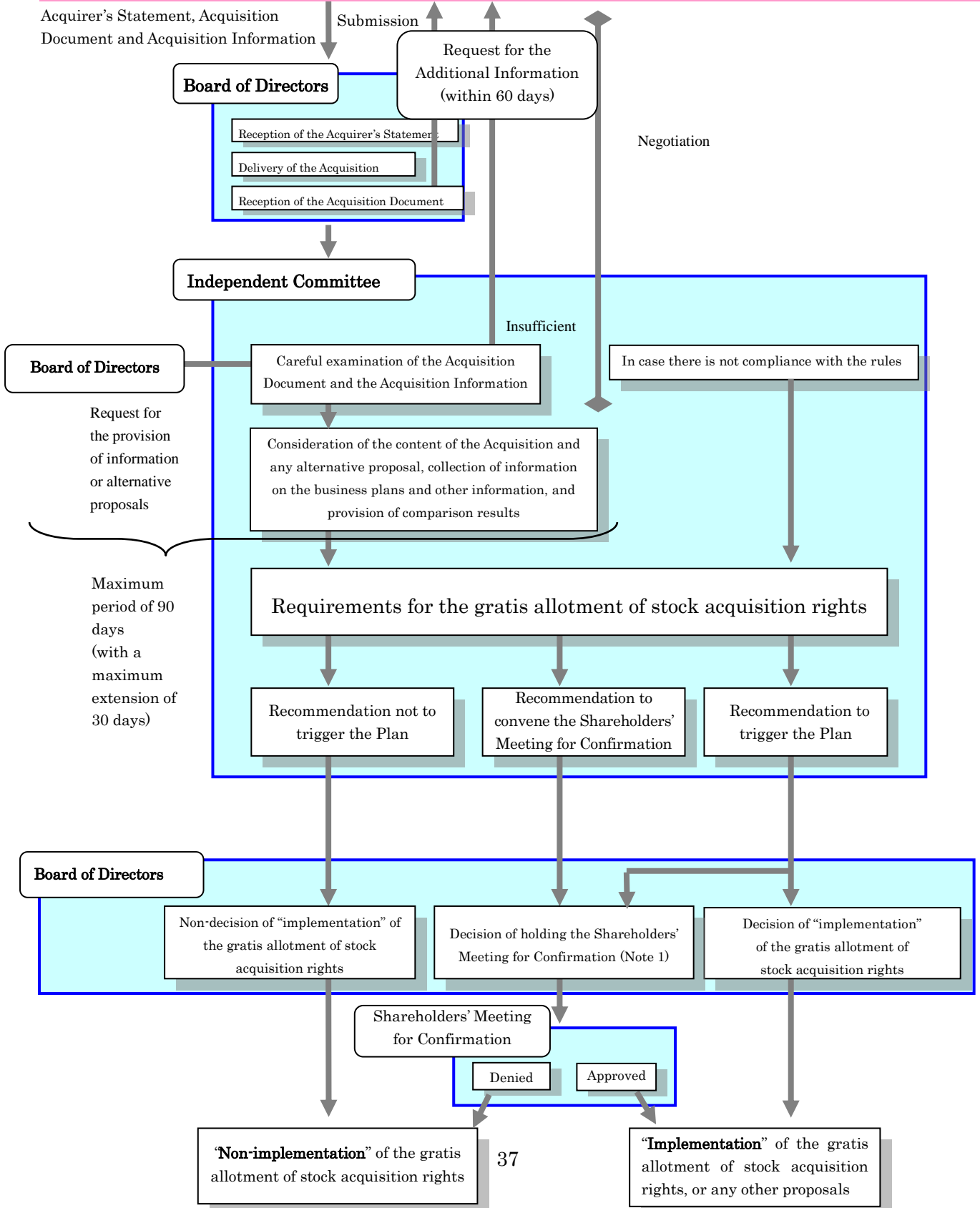
¹³ The term "Controlled judicial person" is defined in Article 9(5) of the Enforcement Order of the Financial Instruments and Exchange Act.

(Reference)

Schematic Diagram concerning Large-Volume Acquisitions of the Company Shares (Outline)

Acquirer (Acquisition of 20% or more of the Company's shares)

[Excluding acquisitions that the Company's Board of Directors has separately determined not to apply the Plan thereto.]



[Translation: For reference only]

(Note 1) The Company's Board of Directors may convene a general meeting of shareholders to confirm the Company's shareholders' intent if, (i) the Independent Committee has determined that the implementation of the Stock Acquisition Rights should be subject to the confirmation of the shareholders' intent or has recommended that the shareholders' intent should be confirmed with regard to the Acquirer's Acquisition, or (ii) in the case of being concerned whether an Acquisition falls under the Trigger Event 2, and the Company's Board of Directors resolves that it is appropriate to confirm the shareholders' intent in light of the due care of a prudent manager upon consideration of the time it takes to hold a general meeting of shareholders.

(Note 2) The above schematic diagram is prepared to facilitate your understanding of the outline of the Plan by eliminating details thereof. For more precise understanding of the Plan, please refer to the text.

Guide to Exercising Your Voting Rights via Electronic Media (including Internet)

Please read the following items before exercising your voting rights via the Internet. If attending the meeting, neither exercising your voting rights by mail (Voting Rights Exercise Form) or via the Internet is necessary.

1. Website for exercising voting rights
 - (1) The exercise of voting rights via the Internet is only possible by accessing the Company's website dedicated for the purpose of exercising voting rights (<http://www.evote.jp/>) via a personal computer, smartphone or mobile phone (i-mode, EZweb and Yahoo! Keitai; please note that this service is unavailable every day between 2:00 a.m. and 5:00 a.m.).
Note: i-mode, EZweb and Yahoo! Keitai are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI CORPORATION and Yahoo! Inc. [U.S.], respectively.
 - (2) Depending on their Internet user environments, shareholders using personal computers or smartphones may not be able to exercise their voting rights via this dedicated voting site due to Internet firewalls, antivirus software, proxy servers, etc.
 - (3) To exercise voting rights on a mobile phone, i-mode, EZweb or Yahoo! Keitai service capability is necessary. Even if shareholders have access to one of the above services, some may not be able to use the service if their mobile phone models are incapable of sending information or encrypted messages (SSL communication) for security purposes.
 - (4) Votes will be accepted via the Internet by 5:15 p.m., Wednesday, June 25, 2014; however, you are cordially requested to exercise your voting rights earlier, and call the Help Desk (as mentioned below) with any inquiries or questions.
2. How to exercise voting rights via the Internet
 - (1) When you access the website for exercising voting rights (<http://www.evote.jp/>), enter the "login ID" and "temporary password" indicated on the Voting Rights Exercise Form and then enter your vote for the proposal according to the instructions on the screen.
 - (2) To prevent people other than shareholders (impostors) from illegally accessing the site and altering the content of your voting selections, we will ask shareholders who use the site to change their "temporary passwords" on the site for exercising voting rights.
 - (3) You will be provided with a new "login ID" and "temporary password" each time a General Meeting of Shareholders is convened.

3. How multiple votes for the same shareholder will be handled
 - (1) If we receive votes both by conventional mail and via the Internet, we will consider the Internet vote to be the valid vote.
 - (2) When exercising voting rights via the Internet multiple times, we will consider the last vote received to be the valid vote. When exercising voting rights via a personal computer, smartphone and/or mobile phone, we will consider the last vote received to be the valid vote.

4. Costs arising from accessing the site for exercising voting rights
Costs arising from accessing the site for exercising voting rights (Internet connection fees, etc.) will be borne by the shareholder. When using a mobile phone, etc. to vote, there will be costs such as packet communication fees or other fees for using the mobile phone, etc., and these fees will be borne by the shareholder.

5. The “Platform for Exercising Voting Rights” for institutional investors
As an additional method for exercising your voting rights using electronic means other than the method described above, any trust management bank or other nominal shareholders (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and others, subject to prior request for the use of the platform.

6. Contact information regarding the exercise of voting rights via the Internet
 - (1) For inquiries concerning operating procedures for personal computers
Stock Transfer Agency Division (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Telephone: 0120-173-027 (toll free)
Business hours: 9:00 a.m.—9:00 p.m.

 - (2) For all inquiries other than the above
Stock Transfer Agency Division
Mitsubishi UFJ Trust and Banking Corporation
Telephone: 0120-232-711 (toll free)
Business hours: 9:00 a.m.—5:00 p.m. (except on weekends and national holidays)