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(Securities Code No.: 4183)

June 3, 2013

Mitsui Chemicals, Inc.
5-2, Higashi-Shimbashi 1-chome,
Minato-ku, Tokyo, Japan
Toshikazu Tanaka, President

**CONVOCAION NOTICE FOR
THE 16th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 16th Ordinary General Meeting of Shareholders of Mitsui Chemicals, Inc. (the "Company") will be held as detailed below, and your attendance is cordially requested.

In the event that you are unable to attend the meeting, you may exercise your voting rights in writing or electronically (via the Internet, etc.). Please exercise your voting rights, after reviewing the attached reference materials.

- 1. Date and Time:** Tuesday, June 25, 2013 at 10:00 a.m. (Reception desk opens at 9:00 a.m.)
2. Place: Nihonbashi Mitsui Hall, 4th floor of Coredo Muromachi,
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo, Japan

3. Agenda

A. Reports

1. Business report, consolidated financial statements and the results of auditing consolidated financial statements by accounting auditors and Board of Corporate Auditors for the 16th fiscal year (April 1, 2012 to March 31, 2013)
2. Non-consolidated financial statements for the 16th fiscal year (April 1, 2012 to March 31, 2013)

B. Proposals

- No. 1:** Appropriation of surplus
No. 2: Election of ten (10) Directors
No. 3: Election of one (1) Corporate Auditor
No. 4: Renewal of Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)

4. Exercise of voting rights

(1) Exercise of voting rights in writing (by mail)

Indicate your approval or disapproval for each of the proposals on the enclosed Voting Rights Exercise Form and send the completed form to the Company to arrive no later than **5:40 p.m. on Monday, June 24, 2013**.

(2) Exercise of voting rights electronically (via the Internet, etc.)

Read the “Guidance for the Exercise of Voting Rights via the Internet, etc.” on page 37 and 38, access the website designated by the Company for exercising voting rights (<http://www.web54.net>), and use the voting right exercise code and password shown on the enclosed Voting Rights Exercise Form. Then, indicate your approval or disapproval for each of the proposals following the instructions on the display. Your vote must be transmitted by no later than **5:40 p.m. on Monday, June 24, 2013**.

Shareholders participating in the Electronic Voting Rights Exercise Platform for Institutional Investors, operated by Investor Communications Japan Inc., may exercise their voting rights through that platform.

(3) Handling multiple exercises of voting rights

When voting rights are exercised in duplicate, both in writing and via the Internet, etc., the vote that is received last shall be deemed effective. However, if votes arrive on the same day, the vote cast via the Internet, etc. shall be deemed effective.

When voting rights are exercised via the Internet, etc. more than once, the last vote shall be deemed effective.

*Attendees are kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the entrance to the meeting hall. In addition, attendees are kindly requested to bring this Convocation Notice booklet to the meeting for use as a meeting agenda.

*Included in the documents that should be provided by the Company when providing this Convocation Notice are the notes to consolidated financial statements and the notes to non-consolidated financial statements. As provided for by laws and regulations and the Company’s Articles of Incorporation, these documents are posted on the Company’s website (<http://jp.mitsuichem.com/ir/index.htm>) and are not included as accompanying material to this document. As a result, the accompanying material to this document includes one part of the materials that are the target of the audit by the Corporate Auditors and the accounting auditors.

*Any revisions made to the reference materials, business report, non-consolidated financial statements and consolidated financial statements will be posted on the Company’s website (<http://jp.mitsuichem.com/ir/index.htm>).

Consolidated Statement of Income

(April 1, 2012 to March 31, 2013)

(Millions of yen)

Item	Amount	
Net sales:		1,406,220
Cost of sales:		1,233,303
Gross profit		172,917
Selling, general and administrative expenses:		168,627
Operating income		4,290
Non-operating income:		
Interest and dividends income	3,701	
Amortization of negative goodwill	681	
Equity in earnings of non-consolidated subsidiaries and affiliates	1,575	
Insurance income	2,530	
Foreign exchange gains	4,102	
Other	4,222	16,811
Non-operating expenses:		
Interest expenses	6,779	
Loss on suspension of operations	1,198	
Other	3,918	11,895
Ordinary income		9,206
Extraordinary profit:		
Gain on sale of fixed assets	425	
Gain on sale of investment securities	1,251	
Reversal of provision for environmental measures	3,309	
Insurance income	5,472	10,457
Extraordinary loss:		
Loss on disposal of fixed assets	4,288	
Loss on sale of fixed assets	184	
Impairment loss	5,582	
Loss on restructuring of subsidiaries and affiliates	4,120	
Loss on devaluation of investment securities	794	
Loss on withdrawal from business	143	
Loss on explosion and fire accident	4,868	
Contract cancellation fee	480	20,459
Loss before income taxes and minority interests		796
Current income taxes	6,571	
Deferred income taxes	255	6,826
Loss before minority interests		7,622
Minority interests in income		527
Net loss		8,149

Consolidated Statements of Changes in Net Assets

(April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	125,053	91,065	194,648	(14,268)	396,498
Changes during the term					
Dividends from surplus			(6,011)		(6,011)
Net loss			(8,149)		(8,149)
Acquisition of treasury stock				(48)	(48)
Disposal of treasury stock			(37)	52	15
Changes in items other than shareholders' equity during the term (net)					
Total changes during the term	—	—	(14,197)	4	14,193
Balance at the end of current period	125,053	91,065	180,451	(14,264)	382,305

	Accumulated other comprehensive income				Minority interests	Total net assets
	Net unrealized gain or loss on other securities	Deferred gain or loss on hedges	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance at the beginning of current period	8,179	(81)	(37,160)	(29,062)	48,335	415,771
Changes during the term						
Dividends from surplus						(6,011)
Net loss						(8,149)
Acquisition of treasury stock						(48)
Disposal of treasury stock						15
Changes in items other than shareholders' equity during the term (net)	4,683	(169)	19,022	23,536	3,800	27,336
Total changes during the term	4,683	(169)	19,022	23,536	3,800	13,143
Balance at the end of current period	12,862	(250)	(18,138)	(5,526)	52,135	428,914

Non-consolidated Balance Sheet

(As of March 31, 2013)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	1,035,413	LIABILITIES	755,121
Current Assets:	430,952	Current Liabilities:	394,375
Cash and time deposits	23,678	Accounts payable-trade	146,054
Notes receivable-trade	335	Short-term bank loans	76,482
Accounts receivable-trade	198,566	Current portion of long-term debt	47,010
Merchandise and products	79,009	Commercial papers	15,000
Work in process	2,061	Current portion of bonds	10,000
Raw materials and supplies	34,233	Lease obligations	99
Advance payments-trade	66	Accounts payable-other	39,306
Prepaid expenses	1,129	Accrued expenses	8,341
Short-term loans receivable	5,664	Advances taxes payable	394
Deferred tax assets	6,976	Advances received	3,886
Accrued revenue	76,140	Deposits received	39,243
Other current assets	3,151	Reserve for periodic repairs	8,026
Allowance for doubtful accounts	(56)	Reserve for loss on debt guarantees	445
		Other current liabilities	89
Fixed Assets:	604,461	Long-term Liabilities:	360,746
Property, plant and equipment	276,511	Bonds	94,000
Buildings	43,053	Long-term debt	200,320
Structures	21,549	Lease obligations	74
Machinery and equipment	56,864	Deferred tax liabilities	7,550
Transportation equipment	140	Provision for retirement benefits	45,383
Tools, furniture and fixtures	4,078	Reserve for periodic repairs	878
Land	142,504	Provision for environmental measures	3,028
Construction in progress	8,323	Asset retirement obligations	489
		Other long-term liabilities	9,024
Intangible fixed assets	4,530	NET ASSETS	280,292
Industrial property rights	752	Shareholders' Equity:	269,661
Licenses	385	Common stock	125,053
Software	3,393	Capital surplus	93,783
		Capital reserve	93,783
Investments and other assets	323,420	Retained earnings	65,089
Investment securities	47,266	Legal reserve	12,506
Investment in common stock of subsidiaries and affiliates	215,367	Other retained earnings	52,583
Investment in capital	745	Reserve for dividends	10,000
Investment in capital of subsidiaries and affiliates	15,528	General reserve	28,070
Long-term loans receivable	1,267	Retained earnings carried forward	14,513
Claims provable in bankruptcy, claims provable in rehabilitation and other	288	Treasury stock	(14,264)
Long-term loans receivable from subsidiaries and affiliates	1,948	Valuation and Translation Adjustments:	10,631
Long-term prepaid expenses	2,853	Net unrealized gain or loss on other securities	10,631
Prepaid pension cost	33,951		
Other	5,000		
Allowance for doubtful accounts	(793)		
Total	1,035,413	Total	1,035,413

Non-consolidated Statement of Income

(April 1, 2012 to March 31, 2013)

(Millions of yen)

Item	Amount	
Net sales:		807,652
Cost of sales:		738,406
Gross profit		69,246
Selling, general and administrative expenses:		79,556
Operating loss		10,310
Non-operating income:		
Interest and dividends income	16,932	
Rent income	1,238	
Foreign exchange gains	2,737	
Other	4,183	25,090
Non-operating expenses:		
Interest expenses	5,580	
Loss on suspension of operations	1,183	
Other	3,513	10,276
Ordinary income		4,504
Extraordinary profit:		
Gain on sale of fixed assets	279	
Gain on sale of stock of subsidiaries and affiliates	3,167	
Reversal of provision for environmental measures	3,309	
Insurance income	5,000	11,755
Extraordinary loss:		
Loss on disposal of fixed assets	2,432	
Loss on sale of fixed assets	170	
Impairment loss	2,688	
Loss on restructuring of subsidiaries and affiliates	3,246	
Loss on devaluation of investment securities	654	
Loss on withdrawal from business	62	
Loss on explosion and fire accident	4,638	
Contract cancellation fee	480	14,370
Income before income taxes		1,889
Current income taxes	(2,104)	
Deferred income taxes	891	(1,213)
Net income		3,102

Non-consolidated Statements of Changes in Net Assets
(April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity							Total shareholders' equity
	Common stock	Capital surplus		Retained earnings			Treasury stock	
		Capital reserve	Total capital surplus	Legal reserve	Other retained earnings	Total retained earnings		
Balance at the beginning of current period	125,053	93,783	93,783	12,506	55,529	68,035	(14,268)	272,603
Changes during the term								
Dividends from surplus					(6,011)	(6,011)		(6,011)
Net income					3,102	3,102		3,102
Acquisition of treasury stock							(48)	(48)
Disposal of treasury stock					(37)	(37)	52	15
Changes in items other than shareholders' equity during the term (net)								
Total changes during the term	—	—	—	—	(2,946)	(2,946)	4	(2,942)
Balance at the end of current period	125,053	93,783	93,783	12,506	52,583	65,089	(14,264)	269,661

	Valuation and translation adjustments			Total net assets
	Net unrealized gain or loss on other securities	Deferred gain or loss on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	7,174	(22)	7,152	279,755
Changes during the term				
Dividends from surplus				(6,011)
Net income				3,102
Acquisition of treasury stock				(48)
Disposal of treasury stock				15
Changes in items other than shareholders' equity during the term (net)	3,457	22	3,479	3,479
Total changes during the term	3,457	22	3,479	537
Balance at the end of current period	10,631	—	10,631	280,292

Note: Breakdown of other retained earnings

	Reserve for reduction of acquisition cost of fixed assets	Reserve for dividends	General reserve	Retained earnings carried forward	Total
Balance at the beginning of current period	3,803	10,000	28,070	13,656	55,529
Changes during the term					
Dividends from surplus				(6,011)	(6,011)
Net income				3,102	3,102
Disposal of treasury stock				(37)	(37)
Reversal of reserve for reduction of acquisition cost of fixed assets	(3,803)			3,803	—
Total changes during the term	(3,803)	—	—	857	(2,946)
Balance at the end of current period	—	10,000	28,070	14,513	52,583

REFERENCE MATERIALS

Proposals and Reference Matters

No. 1: Appropriation of surplus

We propose the following appropriation of surplus:

Year-end dividends

The Company gives top priority to the issue of increasing corporate value through business growth and expansion and regards the return of profits to shareholders as a key management issue.

In appropriating profits, we give consideration to all aspects including returns on shareholder investment and the securing of internal reserves for our future growth and expansion.

We strive to return profits to our shareholders based on consolidated performance results and maintain stable dividends from a medium to long term perspective while taking into account consolidated payout ratio and consolidated dividends on equity (DOE). Specifically, we aim to achieve a consolidated payout ratio of 25% or more, and DOE of 2% or more.

Aiming to improve earnings, we allot internal reserves for not only loans and investments to further accelerate the growth and expansion of our businesses and more quickly realize the business portfolios that we should pursue but also research and development to create new innovative technologies.

In fiscal 2012, the Company was unable to avoid recording a loss. However, we propose to pay year-end dividends for the fiscal year under review as shown below, as we recognize the importance of returning profits to shareholders.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

We propose a year-end dividend of ¥3.00 per share as the same amount as the previous fiscal year. The total amount of dividends will be ¥3,004,802,433.

Consequently, the annual dividend for the fiscal year under review will be ¥6.00 per share, including the already paid interim dividend of ¥3.00 per share.

(3) Effective date of dividends from surplus

June 26, 2013

No. 2: Election of ten (10) Directors

As the terms of office of all ten (10) Directors will expire at the close of this Ordinary General Meeting of Shareholders, we propose the election of ten (10) Directors. To enhance corporate governance and increase the transparency of management, two (2) of the ten (10) are candidates for Outside Directors.

Director candidates are as follows:

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
1	Kenji Fujiyoshi (Feb. 14, 1944) <Reappointed>	Apr. 1969 Joined the Company Jun. 1997 Director of the Company Jun. 2001 Managing Director of the Company Jun. 2003 Senior Managing Director of the Company Jun. 2005 President of the Company Jun. 2009 Chairman of the Company Jun. 2010 Chairman and Director of the Company (to present)	95,000
2	Toshikazu Tanaka (Feb. 7, 1945) <Reappointed>	Apr. 1968 Joined Toyo Koatsu Industries, Inc. (Mitsui Toatsu Chemicals, Inc.) Jun. 1999 Director of the Company Jun. 2003 Managing Director of the Company Jun. 2005 Executive Vice President of the Company Jun. 2009 President of the Company Apr. 2012 President & CEO of the Company (to present) (Supervision of General Business Execution; in charge of Corporate Communications Div., Representative in China, Representative in Europe, Representative in the Americas, and Safety & Environment Div.)	140,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
3	Yasuji Omura (Feb. 14, 1954) <Reappointed>	<p>Apr. 1979 Joined the Company</p> <p>Jun. 2005 Executive Officer of the Company General Manager, Planning & Coordination Div., Basic Chemicals Business Group</p> <p>Apr. 2007 Executive Officer of the Company General Manager, PTA & PET Div., Basic Chemicals Business Sector</p> <p>Apr. 2009 Managing Executive Officer of the Company General Manager, Corporate Planning Div., Corporate Management Center</p> <p>Jun. 2009 Managing Director of the Company Representative in China, Center Executive, Corporate Management Center, and General Manager, Corporate Planning Div., Corporate Management Center</p> <p>Apr. 2010 Managing Director of the Company General Manager, Corporate Planning Div. and General Manager, Internal Control Div.</p> <p>Jun. 2011 Senior Managing Director of the Company General Manager, Internal Control Div.</p> <p>Apr. 2012 Member of the Board, Senior Managing Executive Officer of the Company General Manager, Internal Control Div.</p> <p>Apr. 2013 Member of the Board, Executive Vice President (to present) (Assistant to the President; in charge of Production & Technology Center, Works, Construction of Optimal Production Structure, SCM Div., Purchasing Div., and Logistics Div.)</p>	51,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
4	Minoru Koshibe (Nov. 17, 1953) <New>	<p>Apr. 1978 Joined Mitsui Toatsu Chemicals, Inc.</p> <p>Jun. 2005 Senior Director of the Company General Manager, Planning & Coordination Div., Functional Chemicals & Engineered Materials Business Group</p> <p>Jun. 2006 Executive Officer of the Company General Manager, Planning & Coordination Div., Functional Chemicals & Engineered Materials Business Group</p> <p>Apr. 2007 Executive Officer of the Company General Manager, Business Planning & Development Div., Performance Materials Business Sector</p> <p>Apr. 2009 Executive Officer of the Company General Manager, Planning & Coordination Div., Production & Technology Center</p> <p>Apr. 2010 Executive Officer of the Company Business Sector President, Functional Chemicals Business Sector</p> <p>Apr. 2012 Managing Executive Officer of the Company Assistant to President</p> <p>Apr. 2013 Executive Vice President of the Company General Manager, Internal Control Div., and General Manager, H-Project Div.) (to present) (Assistant to the President; in charge of Corporate Planning Div., Business Restructuring, M & A, H-Project Div., and Internal Control Div.)</p>	25,000
5	Tsutomu Tannowa (Oct. 26 1951) <Reappointed>	<p>Apr. 1976 Joined Mitsui Toatsu Chemicals, Inc.</p> <p>Apr. 2007 Executive Officer of the Company General Manager, Human Resources & Employee Relations Div.</p> <p>Apr. 2010 Managing Executive Officer of the Company Business Sector President, Basic Chemicals Business Sector</p> <p>Apr. 2012 Managing Executive Officer of the Company</p> <p>Jun. 2012 Member of the Board, Managing Executive Officer of the Company</p> <p>Apr. 2013 Member of the Board, Senior Managing Executive Officer of the Company (to present) (In charge of Functional Chemicals Business Sector, Functional Polymeric Materials Business Sector, Polyurethane Business Sector, Basic Chemicals Business Sector, Petrochemicals Business Sector, Mitsui Chemicals Tohcello, Inc., and Branch Offices)</p>	22,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
6	Etsuo Takenouji (Sep. 28, 1948) <Reappointed>	<p>Apr. 1972 Joined Du Pont Far East Inc. – Japan</p> <p>Oct. 1993 Director of Du Pont Kabushiki Kaisha</p> <p>Jan. 1996 Executive Director of the company</p> <p>Sep. 1997 Executive Director of the company and CEO of Du Pont-Mitsui Fluorochemicals Company, Ltd.</p> <p>Jan. 2002 Senior Managing Director of the company and CEO of Du Pont-Mitsui Fluorochemicals Company, Ltd.</p> <p>Jan. 2003 Executive Vice President of the company and CEO of Du Pont-Mitsui Fluorochemicals Company, Ltd.</p> <p>Sep. 2010 Joined the Company</p> <p>Jun. 2011 Director of the Company</p> <p>Apr. 2012 Member of the Board, Managing Executive Officer of the Company (to present) (In charge of Mitsui Chemicals Asia Pacific, Ltd., Mitsui Chemicals (Shanghai) Co., Ltd., Mitsui Chemicals America, Inc., Mitsui Chemicals Europe GmbH, RC & Quality Assurance Div, Human Resources Div., Affiliates Coordination Div., CSR Div., CSR Committee, and Responsible Care Committee)</p>	33,000
7	Shigeru Isayama (Jun. 27, 1954) <New>	<p>Apr. 1980 Joined the Company</p> <p>Apr. 2007 Executive Officer of the Company General Manager, Information & Electronics Materials Div., Performance Materials Business Sector</p> <p>Apr. 2009 Executive Officer of the Company General Manager, Business Planning & Development Div., Performance Materials Business Sector</p> <p>Jun. 2009 Director of the Company Business Sector Vice President, Performance Materials Business Sector, and General Manager, Business Planning & Development Div., Performance Materials Business Sector</p> <p>Jun. 2011 Assistant to the President of the Company Representative in the Americas, and President, Mitsui Chemicals America, Inc.</p> <p>Apr. 2013 Managing Executive Officer of the Company (to present) (In charge of New Market Development (Automotive Materials) Div., Environment & Energy Business Development Div., R&D Strategy Div., Mitsui Chemicals Singapore R&D Centre Pte. Ltd., Synthetic Chemicals Laboratory, Polymeric Materials Laboratory, Functional Materials Laboratory, New Products Development Laboratory, Process Technology Center, Advancing Analysis Laboratory, R&D Administration Div., and Intellectual Property Div.)</p>	14,000

Candidate Number	Name (Date of Birth)	Career Summary, Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
8	Masaharu Kubo (Feb. 9, 1957) <New>	<p>Apr. 1980 Joined the Company</p> <p>Apr. 2007 General Manager, Legal Div.</p> <p>Apr. 2008 Senior Director of the Company General Manager, Legal Div.</p> <p>Apr. 2009 Senior Director of the Company General Manager, Administration Div., Corporate Social Responsibility Center</p> <p>Apr. 2010 Executive Officer of the Company General Manager, Corporate Administration Div.</p> <p>Apr. 2013 Managing Executive Officer of the Company (to present) (In charge of Corporate Administration Div., Legal Div., Corporate Performance Management Div., Finance & Accounting Div., Information Management Div., and Risk Compliance Committee)</p>	99,000
9	Taeko Nagai (Jan. 30, 1938) <Reappointed> <Independent Officer>	<p>Apr. 1960 Joined Japan Broadcasting Corporation (NHK)</p> <p>Aug. 1990 Manager of the Urawa (currently Saitama) Station of NHK</p> <p>Jun. 1993 Senior Commentator of NHK (specializing in culture and education)</p> <p>Apr. 1997 Director of Setagaya Culture and Life Information Center</p> <p>Jan. 2005 Vice President of NHK</p> <p>Jun. 2009 Vice President of Setagaya Arts Foundation (to present)</p> <p>Jun. 2010 Director of the Company (to present)</p> <p>Significant concurrent positions Vice President of Setagaya Arts Foundation</p>	0
10	Yoshio Suzuki (Nov. 1, 1945) <Reappointed> <Independent Officer>	<p>Apr. 1970 Appointed as public prosecutor</p> <p>Apr. 1983 Professor at the Legal Training and Research Institute</p> <p>Mar. 1987 Manager of the Tax Litigation Division of the Litigation Bureau at the Ministry of Justice</p> <p>Jun. 1997 General Manager of the Criminal Division of the Tokyo High Public Prosecutors Office</p> <p>Apr. 1999 Chief Prosecutor at the Otsu District Public Prosecutors Office</p> <p>Feb. 2003 General Manager of General Affairs at the Supreme Public Prosecutors Office</p> <p>Dec. 2006 Superintending Prosecutor at the Hiroshima High Public Prosecutors Office</p> <p>Jan. 2008 Retired as public prosecutor</p> <p>Apr. 2008 Registered as an attorney Joined Ichibancho Sogo Law Office (to present) Professor at the Chuo Law School (to present)</p> <p>Jun. 2010 Director of the Company (to present)</p> <p>Significant concurrent positions Attorney at Ichibancho Sogo Law Office Professor at the Chuo Law School</p>	13,000

- Notes: 1. There are no conflicts of interests between the Company and the above candidates for Directors.
2. Taeko Nagai and Yoshio Suzuki are candidates for Outside Directors. The Company has designated them as independent officers who are unlikely to cause a conflict of interests with ordinary shareholders and has reported this to the Tokyo Stock Exchange, in accordance with the

rules stipulated by that exchange. If Taeko Nagai and Yoshio Suzuki are reelected as Outside Directors, the Company will continue to appoint them as independent officers.

3. Reasons for nominating Taeko Nagai and Yoshio Suzuki as candidates for Outside Directors and our judgment of their being capable of properly executing duties as Outside Directors:
 - (1) Taeko Nagai
Taeko Nagai has worked at Japan Broadcasting Corporation for many years, and now serves as vice president of an arts foundation. We expect that she will provide useful advice on the Company's management based on her expertise and experience in culture, education, consumer economy, and other fields. Hence, we believe she is the right person for the post of Outside Director.
 - (2) Yoshio Suzuki
Yoshio Suzuki has worked in the public prosecutors offices and the Ministry of Justice for many years, and has expertise in the legal field. We expect that he will provide useful advice on the Company's promotion of compliance based on his broad experience in legal circles. Hence, we believe he is the right person for the post of Outside Director.
4. Taeko Nagai and Yoshio Suzuki are currently Outside Directors of the Company. At the close of this Ordinary General Meeting of Shareholders, they will have served as Outside Directors for three (3) years.
5. The Company has concluded liability limitation contracts with Taeko Nagai and Yoshio Suzuki in accordance with Article 427, Paragraph 1 of the Companies Act to limit the liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. Under these contracts, the maximum liability for damages shall be the amount provided by laws and regulations. If Taeko Nagai and Yoshio Suzuki are reelected as Outside Directors, the Company will continue the said contracts with them.

No. 3: Election of one (1) Corporate Auditor

As the term of office of Corporate Auditor Isao Ijuin will expire at the close of this Ordinary General Meeting of Shareholders, we propose the election of one (1) Corporate Auditor.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

Corporate Auditor candidate is as follows:

Name (Date of Birth)	Career Summary, Positions at the Company, and Significant Concurrent Positions Outside the Company	Number of Shares of the Company Owned
Osamu Sekine (Jun. 14, 1942) <New> <Independent Officer>	Apr. 1969 Registered as an attorney Jan. 1987 Established Tsunematsu Yanase & Sekine Jan. 2000 Partner at Nagashima Ohno & Tsunematsu due to merger with Nagashima & Ohno Jan. 2008 Advisor of Nagashima Ohno & Tsunematsu Jan. 2013 Advisor of Aoyama Sogo Law Office (to present) Significant concurrent positions Advisor of Aoyama Sogo Law Office	0

- Notes:
1. There are no conflicts of interests between the Company and the above candidate for Corporate Auditor.
 2. Osamu Sekine is candidate for Outside Corporate Auditor. If Osamu Sekine is elected as an Outside Corporate Auditor, in accordance with the rules stipulated by the Tokyo Stock Exchange, the Company will designate him as an independent officer who is unlikely to cause a conflict of interests with ordinary shareholders and report this to the exchange.
 3. Reasons for nominating Osamu Sekine as a candidate for Outside Corporate Auditor and our judgment of his being capable of properly executing duties as Outside Corporate Auditor:
Osamu Sekine has legal knowledge and broad experience in legal circles. Hence, we believe he is the right person for the post of Outside Corporate Auditor from the perspective of ensuring the appropriate execution of operations of the Company.
 4. If Osamu Sekine is elected as Outside Corporate Auditor, the Company intends to conclude a liability limitation contract with him in accordance with Article 427, Paragraph 1 of the Companies Act to limit his liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. Under this contract, the maximum liability for damages shall be the amount provided by laws and regulations.

No. 4: Renewal of Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)

The board of directors of the Company resolved at its meeting held on March 31, 2010 to renew a plan for countermeasures to large-scale acquisitions of the shares in the Company subject to the shareholders' approval, and the Company obtained the shareholders' approval at the 13th Ordinary General Meeting of Shareholders held on June 24, 2010 (the takeover defense measures renewed at that time is to be referred to as the "Former Plan"). The effective period of the Former Plan expires at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, for the purpose of continuing to ensure and enhance the Company's corporate value and common interests of its shareholders, the Company proposes that shareholders approve the renewal of the Former Plan with some revisions (the renewal is to be referred to as the "Renewal", and the renewed Former Plan is to be referred to as the "Plan.").

1. Basic Policy regarding the Persons who Control Decisions on the Company's Financial and Business Policies

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and who will make it possible to continually and steadily ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders.

The Company will not unconditionally reject a large-scale acquisition of the shares if it will contribute to the Company's corporate value and, in turn, the common interests of its shareholders. The Company also believes that the final decision as to whether or not to accept a large-scale acquisition that would involve a change of the control of the Company should ultimately be made by its shareholders as a whole.

Recently, unilateral large-scale acquisitions of shares carried out without approval by the management of the target company have been seen in the Japanese capital market. Some of these large-scale acquisitions benefit neither the corporate value of the target company nor the common interests of its shareholders, including those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors or shareholders to consider the terms of the acquisition or for the target company's board of directors to make an alternative proposal, and those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company believes that persons who would make a large-scale acquisition that would harm the Company's corporate value and the common interests of its shareholders, including those acquisitions described in the above examples, or who would act in a similar manner would be inappropriate to become persons who control decisions on the Company's financial and business policies.

2. Initiatives for Realizing the Basic Policy

Since its establishment in October 1997 the corporate mission of the Company has been to contribute broadly to society by providing high-quality products and services to customers through innovations and creation of materials, while keeping in harmony with the global environment, and on this basis, it has worked to ensure and enhance corporate value and shareholders' common interests.

The source of the Company's corporate value comprises the following factors.

(a) Research and development ability that creates new technologies and products.

The Company has superior catalyst technology, polymer technology, synthetic organic chemistry technology, processing technology and process technology that have been cultivated over a long period of time. As a result of creation and provision to customers of high-quality products and services in a wide range of areas such as automotive materials, electronics and information materials, life, environment and energy materials, and packaging materials based on the above technologies, while appropriately reflecting customers' needs in the creation and provision of these products and services, the Company now has various products that enjoy large shares of both domestic and global markets. In addition, the Company has developed new technologies and products in areas such as solar power components, electronics and information films, eco-friendly vehicles, next-generation functional chemical products, and biomass chemicals through its continued research and development from a medium-to-long-term perspective, thereby gradually creating future core businesses. This superior research and development ability has become the basis for the Company's increased profits in the future.

(b) Global production and sales structures and marketing ability

The Company has business bases in 14 countries all over the world and has been expanding its production and sales on a global scale, achieving the ratio of overseas sales of 43% in fiscal 2012. In addition, in recent years, the Company has been working to expand its business by establishing bases in emerging countries such as India and Brazil, and it is expected that overseas sales of the Company will increase further in the future. With demand for the Company's products increasing on a global scale, especially in Asia, the Company's global production, sales structures and marketing ability are also essential factors for successfully meeting such demand and linking it to profit.

(c) Relationships of trust with outside stakeholders of the Company

As a result of its long years of continued business, the Company has built close relationships of trust with various outside stakeholders such as its shareholders, customers, trading partners including suppliers of raw materials, government and public officers, the communities that neighbor business bases, and joint venture partners. The Company believes that it is of the greatest importance to maintain and develop such relationships of trust with these stakeholders in order to expand its business in the future.

(d) Diverse personnel with highly specialized knowledge and challenging spirit

In order for the Company to push forward with the development of highly functional and high-quality products and the creation of new businesses, and in so doing expand its business on a global scale, it is essential to secure capable personnel with highly specialized knowledge and a spirit of challenge. Under the close relationships of trust with its employees that have been forged over a long period of time, the Company strives to secure and train capable personnel, which with a view to global business development also includes employees with foreign nationalities. Securing and training such personnel has become even more important because it is essential to renew and globally develop the business portfolio in order for the Company to increase its profit into the future.

On its 10th anniversary in 2007, the Company formulated the "Grand Design" (since partially revised), which is to serve as a fundamental framework for management of Mitsui Chemicals Group and assure further growth for the coming 10 to 15 years, in order to ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders based on the source of the Company's corporate value described above. The Grand Design has set Mitsui Chemical Group the corporate target of "Constantly pursuing innovation and growth to become a chemical group with an undisputed global presence". In addition, it has outlined the long-term management target for the next 8 to 10 years and, for continued sustenance of corporate value, it has set forth three axes which included an economic axis (for financial goals), an environmental axis (for environmental goals), and a social axis (for social goals). Corporate activities and management performance are to be based on a balance of these three axes. The financial goals are operating profit of over 150.0 billion yen and ROA (return on assets) of over 10%. The environmental goals are reduction of greenhouse gases on the basic unit basis, minimization of

industrial waste, and development of technologies to utilize non-fossil fuel resources. The social goals are attaining global top level workplace safety.

For the early actualization of these goals by 2013, the final year of the 2011 mid-term business plan, the Company has formulated and rolled out specific measures to establish a business portfolio for growth and sustainability with the fundamental strategies of “expansion of businesses more resilient to changing economic conditions”, “global expansion of highly competitive businesses”, “creation of core businesses for the future”, and “strengthening competitiveness in the domestic market”, in light of the future image that should be targeted by Mitsui Chemicals Group. In the past two years, the Company has successfully pursued the implementation of specific measures such as (i) establishing overseas bases in the area of agrochemicals, (ii) establishing manufacturing and sales companies for metallocene catalyst type highly functional polyethylene and highly functional packaging films in Asia, (iii) implementing M&A and increasing and strengthening capacity at business bases all over the world in the polypropylene (PP) compound business, (iv) implementing M&A in the ophthalmic lens materials business, (v) deciding to implement large scale M&A in the dental materials business, and (iv) commencing construction for a solar/wind joint project. With regard to the strengthening of competitiveness in the domestic market, the Company has also carried out measures such as the partial suspension of the manufacturing facilities for polyurethane materials and general-purpose polyolefins. In line with these measures, the Company has been striving to strengthen its business, including strategic M&A, in order to accelerate the implementation of strategies even further by focusing its managerial resources on the three top-share areas; namely, (i) the high-value-added polymers area, which contains the elastomer and PP compound businesses, (ii) the high performance products area such as health care business, and (iii) the phenol chain.

Pursuing these various measures, the Company will expand and thereby further stabilize the source of its corporate value, while also endeavoring through the creation and expansion of business to enhance its corporate value and, in turn, the common interests of its shareholders.

Furthermore, the Company believes fulfillment of its corporate responsibility and the earning of society’s trust are crucial to maintaining corporate value and sustainability. Among its responsibility to society, the Company believes strengthening of corporate governance to be of utmost importance. To this end, the Company has appointed outside directors (and has notified the Tokyo Stock Exchange that the Company has made both of the two outside directors independent directors), has been emphasizing the role of corporate auditors, developed and strengthened internal control systems, and intensified functions of its risk compliance committee. In addition, to gain the trust of all stakeholders, including shareholders, customers, trading partners, employees, and local communities, the Company will continue to improve and intensify corporate social responsibility (CSR) activities especially by making efforts to conserve the environment and maintain safety and quality, to engage in social contribution activities, and to fully comply with laws, ordinances and rules.

3. Measures to Prevent Decisions on the Company’s Financial and Business Policies from being Controlled by Persons Deemed Inappropriate under the Basic Policy

(1) Purpose of the Plan

As set out in Initiatives for Realizing the Basic Policy, the Company is engaged in initiatives to ensure and enhance its corporate value and the common interests of its shareholders while effectively utilizing the source of the Company’s corporate value that the Company has built up over many years.

Recently, however, as explained above, the situation is such that there is the possibility of the Company’s corporate value and the common interests of its shareholders being harmed through inappropriate large-scale acquisitions of the Company’s shares. In order for the Company to ensure and enhance its corporate value sustainably in the future amid the intense competition in the chemicals industry, it is necessary to aggressively conduct measures such as business portfolio reform against a backdrop of the Company’s innovative corporate culture, research and

development from a medium-to-long-term perspective and appropriate allocation of management resources, and preservation of relationships of mutual trust with stakeholders through ensuring environmental soundness, safety, and quality. Unless such measures are steadily conducted by the acquirer of the Company's shares, the Company's corporate value and the common interests of its shareholders will be harmed.

In these circumstances, the Board of Directors renewed the Former Plan, having determined that, when the Company receives an acquisition proposal from an acquirer for the Company's shares, a mechanism would be necessary to enable the Company to stave off any large-scale acquisition that would harm the Company's corporate value and the common interests of its shareholders by ensuring necessary time and information for the shareholders to decide whether or not to accept such proposal and for the Board of Directors to make an alternative proposal to the shareholders, and by enabling the Board of Directors to negotiate with the acquirer for the benefit of the shareholders. The Company believes that these circumstances remain the same today.

For the reasons stated above, as a part of the Company's efforts to prevent decisions on its financial and business policies from being controlled by persons deemed inappropriate under the Basic Policy, the Board of Directors has decided to renew the Former Plan subject to the shareholders' approval at this Ordinary General Meeting of Shareholders. The Company has not received any specific proposal for a large-scale acquisition from a third party as of the date of this press release.

(2) Plan Outline (see Appendix 1 for the outline chart)

(a) Establishment of Procedures for Triggering the Plan

The Plan establishes procedures, in the case that there is an Acquisition (as defined in section (3)(a), 'Procedures for Triggering the Plan'; the same applies hereafter) of the Company's shares, for requesting the acquirer or party proposing the Acquisition (collectively the "Acquirer") to provide information in advance related to the Acquisition, for securing time to collect information with respect to, and to consider, the Acquisition, and for the Company to propose the management team's plan or an alternative proposal to shareholders, or to negotiate with the Acquirer. These actions are taken for the purpose of ensuring and enhancing the Company's corporate value and common interests of its shareholders (see section (3) 'Procedures for Triggering the Plan').

(b) Gratis Allotment of the Stock Acquisition Rights and Use of Independent Committee

If an Acquisition by the Acquirer that is deemed to have the potential to damage the Company's corporate value and the common interests of its shareholders, such as an Acquisition conducted without following the procedures established by the Plan (see section (4) 'Requirements for Gratis Allotment of the Stock Acquisition Rights' below for details), the Company shall make an allotment of stock acquisition rights with (a) an exercise condition that does not allow the Acquirers to exercise the stock acquisition rights, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company's shares from persons other than the Acquirers (the "Stock Acquisition Rights"; details provided below in section (5) 'Outline of Gratis Allotment of the Stock Acquisition Rights'), by means of a gratis allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) (prescribed by Article 277 and relevant provisions thereafter of the Companies Act) to all shareholders at that time.

In order to eliminate arbitrary decisions by the Board of Directors, decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights or the acquisition of the Stock Acquisition Rights must undergo the decision of an independent committee, which is solely composed of members who are independent from the Company's management team, namely, (i) the Company's outside directors, (ii) the Company's outside corporate auditors, and (iii) distinguished professionals from outside the Company (e.g., experienced corporate managers, former government officials, people with substantial experience in investment banking, attorneys, certified public accountants and academic experts) (the "Independent Committee"), in accordance with the

Independent Committee Rules (see Appendix 2 for a summary), upon confirmation of the shareholders' intent in certain cases, and transparency will be ensured by timely disclosure to all the Company's shareholders. The names and career summaries of the persons slated to make up the Independent Committee upon the Renewal of the Plan are provided in Appendix 3.

(c) Exercise of the Stock Acquisition Rights and the Company's Acquisition of the Stock Acquisition Rights

Should a gratis allotment of the Stock Acquisition Rights be conducted in accordance with the Plan and the Company's shares be granted to shareholders other than the Acquirer through the exercise of the Stock Acquisition Rights by shareholders other than the Acquirer or in exchange for the Stock Acquisition Rights acquired by the Company, the ratio of shareholder voting rights held by the Acquirer may be diluted by up to 50%.

(3) Procedures for Triggering the Plan

(a) Targeted Acquisitions

Under the Plan, a gratis allotment of the Stock Acquisition Rights is conducted by following procedures set forth by the Plan in the case where an acquisition falls under 1) or 2) below or any similar action, or a proposal¹ for acquisition or any similar action (except for such action as the Board of Directors separately determines not to be subject to the Plan; the "Acquisition") is made.

- 1) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)² of a holder (*hoyuusha*)³ totaling 20% or more of the share certificates, etc. (*kabuken tou*)⁴ issued by the Company; or
- 2) A tender offer (*koukai kaitsuke*)⁵ that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)⁶ of share certificates, etc. (*kabuken tou*)⁷ and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*)⁸ totaling at least 20% of the share certificates, etc. issued by the Company.

The Acquirer shall follow the procedures prescribed in the Plan, and the Acquirer must not effect the Acquisition until and unless the Board of Directors resolves not to implement the gratis allotment of the Stock Acquisition Rights in accordance with the Plan.

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

Except when approved otherwise by the Board of Directors, any Acquirer conducting an Acquisition described in (a) above shall be required to submit to the Company in the form prescribed by the Company a document that includes information necessary to consider the details of the Acquisitions described in each item of the list below (the "Necessary Information"), and an undertaking that the Acquirer will upon the Acquisition comply with the procedures set out in the Plan (collectively "Acquisition Documents") before executing the Acquisition.

¹ "Proposal" includes solicitation of a third party for an acquisition or any similar action.

² Defined in Article 27-23(4) of the Financial Instruments and Exchange Act of Japan. This definition applies throughout this document.

³ Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Act of Japan. The same applies throughout this document.

⁴ Defined in Article 27-23(1) of the Financial Instruments and Exchange Act of Japan. Unless otherwise provided for in this document, the same applies throughout this document.

⁵ Defined in Article 27-2(6) of the Financial Instruments and Exchange Act of Japan. The same applies throughout this document.

⁶ Defined in Article 27-2(8) of the Financial Instruments and Exchange Act of Japan. The same applies throughout this document.

⁷ Defined in Article 27-2(1) of the Financial Instruments and Exchange Act of Japan.

⁸ Defined in Article 27-2(7) of the Financial Instruments and Exchange Act of Japan (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act of Japan. The same applies throughout this document.

If the Board of Directors receives the aforementioned Acquisition Documents, it will promptly deliver it to the Independent Committee. If the Independent Committee receives the Acquisition Documents and determines that the Acquisition Documents does not contain sufficient Necessary Information, the Independent Committee may set a reply deadline and directly or through the Board of Directors request that the Acquirer provide additional Necessary Information. In this case, the Acquirer is required to submit the additional Necessary Information by the deadline.

- 1) Details (including the specific name, capital structure and financial information) of the Acquirer and its group (including joint holders,⁹ persons having a special relationship, (and in the case of funds) fund members and other members)
- 2) Purpose, method and terms of the Acquisition (including the type and amount of compensation, timeframe, scheme of any related transactions, legality of methods and feasibility of the Acquisition)
- 3) The purchase price of the Acquisition and the basis for the calculation of the purchase price (including facts and assumptions on which the calculation is premised, calculation methods, numerical data used in the calculation and synergies expected to arise from the series of transactions related to the Acquisition, and, more specifically, synergies accorded to minority shareholders)
- 4) Information relating to any agreement between the Acquirer and a third party regarding the share certificates, etc. of the Company and any previous acquisition of share certificates, etc. of the Company by the Acquirer.
- 5) Financial support for the Acquisition (specifically including the names of fund providers (including all indirect providers), financing methods, and terms of any related transactions)
- 6) Post-acquisition management policies, business plans, capital policies and dividend policies for the Company Group
- 7) Post-acquisition policies for dealing with the Company group's shareholders (other than the Acquirer), employees, business partners, customers and other stakeholders
- 8) Specific measures to avoid any conflict of interest between the Acquirer and other shareholders of the Company if there is a possibility of such conflict of interest.
- 9) Information regarding any relationship with an anti-social force
- 10) Any other information that the Independent Committee reasonably considers necessary
When it is deemed that an Acquirer has commenced an Acquisition without following the procedures established in the Plan, the Independent Committee shall, in principle, recommend to the Board of Directors to implement a gratis allotment of the Stock Acquisition Rights in accordance with (d)1) below, except in particular circumstances where it should continue with its requests for submission of the Acquisition Documents and Necessary Information to conduct discussion and negotiation with the Acquirer.

(c) Consideration of Acquisition Terms, Negotiation with Acquirer, Submission of Alternatives

- 1) Request to the Board of Directors for the Provision of Information
If the Acquirer submits the Acquisition Documents and any Necessary Information that has been additionally requested by the Independent Committee, the Independent Committee may, in order to compare the details of the Acquisition Documents and the Necessary Information with the business plan of the Board of Directors or the like from the perspective of ensuring and enhancing the Company's corporate value and the common interests of its shareholders, request the Board of Directors to promptly provide an opinion on the Acquirer's Acquisition terms (including an opinion to refrain from giving such opinion; the same applies throughout this document), supporting documents, alternatives (if any) and any other information or documents deemed appropriate and necessary by the Independent Committee within a reasonable period of time set by the Independent Committee (in principle, within 60 days, taking into account that the Company is engaged in a wide range of business such as petrochemical feedstocks, industrial chemicals, synthetic fiber raw

⁹ Defined in Article 27-23(5) of the Financial Instruments and Exchange Act of Japan, including persons who are deemed joint holders under Article 27-23(6) of the Financial Instruments and Exchange Act of Japan by the Board of Directors. The same applies throughout this document.

materials, automotive and industrial materials, electronic and IT materials, agrochemicals, ophthalmic lens materials and dental materials, that the Company has business partners in various industries, and that the business scale of the Company group, which consists of 113 consolidated companies in 14 countries over the world, is extensive).

2) Independent Committee Consideration

If the Independent Committee deems that the Acquirer and the Board of Directors (when the Board of Directors is requested to provide information and documents in accordance with 1) above) have provided sufficient information and documents (including those additionally requested), the Independent Committee shall set a reasonable consideration period (taking into account the Company's business characteristics set out in 1) above, of no more than 60 days in principle; however, in accordance with (d)3) below, the Independent Committee may extend the period by its resolution; the "Independent Committee Consideration Period").

Based on the information and documents provided by the Acquirer and the Board of Directors during the Independent Committee Consideration Period, the Independent Committee shall consider the Acquirer's Acquisition terms, consider any alternative proposals submitted by the Board of Directors, collect information on and compare the business plans of the Acquirer and the Board of Directors and the like from the perspective of ensuring and enhancing the Company's corporate value and the common interests of its shareholders. Also, if necessary, the Independent Committee shall conduct discussions and negotiations with the Acquirer, itself or through the Board of Directors, in order to improve the terms of the Acquisition from the perspective of ensuring and enhancing the Company's corporate value and the common interests of its shareholders, and shall present the Company's alternative proposal to the shareholders.

The Acquirer must promptly respond when the Independent Committee requests the Acquirer, itself or through the Board of Directors, to provide materials for consideration or any other information, or to discuss or negotiate with the Independent Committee within the Independent Committee Consideration Period.

In order to ensure that the Independent Committee's decision contributes to the Company's corporate value and the common interests of its shareholders, the Independent Committee may obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) at the Company's expense.

(d) Judgment by the Independent Committee

If an Acquirer emerges, the Independent Committee will provide a recommendation to the Board of Directors in accordance with the following procedures.

1) Recommendation for the Triggering of the Plan

If the Acquirer fails to comply with the procedures prescribed in (b) or (c) above, or if as a result of the consideration of the terms of the Acquirer's Acquisition and discussions or negotiations with the Acquirer, the Independent Committee determines that the Acquisition by the Acquirer corresponds to any of the requirements set out in section (4) 'Requirements for Gratis Allotment of the Stock Acquisition Rights' below, the Independent Committee shall recommend to the Board of Directors that a gratis allotment of the Stock Acquisition Rights be implemented irrespective of whether the Independent Committee Consideration Period has started or ended. The Independent Committee may recommend implementation of the gratis allotment of the Stock Acquisition Rights subject to obtaining approval at a shareholders meeting in advance.

Notwithstanding the foregoing paragraph, if the Independent Committee determines any of the following circumstances applies, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of the Stock Acquisition Rights, the Independent Committee may make a new decision and recommend it to the Board of Directors. Such recommendation may include canceling the gratis allotment

of the Stock Acquisition Rights up to the second business day prior to the ex-rights date with respect to the gratis allotment, or the Company's acquisition of the Stock Acquisition Rights for no consideration up to the day prior to the first day of the exercise period for the Stock Acquisition Rights following the effective date for the gratis allotment.

- (i) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the initial recommendation.
- (ii) The facts or information that formed the basis for the initial recommendation change and the Acquisition by the Acquirer no longer corresponds to any of the requirements set out in section (4) 'Requirements for Gratis Allotment of the Stock Acquisition Rights' below.

2) Recommendation for the Non-Triggering of the Plan

If as a result of the consideration of the terms of the Acquirer's Acquisition and discussions or negotiations with the Acquirer, the Independent Committee determines that the Acquisition by the Acquirer does not correspond to any of the requirements set out in section (4) 'Requirements for Gratis Allotment of the Stock Acquisition Rights' below, or the Board of Directors does not provide the opinion prescribed in (c)1) above or information and documents requested by the Independent Committee within the specified timeframe despite the requirement by the Independent Committee, the Independent Committee shall recommend to the Board of Directors that the gratis allotment of the Stock Acquisition Rights not be implemented, irrespective of whether or not the Independent Committee Consideration Period has ended.

Notwithstanding the foregoing paragraph, if the Independent Committee determines that the facts or information that formed the basis for the recommendation change and the Acquisition by the Acquirer corresponds to any of the requirements set out in section (4) 'Requirements for Gratis Allotment of the Stock Acquisition Rights' below, even after the Independent Committee has already made a recommendation for the non-implementation of the gratis allotment of the Stock Acquisition Rights, the Independent Committee may make a new decision and recommend it to the Board of Directors. Such recommendation could include the implementation of a gratis allotment of the Stock Acquisition Rights.

3) Extension of the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights by the end of the initial Independent Committee Consideration Period, the Independent Committee will, to the extent that is necessary for actions such as consideration of the terms of the Acquirer's Acquisition, discussion or negotiation with the Acquirer, or consideration of alternative proposals (in principle up to 30 days), adopt a resolution to extend the Independent Committee Consideration Period.

If the Independent Committee Consideration Period is extended through the aforementioned resolution, the Independent Committee will continue to collect information, consider the Acquisition and perform similar activities, and use its best efforts to make a recommendation for the implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights or provide an alternative proposal within the extended period.

(e) Resolutions by the Board of Directors

When the Independent Committee makes the aforementioned recommendation, the Board of Directors, in exercising their role as an organization under the Companies Act, shall promptly make a resolution relating to the implementation or non-implementation of a gratis allotment of the Stock Acquisition Rights (including the resolution of canceling the gratis allotment of the Stock Acquisition Rights or the Company's acquisition of the Stock Acquisition Rights for no consideration) respecting to the maximum extent any recommendation by the Independent Committee described above. If the Shareholders Meeting (defined in (f) below) is convened in accordance with (f) below, the Board of Directors will follow the resolution at the Shareholders Meeting.

(f) Convocation of the Shareholders Meeting

Notwithstanding (e) above, upon the implementation of the gratis allotment of the Stock Acquisition Rights pursuant to the Plan, the Board of Directors may convene a meeting of shareholders (the “Shareholders Meeting”) and confirm the intent of the Company’s shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights, if (I) the Independent Committee recommends implementation of the gratis allotment of the Stock Acquisition Rights subject to obtaining approval at a shareholders meeting in advance in accordance with (d)1) above, or (II) the Board of Directors determines it appropriate to confirm the shareholders’ intent taking into consideration the time required to convene a general meeting of shareholders or other matters pursuant to the duty of care of a good manager.

(g) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Independent Committee or the Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquisition Documents has been submitted, the fact that the Independent Committee Consideration Period has commenced, and the fact that the Independent Committee Consideration Period has been extended, as well as the extended period and the reason for the extension), an outline of recommendations made by the Independent Committee, an outline of resolutions by the Board of Directors or the Shareholders Meeting, in accordance with the applicable laws and ordinances or the regulations of the financial instruments exchange.

(4) Requirements for Gratis Allotment of the Stock Acquisition Rights

If the Acquisition by the Acquirer corresponds to any of the following conditions (a) through (g) and it is reasonable to implement the gratis allotment of the Stock Acquisition Rights, the Company intends to implement the gratis allotment of the Stock Acquisition Rights by a resolution of the Board of Directors, as stated above in (e) of section (3) ‘Procedures for Triggering the Plan’. In accordance with (d) of section (3) ‘Procedures for Triggering the Plan’, the determination as to whether the Acquisition corresponds to the following requirements will always be made through the Independent Committee.

(a) The Acquisition is not in compliance with the procedures prescribed in the Plan such as provision of information or ensuring the Independent Committee Consideration Period set out in (b) of section (3) ‘Procedures for Triggering the Plan’.

(b) The Acquisition threatens to cause obvious harm to the Company’s corporate value and the common interests of its shareholders through actions similar to and including the following:

- 1) a buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company and its affiliated party at a high price;
- 2) management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company’s management for the low-cost acquisition of its material assets;
- 3) diversion of the Company’s assets to secure or repay debts of the Acquirer or its group company; or
- 4) temporary control of the Company’s management to bring about a disposal of high-value assets that have no current relevance to the Company’s business 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.

(c) The Acquisition threatens to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).

- (d) The Acquisition does not provide the Company with the period of time reasonably necessary to present an alternative to the Acquisition.
 - (e) The Acquisition does not adequately provide the Company shareholders with the Necessary Information or any other information considered reasonably necessary to assess the Acquisition terms.
 - (f) The Acquisition terms (including the type and amount of compensation, timeframe, legality of methods, feasibility of execution, and post-acquisition policies dealing with the Company's employees, business partners, customers and other stakeholders) are conspicuously inadequate or inappropriate in light of the Company's intrinsic value.
 - (g) The Acquisition materially threatens to oppose the Company's corporate value and, in turn, the common interests of its shareholders by destroying relationships with the Company's employees, business partners, customers and other parties that are indispensable to the Company in generating corporate value.
- (5) Outline of Gratis Allotment of the Stock Acquisition Rights
- An outline of the gratis allotment of the Stock Acquisition Rights under the Plan is described below.
- (a) Number of the Stock Acquisition Rights
The number of the Stock Acquisition Rights to be allotted is the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Board of Directors relating to the gratis allotment of the Stock Acquisition Rights (the "Gratis Allotment Resolution").
 - (b) Shareholders Eligible for Allotment
The Company will allot the Stock Acquisition Rights for no consideration to those shareholders, other than the Company, who are recorded in the Company's final shareholder register on the Allotment Date, at a ratio of one Stock Acquisition Right for each share in the Company held.
 - (c) Effective Date of Gratis Allotment of the Stock Acquisition Rights
The effective date of the gratis allotment of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.
 - (d) Class and Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights
The class of shares to be acquired upon exercise of each Stock Acquisition Right is to be common stock of the Company, and the number of shares to be acquired upon exercise of each Stock Acquisition Right (the "Applicable Number of Shares") shall be one share except as separately adjusted.
 - (e) The Amount of Property to be Contributed upon Exercise of the Stock Acquisition Rights
Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share of property to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share of the Company. "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 90 day period prior to the Gratis Allotment Resolution (excluding the days on which there is no closing price), 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 date of the exercise period will be either the effective date of the gratis allotment of the Stock Acquisition Rights or a date separately determined in the Gratis Allotment Resolution, and the exercise period will be a period of one to two months as separately determined in the Gratis Allotment Resolution; provided, however, that if the Company acquires the Stock Acquisition Rights pursuant to the provisions of (i)2) below, the exercise period of the Stock Acquisition Rights with respect to that acquisition will be up to and including the business day immediately prior to the acquisition date. Further, if the final day of the exercise period falls on a non-business day for the payment place for the cash payable upon exercise, the final day will be the preceding business day.

(g) Conditions for the Stock Acquisition Rights

As a general rule, the following parties may not exercise the Stock Acquisition Rights (the parties falling under i) through vi) below shall collectively be referred to as “Specified Acquirers”):

- i) Specified Large Holders;¹⁰
- ii) Joint holders of Specified Large Holders;
- iii) Specified Large Purchasers;¹¹
- iv) Persons having a Special Relationship with Specified Large Purchasers;
- v) Any transferee of or successor to the Stock Acquisition Rights of any person falling under i) through iv) without the approval of the Board of Directors; or
- vi) Any Affiliated Party¹² of any person falling under i) through v).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and regulations to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that certain nonresidents, such as those who may use any exemption provision under the applicable laws and regulations in such foreign country, will be able to exercise the Stock Acquisition Rights and the Stock Acquisition Rights held by such nonresidents will be subject to acquisition by the Company in exchange for shares of the Company as set out in (i) below).

(h) Assignment of the Stock Acquisition Rights

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

¹⁰ “Specified Large Holder” means a person who is a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is regarded as at least 20% by the Board of Directors; provided, however, that a person that the 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 a person determined by the Board of Directors in the Gratis Allotment Resolution is not a Specified Large Holder. The same applies throughout this document.

¹¹ “Specified Large Purchaser” means 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 same applies in this footnote) of share certificates, etc. (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same applies in this footnote) issued by the Company through tender offer and whose ratio of ownership of share certificates, etc. in respect of such share certificates, etc. owned by such person after such purchase, etc. (including similar ownership as prescribed in Article 7(1) of the Order for Enforcement of the Financial Instruments and Exchange Act) is regarded by the Board of Directors as at least 20% when combined with the ratio of ownership of share certificates, etc. of a person having a Special Relationship; provided, however, that a person that the 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 a person determined by the Board of Directors in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same applies throughout this document.

¹² An “Affiliated Party” of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any person who is deemed by the Board of Directors to fall under the above), or a person deemed by the Board of Directors to act in concert with such given party. ‘Control’ is defined as a situation in which a company controls decisions on financial and business policies of another company (Article 3- 3 of Enforcement Regulations of the Companies Act).

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

- 1) At any time on or before the date immediately prior to the commencement date of the exercise period, if the Board of Directors recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a date separately determined by the Board of Directors, acquire all the Stock Acquisition Rights for no consideration.
- 2) On a date separately determined by the Board of Directors, the Company may acquire all the Stock Acquisition Rights that have not been exercised before or on the business day immediately prior to such date determined by the Board of Directors and that are held by parties other than Specified Acquirers, and, in exchange, deliver shares of the Company to the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right. the Company may implement such acquisition more than once.

(j) Other

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(6) Effective Period of the Plan

The effective period of the Plan will be from the conclusion of this Ordinary General Meeting of Shareholders until the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2016 (fiscal 2015). If a gratis allotment of the Stock Acquisition Rights is implemented based on the Plan, the Gratis Allotment Resolution will be made during the effective period of the Plan.

(7) Abolition, Revision and Amendment of the Plan

If, after the implementation of the Plan, even before the expiration of the effective period, there is 1) a resolution for abolishing the Plan made at the Company's general meeting of shareholders or 2) a resolution for abolishing the Plan made at a meeting of the Board of Directors composed of the directors chosen at the Company's general meeting of shareholders, the Plan shall be abolished at that time. Accordingly, the Plan may be abolished in accordance with the intent of the Company's shareholders.

Further, even during the effective period of the Plan, the Board of Directors may revise or amend the Plan if such revision or amendment is not against the intention of the resolution of the Ordinary General Meeting of Shareholders for the Renewal and subject to the approval of the Independent Committee.

If the Plan is abolished, revised or amended, the Company shall promptly disclose the fact of such abolishment, revision or amendment; the details of the revisions or amendments (in such cases); and other matters deemed appropriate by the Board of Directors or the Independent Committee.

The provisions of laws and regulations referred to in the Plan are subject to the prevailing provisions effective as of May 10, 2013. If necessary due to the formulation, amendment or abolishment of laws or regulations, the provisions or definitions set out in the Plan may be read accordingly as required to a reasonable extent, taking into consideration the purpose of such formulation, amendment or abolishment.

4. The Plan Complies with the Basic Policy and is not Designed to Harm the Common Interests of the Company's Shareholders nor to Preserve the Position of the Company's Executives, and Supporting Reasons

(1) The Plan is Designed to Fully Satisfy the Requirements of the Guidelines for Takeover Defense Measures

The Plan fully satisfies the three principles (principle of ensuring and enhancing corporate value and shareholders' common interests, principle of advance disclosure and shareholders' will, and principle of ensuring the necessity and reasonableness) established in the Guidelines Regarding

Takeover Defense Measures for the Purpose of Protection and Enhancement of Corporate Value and Shareholders' Common Interests released on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice. In addition, the Plan is designed for operability grounded on the "Takeover Defense Measures in Light of Recent Environmental Changes" issued by the Corporate Value Study Group on June 30, 2008.

(2) The Plan is Renewed for the Purpose of Ensuring and Enhancing Shareholders' Common Interests

As stated in section 3.(1) 'Purpose of the Plan', the Plan is to be introduced and renewed for the purpose of ensuring and enhancing the Company's corporate value and the common interests of its shareholders by introducing a mechanism that makes it possible, in the case where an Acquisition of the Company's shares is conducted, to ensure necessary time and information for the shareholders to decide whether or not to accept the Acquisition and for the Board of Directors to make an alternative proposal, and enables the Board of Directors to negotiate with the Acquirer for the benefit of the shareholders.

(3) The Plan Prioritizes the Intent of Shareholders

As stated in section 3.(1) 'Purpose of the Plan', the Renewal is subject to the shareholder's approval at this Ordinary General Meeting of Shareholders. The Board of Directors will confirm the shareholders' intent at the Shareholders Meeting as to whether or not to trigger the Plan in certain cases.

Also, as stated in section 3.(7) 'Abolition, Revision and Amendment of the Plan', if, even before the end of the effective period for the Plan, a resolution is made at a general meeting of shareholders to abolish the Plan, the Plan shall be abolished at that time. In this sense, the existence of the Plan reflects the intent of the shareholders.

(4) The Plan Prioritizes the Decisions of Highly Independent Outside Parties and Provides for Information Disclosure

The Company has established the Independent Committee as an organization that will eliminate arbitrary decisions by the Board of Directors and objectively make the substantive decisions as to the triggering or other operation of the Plan for the benefit of the shareholders.

The Independent Committee is composed of three or more members who are independent of the management team involved in business execution for the Company and who are either (i) the Company's outside directors, (ii) the Company's outside corporate auditors, or (iii) distinguished professionals from outside the Company. (As stated in (b) of section 3.(2) 'Plan Outline', the names and career summaries of the people slated to make up the Independent Committee at the time of the Renewal are provided in Appendix 3.)

As stated in section 3.(3) 'Procedures for Triggering the Plan', when an Acquisition is effected for the Company's share certificates, etc., the Independent Committee, in accordance with the Independent Committee Rules, makes the substantive decisions as to whether or not the Acquisition will harm the Company's corporate value and the common interests of its shareholders, and the Board of Directors, in exercising their role as an organization under the Companies Act, shall make the resolution respecting those decisions to the maximum extent (however, if a Shareholders Meeting is convened, the Board of Directors shall act in accordance with the resolution at the Shareholders Meeting.).

In this way the Independent Committee will strictly monitor the operation of the Plan so that it is not arbitrarily triggered by the Board of Directors. Summaries of the decisions by the Independent Committee are also disclosed to all shareholders. These mechanisms ensure the Plan will be transparently operated to contribute to the Company's corporate value and the common interests of its shareholders.

- (5) **The Plan Establishes Rational, Objective Requirements for Triggering**
As stated in (d) of section 3.(3) ‘Procedures for Triggering the Plan’ and in section 3.(4) ‘Requirements for Gratis Allotment of the Stock Acquisition Rights’, the Plan is established so that it will not be triggered unless rational and detailed objective requirements set out in advance have been satisfied. These requirements constitute a mechanism for preventing the Board of Directors from arbitrarily triggering the Plan.
- (6) **The Plan Provides for the Acquisition of Opinions from Third-Party Experts**
As stated in (c) of section 3.(3) ‘Procedures for Triggering the Plan’, when an Acquirer emerges, the Independent Committee is allowed to seek the advice of independent third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) at the expense of the Company. This provides a mechanism to better ensure the fairness and objectivity of the decisions made by the Independent Committee.
- (7) **The Term of Office of Directors is to be One Year**
The term of office of the Company’s directors is one year, and it enables the intent of shareholders to be reflected in matters concerning the Plan through the election of directors every year.
- (8) **The Plan Does Not Constitute a Dead-Hand Takeover Defense Measure or Slow-Hand Takeover Defense Measure**
As stated above in 3.(7) ‘Abolition, Revision and Amendment of the Plan’, the Plan can be abolished at a meeting of the Board of Directors composed of directors appointed by the Company’s General Meeting of Shareholders, so it would be possible for a party that made a large-scale acquisition of the Company shares to appoint directors at the Company’s General Meeting of Shareholders and have the Plan abolished by the Board of Directors composed of the so-appointed directors.

Accordingly, the Plan does not constitute a dead-hand takeover defense measure (a takeover defense measure in which even if the majority of the board members are replaced, the triggering of the measure cannot be stopped).

Also, because the Company has not adopted a staggered board system, the Plan does not constitute a slow-hand takeover defense measure (a takeover defense measure that extends the amount of time required to stop the triggering due to the impossibility of replacing all board members at once).

5. Impact on Shareholders

- (1) **Impact on Shareholders at the Time of the Renewal**
At the time of the Renewal, the Plan will have no specific or direct impact on the rights or interests of shareholders or investors. This is because, at that time, no actual gratis allotment of the Stock Acquisition Rights will be implemented.
- (2) **Impact on Shareholders at the Time of the Gratis Allotment of the Stock Acquisition Rights**
(a) **Procedures for the Gratis Allotment of the Stock Acquisition Rights**
If the Gratis Allotment Resolution is made, the Company will decide the Allotment Date in the same resolution and give public notice of the Allotment Date. In this case, the Company will make a gratis allotment of the Stock Acquisition Rights to the shareholders who are recorded in the final shareholder register as of the Allotment Date (“Entitled Shareholders”) for one Stock Acquisition Right per share in the Company held by the Entitled Shareholders. All Entitled Shareholders will become Stock Acquisition Right holders as a matter of course on the effective date of the gratis allotment of the Stock Acquisition Rights, and no further procedures, such as application for such gratis allotment, will be necessary.

Even if the Gratis Allotment Resolution has already been made, the Company may cancel the gratis allotment of the Stock Acquisition Rights up to the second business day prior to the

ex-rights date with respect to the gratis allotment, or acquire the Stock Acquisition Rights for no consideration up to the day prior to the first day of the exercise period for the Stock Acquisition Rights following the effective date for the gratis allotment of the Stock Acquisition Rights, respecting any recommendation by the Independent Committee as described above in (d)1) of section 3.(3) 'Procedures for Triggering the Plan' to the maximum extent. In such cases, the per-share value of the Company stock will not be diluted, which may, by changes in the price of the stock, result in unforeseen loss for investors who have traded shares based on the presumption that dilution will occur.

(b) Procedures for Exercising the Stock Acquisition Rights

In principle, the Company will send the Entitled Shareholders the request form for exercise of the Stock Acquisition Rights (in a form prescribed by the Company that includes the 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 that the shareholders themselves satisfy the conditions for the exercise of the Stock Acquisition Rights, indemnity clauses and other covenants) and other documents necessary for exercise of the Stock Acquisition Rights. Following the gratis allotment of the Stock Acquisition Rights, the shareholders will be issued one share in the Company per one Stock Acquisition Right, in principle, upon submitting the necessary documents and making a cash payment to the payment handling office in the amount equivalent to the exercise price determined in the Gratis Allotment Resolution during the exercise period of the Stock Acquisition Rights. The exercise price per Stock Acquisition Right will be within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company.

If the shareholders do not exercise their Stock Acquisition Rights or pay the amount equivalent to the exercise price, the shares they hold in the Company will be diluted by the exercise of the Stock Acquisition Rights by other shareholders.

However, in accordance with the provisions stated in (c) below, the Company may acquire the Stock Acquisition Rights from all shareholders other than Specified Acquirers and, in exchange, deliver shares in the Company to them. If the Company carries out these acquisition procedures, all shareholders other than Specified Acquirers will receive shares in the Company without exercising the Stock Acquisition Rights or paying the amount equivalent to the exercise price, and, in principle, shares in the Company they hold will not be diluted.

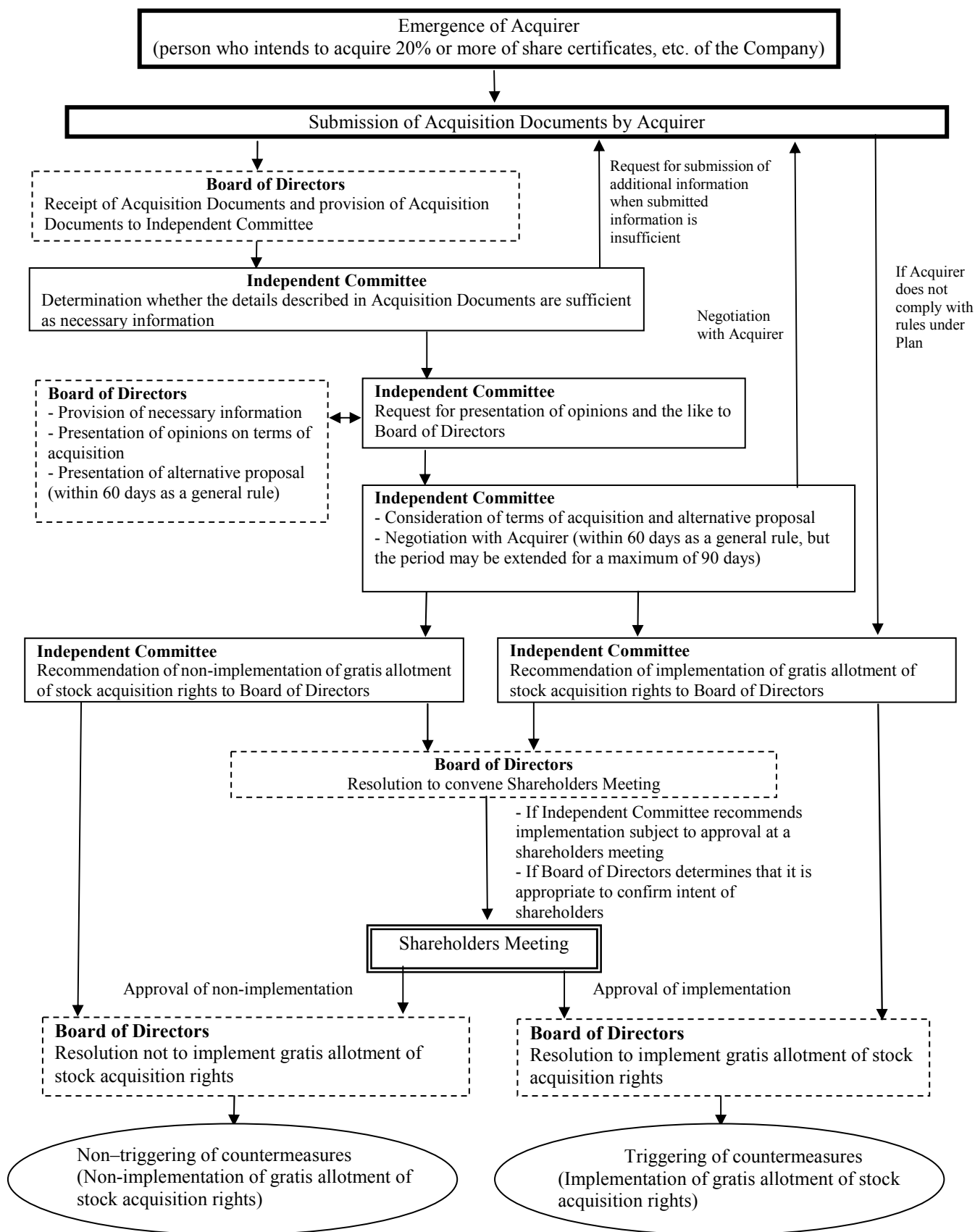
(c) Procedures for Acquisition of the Stock Acquisition Rights by the Company

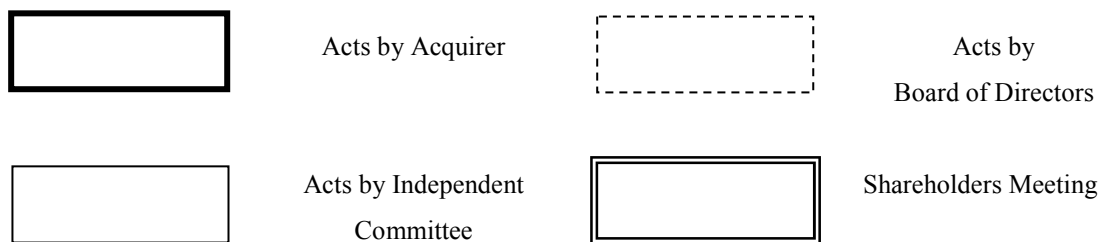
If the Board of Directors determines to acquire the Stock Acquisition Rights, the Company may acquire the Stock Acquisition Rights from all shareholders other than Specified Acquirers on the date separately determined by the Board of Directors in accordance with the statutory procedures, and, in exchange, deliver shares in the Company to these shareholders. In this case, the applicable shareholders will receive one share in the Company, in principle, for each Stock Acquisition Right as compensation for the acquisition of the Stock Acquisition Rights by the Company without paying the amount equivalent to the exercise price. Further, in this case, applicable shareholders may be separately requested to submit a written pledge in a format prescribed by the Company that includes representations and warranties regarding matters such as the fact that they are not Specified Acquirers, indemnity clauses and other covenants, and information necessary to allocate the Company's shares to the account of the Entitled Shareholders.

In addition to the above, details on allotment methods, exercise methods and methods of acquisition by the Company for the Stock Acquisition Rights will be released or notified to shareholders after the Gratis Allotment Resolution. Shareholders are requested to check these details at that time.

-End-

Outline Chart of the Plan





Note 1: When operating the Plan, the Company will timely disclose information regarding the status of progress of the procedures under the Plan, the outline of recommendations by the Independent Committee, the outline of resolutions at meetings of the Board of Directors or the Shareholders Meeting, or any other matters that the Independent Committee or the Board of Directors considers appropriate in accordance with applicable laws and ordinances or the regulations of the Tokyo Stock Exchange.

Note 2: The above flow chart was prepared for reference purposes only in order to describe the outline of the Plan in a way that is easy to understand, so please refer to the main text for the full details of the Plan.

-End-

Summary of the Independent Committee Rules

- The Independent Committee will be established by resolution of the Board of Directors.
- There will be at least three members of the Independent Committee, and the Board of Directors shall elect the members from (i) the Company's outside directors, (ii) the Company's outside corporate auditors, or (iii) distinguished outside professionals, who are independent of the management involved in the Company's business execution. However, such distinguished outside professionals must be experienced corporate managers, former government officials, people with substantial experience in investment banking, attorneys, certified public accountants, academic experts, or have equivalent qualifications, and must have executed an agreement separately specified by the Board of Directors with the Company that includes a provision obligating the professionals to exercise their duty of care to the Company or a similar provision.
- Unless otherwise determined in a resolution by the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within one year from the appointment. The term of office of any Independent Committee member who is also an outside director or an outside corporate auditor will end at the same time they cease to be a director or a corporate auditor. However, if such committee member satisfies the requirements for distinguished outside professionals, the Board of Directors may reappoint that person as a committee member through the prescribed procedures.
- The Independent Committee will make decisions regarding the matters listed below and provide recommendations to the Board of Directors containing the details of and reasons for the decisions. Respecting such recommendations by the Independent Committee to the maximum extent, the Board of Directors shall resolve implementation or non-implementation of gratis allotment of the Stock Acquisition Rights as an organization under the Companies Act (provided, however, that if the Shareholders Meeting resolves otherwise in respect to the implementation of the gratis allotment of the Stock Acquisition Rights as set out in 1) below, the Board of Directors shall follow such resolution). Each member of the Independent Committee and each director of the Company must make decisions from the perspective of whether or not it contributes to the interests of the Company, and must not seek to pursue individual profit for themselves or the Company's management.
 - 1) Implementation or non-implementation of the gratis allotment of the Stock Acquisition Rights
 - 2) Cancellation of the gratis allotment of the Stock Acquisition Rights, or the Company's acquisition of the Stock Acquisition Rights for no consideration
 - 3) Other matters that are for determination by the Board of Directors in respect to which the Board of Directors has consulted the Independent Committee
- In addition to the matters described above, the Independent Committee will also conduct the matters listed below.
 - 1) Determination whether the Acquisition should be made subject to the Plan
 - 2) Determination of the information that the Acquirer and Board of Directors should provide to the Independent Committee, and response deadlines
 - 3) Establishment and extension of the Independent Committee Consideration Period
 - 4) Examination and consideration of the terms of the Acquirer's Acquisition
 - 5) Negotiations or discussions with Acquirers, directly or through the Board of Directors
 - 6) Requests to the Board of Directors for alternative proposals, consideration of alternative proposals formulated by the Board of Directors, and presentation of alternative proposals to shareholders

- 7) Determination whether a general meeting of shareholders should be convened regarding the implementation of the gratis allotment of the Stock Acquisition Rights
 - 8) Approval of revisions or amendments to the Plan
 - 9) Any other matters prescribed in the Plan that the Independent Committee may conduct
 - 10) Any matters that the Board of Directors separately determines that the Independent Committee may conduct
- If the Independent Committee decides that the information contained in the Acquisition Documents is not adequate as Necessary Information, it will request that the Acquirer provide additional Necessary Information. If the Acquirer submits the Acquisition Documents and Necessary Information that the Independent Committee has additionally requested, the Independent Committee may also request that the Board of Directors provide within a reasonable prescribed period an opinion regarding the terms of the Acquirer's Acquisition, supporting documentation, alternative proposals (if any), and other information or documents deemed appropriate and necessary by the Independent Committee.
 - If it is necessary, the Independent Committee will directly or through the Board of Directors discuss or negotiate with the Acquirer, in order to improve the terms of the Acquirer's Acquisition from the perspective of ensuring and enhancing the Company's corporate value and the common interests of shareholders, and will present alternative proposals to shareholders.
 - In order to collect necessary information, the Independent Committee may request the attendance of the Company's directors, corporate auditors, executive officers, employees or other people that the Independent Committee considers necessary, and may require explanation of any matters it requests.
 - The Independent Committee may, at the Company's expense, obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) or conduct similar actions.
 - Any member of the Independent Committee may convene a meeting of the Independent Committee when an Acquisition is effected or at any other time.
 - As a general rule, resolutions by the Independent Committee will pass with a majority vote when all members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; hereinafter the same). However, if any member is unable to attend the meeting due to an accident or any other unavoidable reason, resolutions may be adopted by a majority vote when a majority of the members of the Independent Committee are present.

-End-

Candidates for the Independent Committee

Yoshio Suzuki

April 1970	Appointed as public prosecutor
April 1983	Professor at the Legal Training and Research Institute
March 1987	Manager of Tax Litigation Division of Litigation Bureau at Ministry of Justice
June 1997	General manager of Criminal Division of Tokyo High Public Prosecutors Office
April 1999	Chief prosecutor at Otsu District Public Prosecutors Office
February 2003	General manager of General Affairs at Supreme Public Prosecutors Office
December 2006	Superintending prosecutor at Hiroshima High Public Prosecutors Office
January 2008	Retired as public prosecutor
April 2008	Registered as attorney-at-law
	Joined Ichibancho Sogo Law Offices (to present)
	Professor at the Chuo Law School (to present)
June 2010	Appointed as director of the Company (to present)

* Mr. Yoshio Suzuki is currently an outside director of the Company as provided for in Article 2, Item 15 of the Companies Act and will be re-appointed as an outside director of the Company subject to approval of the agenda item regarding his election as a director at this Ordinary General Meeting of Shareholders.

* He does not have any special interests in the Company.

Osamu Sekine

April 1969	Registered as attorney-at-law
January 1987	Established Tsunematsu Yanase & Sekine
January 2000	Became Partner at Nagashima Ohno & Tsunematsu due to merger with Nagashima & Ohno
January 2008	Became Advisor of Nagashima Ohno & Tsunematsu
January 2013	Became Advisor of Aoyama Sogo Law Office (to present)
June 2013	Scheduled to be appointed as corporate auditor of the Company

* Mr. Osamu Sekine is scheduled to be appointed as an outside corporate auditor of the Company as provided for in Article 2, Item 16 of the Companies Act subject to approval of the agenda item regarding his election as a corporate auditor at this Ordinary General Meeting of Shareholders.

* He does not have any special interests in the Company.

Taeko Nagai

April 1960	Joined NHK Japan Broadcasting Corporation
August 1990	Manager of Urawa (now Saitama) Station of NHK Japan Broadcasting Corporation
June 1993	Executive editor of NHK Japan Broadcasting Corporation (specializing in culture and education)
April 1997	Director of Setagaya Culture and Life Information Center
January 2005	Vice President of NHK Japan Broadcasting Corporation
June 2009	Vice President of Setagaya Arts Foundation (to present)
June 2010	Appointed as director of the Company (to present)

* Ms. Taeko Nagai is currently an outside director of the Company as provided for in Article 2, Item 15 of the Companies Act and will be re-appointed as an outside director of the Company subject to approval of the agenda item regarding her election as a director at this Ordinary General Meeting of Shareholders.

* She does not have any special interests in the Company.

-End-

Guidance for the Exercise of Voting Rights via the Internet, etc.

1. Exercise of voting rights via the Internet

Voting rights can be exercised via the Internet only on the website designated for exercising voting rights (<http://www.web54.net>), which can be accessed on a personal computer. When using this website, please read and confirm the following.

In exercising voting rights via the Internet, enter the voting right exercise code and the password shown on the right of the Voting Rights Exercise Form, and follow the instructions on the display.

(1) Handling the exercise of voting rights

- a. Voting rights shall be exercised via the Internet by no later than 5:40 p.m. on the day before the General Meeting of Shareholders.
- b. When voting rights are exercised in duplicate, both in writing and via the Internet, the vote that is received last shall be deemed effective. However, if votes arrive on the same day, the vote cast via the Internet shall be deemed effective.
- c. When voting rights are exercised via the Internet more than once, the last vote shall be deemed effective.

(2) Handling passwords

- a. The password is used as a means to confirm that the person exercising his or her voting rights is the shareholder in question. You are advised to carefully store your password, the same as you would for a registered seal or personal ID code. We cannot accept inquiries about passwords over the telephone or by other means.
- b. If you enter the wrong password more than a specified number of times, you will be locked out and unable to use your password. To have a new password issued to you after you are locked out, please follow the instructions on the display.

(3) System environment

To exercise voting rights via the Internet, the following system environment is required.

- a. The display resolution must be 800 × 600 pixels (SVGA) or more.
- b. The following applications must be installed:
 - (a) Microsoft® Internet Explorer Ver. 5.01 SP2 or later
 - (b) Adobe® Acrobat® Reader™ Ver. 4.0 or later, or Adobe® Reader® Ver. 6.0 or later (when referring to reference materials or similar items on the display)
 - * Microsoft® and Internet Explorer are either registered trademarks or trademarks of Microsoft Corporation in the U.S. and other countries.
 - * Adobe® Acrobat® Reader™ and Adobe® Reader® are either registered trademarks or trademarks of Adobe Systems Incorporated in the U.S. and other countries.
 - * These pieces of software are available free of charge on the website of the relevant company.
- c. The aforementioned website uses a pop-up function. Hence, if your computer has a function to automatically block pop-ups, please switch that function off (or temporarily disable it) before accessing the website.
- d. In case of accessing the Internet from companies, etc., communications via the Internet may be restricted if you have a firewall or similar in place. In this case, please contact the system administrator for assistance.

(4) Inquiries about the operation of personal computers, etc.

a. For inquiries regarding the operation of personal computers to exercise voting rights through the website above, contact the following.

Dedicated line for Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited:

Tel: 0120-652-031 (Toll free, within Japan only)

(9:00 a.m. to 9:00 p.m. Japan time)

b. For other inquiries regarding your registered address, number of shares owned and the like, contact the following.

Transfer Agent Business Center, Sumitomo Mitsui Trust Bank, Limited:

Tel: 0120-782-031 (Toll free, within Japan only)

(9:00 a.m. to 5:00 p.m. Japan time, except Saturdays, Sundays and Japanese national holidays)

2. Use of the electronic voting rights exercise platform (for institutional investors)

Institutional investors may use the electronic voting rights exercise platform operated by Investor Communications Japan Inc., as a means to exercise voting rights electronically, if they have made an application to use it in advance.