Renewal of Countermeasures to Large-Scale Acquisitions of Mitsubishi Estate Co., Ltd. Shares (Takeover Defense Measures)

The board of directors of Mitsubishi Estate Co., Ltd. (the “Company” or “Mitsubishi Estate”) resolved at a meeting held on May 10, 2007 to introduce a plan for countermeasures to large-scale acquisitions of the shares in the Company (the “Former Plan”) and obtained the shareholders’ approval at the 108th ordinary general meeting of shareholders held on June 28, 2007. The effective period of the Former Plan expires at the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of the conclusion of the 108th ordinary general meeting of shareholders, and therefore the effective period of the Former Plan will expire at the conclusion of the ordinary general meeting of shareholders for the 111th fiscal year ending March 2010 scheduled to be held on June 29, 2010 (the “Ordinary General Meeting of Shareholders”).

The Company announces that the Company’s board of directors determined at the meeting held on May 14, 2010 to partially revise the basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the “Basic Policy”) and to partially revise the Former Plan and introduce a renewed plan (the introduction is to be referred to as the “Renewal,” and the renewed plan is to be referred to as the “Plan”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b) of the Enforcement Regulations of the Companies Act) under the Basic Policy. The Renewal will be subject to approval by the shareholders at the Ordinary General Meeting of Shareholders. At the board of directors meeting described above, the Company directors including outside directors
unanimously approved the Renewal and none of the Company’s statutory auditors who attended, including the three outside statutory auditors, raised any objections in respect of the Renewal.

Major revisions to the Former Plan through the Renewal are:

(i) clarification of procedures to confirm the shareholders’ intent regarding the implementation of the gratis allotment of the Stock Acquisition Rights (defined in (e) of III.3.1, ‘Procedures for Triggering the Plan’ below; hereinafter the same) in cases prescribed in the Plan;

(ii) arrangement of procedures that the Acquirer (defined in (a) of III.3.1, ‘Procedures for Triggering the Plan’ below; hereinafter the same) should take in order to implement the Acquisition (defined in (a) of III.3.1, ‘Procedures for Triggering the Plan’ below);

(iii) arrangement of information that the Company requests the Acquirer to provide;

(iv) reduction of the maximum period in which the board of directors should provide information to the Independent Committee;

(v) establishment of the maximum period for which the Independent Committee can extend the consideration period of the Independent Committee;

(vi) arrangement of requirements to implement the gratis allotment of the Stock Acquisition Rights upon triggering the Plan; and

(vii) arrangement of an outline of the Stock Acquisition Rights (including exercise conditions).

The Company has not received any proposal of a large-scale acquisition of shares in the Company to date from a specific third party.

I. 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 in a sustainable manner, ensure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders.

The Company also believes that any decision on a proposed acquisition that would involve a change of control of the Company must ultimately be made by its shareholders as a whole. The Company will not unconditionally reject a large-scale acquisition of the shares in the Company if it will contribute to the corporate value of the Company and, in turn, the
common interests of its shareholders.

Nonetheless, there are some forms of corporate acquisition that 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 and shareholders to consider the details of the large-scale acquisition or for the target company’s board of directors to make an alternative proposal, and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company has strived to ensure and enhance its corporate value as a group, and especially acknowledges that the Company’s corporate value is found in its comprehensive ability to create high added value by managing various businesses and functions related to real estate, expertise, professional experience, and know-how relating to the real estate business, its good and long-term relationships with various stakeholders including tenants and employees, and the Mitsubishi Estate Group brand and the brand value of our products and services. Unless an acquirer in a large-scale acquisition of shares in the Company understands the source of the Company’s corporate value and ensures and enhances those elements for the medium- and long-term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who would control decisions on the Company’s financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

II. Special Measures to Realize the Basic Policy

Since Mitsubishi Company purchased the Marunouchi site from the Japanese government in 1890, the Company has developed its various real estate businesses including development, operation, and management. Based on the performance and know-how that the Company gained from over 100 years of experience in urban development, the Company has held up the mission of the Mitsubishi Estate Group (“we contribute to society through urban development”) and carries out business aiming to contribute to the creation of a truly
meaningful society by building attractive, environmentally sound communities where people can be content to live, work and relax.

The Mitsubishi Estate Group has made the Marunouchi area, which is one of its business foundations, a prominent global business center, through the first stage of development commenced in the Meiji era and the second stage of development carried out in the high-growth period after World War II. The Company is tackling the third stage of development, aiming to be “the most interactive city in the world,” by introducing factors other than business as a compilation of area development that brings together the overall ability of the Mitsubishi Estate Group. The Company also strives to sustain and improve the value of the Marunouchi area, emphasizing the perspective of area management of viewing the Marunouchi area as a whole. At the same time the Mitsubishi Estate Group has expanded its business not only through offices in Marunouchi, but also residences, retail facilities and hotels, and other business in major cities in Japan and overseas, and is widely engaged in real estate brokerage services and asset management. The Mitsubishi Estate Group is one of the largest comprehensive real estate companies in the world.

The corporate value of the Mitsubishi Estate Group is based on a portfolio of various businesses and assets relating to real estate, enhanced by synergies derived from the combination and complementary nature of the portfolio, and supported by expertise, profound experience, and know-how related to real estate business. Specifically, with regard to real estate development, which is the core of the Mitsubishi Estate Group business, the Mitsubishi Estate Group undertakes various projects such as development of office buildings, residences, retail facilities, hotels, and other businesses, complex development of these businesses, and much wider area development. The Mitsubishi Estate Group believes it is important for business development to correlate with and combine functions such as the core development functions, architectural design and engineering functions, and real estate services functions including real estate brokerage, advisory, leasing, and property management services, to create a value chain to provide added value. The Mitsubishi Estate Group also believes that it is essential to establish a relationship of trust with stakeholders to promote those businesses and that comprehensive urban development from a long-term standpoint is indispensable to maximize the business value.

In the three-year Medium-Term Management Plan commencing fiscal 2008 and ending fiscal 2010 “Action 2010,” the Mitsubishi Estate Group has identified attaining the status of “a global real estate solutions provider — development as a core driver” as a future vision in light of changes in the business environment surrounding the Mitsubishi Estate Group such as globalization and securitization of real estate. Until now, the management resources of the Mitsubishi Estate Group have been focused on the Real Estate Holding segment and the Real
Estate Development and Investment segment; however, in accordance with this plan, it has sought to increase the ratio of the Real Estate Investment Management segment and the Real Estate Services segment, aiming to be a company that provides high added value to real estate end users, owners and investors, and achieves customer value globally. The Mitsubishi Estate Group also eagerly strives to ensure and enhance its corporate value and, in turn, the common interests of its shareholders.

Further, in order to ensure transparency and efficiency of business, gain further trust from shareholders and other stakeholders, and enhance the corporate value of the Company, the Company believes it is essential for company management to improve the corporate governance function. The Company introduced the executive officer system in order to strengthen management supervisory and business execution functions, improve efficiency of management, and speed up the decision making process. The Company also appointed four outside directors out of fourteen directors in order to strengthen the management supervisory function of the board of directors, as well as set the term of office for directors to one year in order to further clarify the management’s responsibility to shareholders. The Company also strives to strengthen corporate governance through internal audits by the Internal Audit Office and company-wide control by the CSR Committee composed of outside advisors.

With respect to profit distribution, the Company endeavors to stably return profits to shareholders, in principle, but intends to determine a consolidated payout ratio within the range of 25 to 30% by comprehensively considering performance levels of the Mitsubishi Estate Group, taking into account capital requirements for the Marunouchi Redevelopment Project and other future business developments.

III. Measures to Prevent Decisions on the Company’s Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy (the Plan)

1. Purpose of the Plan

The Plan is in line with the Basic Policy set out in Section I above for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

As set out in the Basic Policy, the Company’s board of directors believes that persons who would propose a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the
Company’s financial and business policies. The purpose of the Plan is to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, and on the occasion that the Company receives a large-scale acquisition proposal from an acquirer, to enable the Company’s board of directors to present an alternative proposal to the shareholders or ensure necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and to enable the board of directors to negotiate for the benefit of the shareholders.

2. Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company’s share certificates\(^1\) or other equity securities.

The acquirer may not effect a large-scale acquisition of the shares in the Company until and unless the Company’s board of directors determines not to trigger the Plan in accordance with the procedures for the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares in the Company could harm the corporate value of the Company and the common interests of its shareholders, and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights \((shinkabu yoyakuken mushou wariate)\) with (a) an exercise condition that does not allow the acquirer to exercise the rights as a general rule, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from persons other than the acquirer, by means of a gratis allotment of stock acquisition rights to all shareholders, except the Company, at that time. If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, shares in the Company would be issued in the number determined by the Company’s board of directors in the range

\(^1\) The Company is no longer a company issuing share certificate since the enactment of the electronic share certificate system on January 5, 2009; however, we use the term “share certificate” in the Plan in accordance with the provisions of the Financial Instruments and Exchange Act from the perspective that the use of descriptions in the Plan in accordance with the provisions of the Financial Instruments and Exchange Act contributes to clarity and objectivity.
not exceeding one share per stock acquisition right. Therefore, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of 50%.

In order to eliminate arbitrary decisions by directors, the Company will, in accordance with the Rules of the Independent Committee, establish the Independent Committee, which is solely composed of members who are independent from the management of the Company, such as outside directors of the Company, to make objective decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights, under the Plan. In addition, the Company’s board of directors may, if prescribed in the Plan, convene a meeting of shareholders and confirm the intent of the Company’s shareholders regarding the implementation of the gratis allotment of the stock acquisition rights.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company’s shareholders.

3. Plan Details

3.1 Procedures for Triggering the Plan

(a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action (including a proposal for such action) (except for such action as the Company’s board of directors separately determines not to be subject to the Plan; the “Acquisition”) takes place.

(i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (kabuken tou hoyuu wariai)² of a holder (hoyausha)³ totaling at least 20% of the share certificates, etc. (kabuken tou)⁴ issued by the Company; or

(ii) 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 wariai)⁶ and

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

³ Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the board of directors of the Company). The same is applied throughout this document.

⁴ Defined in Article 27-23(1) of the Financial Instruments and Exchange Act. The same is applied throughout this document unless otherwise provided for.

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

⁶ Defined in Article 27-2(8) of the Financial Instruments and Exchange Act. The same is applied throughout this document.
the ownership ratio of share certificates, etc. of a person having a special relationship \((\text{tokubetsu kankei-sha})\) totaling at least 20% of the share certificates, etc. \((\text{kabuken tou})\) issued by the Company.

The party intending to make the Acquisition (the “Acquirer”) shall follow the procedures prescribed in the Plan, and the Acquirer must not effect the Acquisition until and unless the Company’s board of directors resolves not to implement the gratis allotment of Stock Acquisition Rights in accordance with the Plan.

(b) Submission of Acquirer’s Statement

The Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company a document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, “Acquirer’s Statement”) before commencing or effecting the Acquisition. The Acquirer’s Statement must include the name, address or location of headquarters, location of offices, governing law for establishment, name of the representative, contact information in Japan for the Acquirer and outline of the intended Acquisition. The Acquirer’s Statement and the Acquisition Document set out in (c) below must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide the Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer’s Statement. The Acquirer must provide the Company’s board of directors with the document in the form provided by the Company (the “Acquisition Document”), which includes the information described in each item of the list below (“Essential Information”).

If the Company’s board of directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Independent Committee are as described in Attachment 1 ‘Outline of the Rules of the Independent

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7 Defined in Article 27-2(7) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the board of directors of the Company); 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. The same is applied throughout this document.

Committee’ and business backgrounds and other matters of members of the Independent Committee at the time of the Renewal will be as described in Attachment 2 ‘Profiles of the Members of the Independent Committee’). If the Company’s board of directors and the Independent Committee determine that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer provide additional information.

(i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), terms of previous transactions similar to the Acquisition, and details of any previous transaction involving the shares in the Company) of the Acquirer and its group (including joint holders,9 persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation10).11

(ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).

(iii) The amount and basis for the calculation of the purchase price of the Acquisition.

(iv) Financial support for the Acquisition (specifically including the names of providers of funds (including all indirect providers of funds), financing methods and the terms of any related transactions, etc.).

(v) Details of communications regarding the Acquisition with a third party (if any).

(vi) Post-Acquisition management policy, administrative organization, business plan, capital, dividend policies, and asset management plan for the Company and the Mitsubishi Estate Group.

(vii) Post-Acquisition policies for the Company’s shareholders (other than the Acquirer), employees, business partners, clients, and other stakeholders.

(viii) Specific measures to avoid any conflict of interest with other shareholders in the Company.

(ix) Any other information that the Independent Committee reasonably considers

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9 Defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Company’s board of directors). The same is applied throughout this document.


11 If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.
necessary.

(d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Company’s Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Document and any additional information that the Independent Committee requests, the Independent Committee may set a reply period (up to 30 days as a general rule taking into consideration the scale, nature and diversity of business of the Mitsubishi Estate Group) considering the time required for the Company’s board of directors to collect information and consider the corporate value, and request that the Company’s board of directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer’s Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

The Independent Committee should conduct its consideration of the Acquisition terms, collection of information such as the management plans and business plans of the Acquirer and the Company’s board of directors and comparison thereof, and consideration of any alternative plan presented by the Company’s board of directors, and the like for an appropriate period of time (up to 60 days as a general rule taking into consideration the scale, nature and diversity of business of the Mitsubishi Estate Group) after the date on which the Independent Committee receives the information (including the information additionally requested) from the Acquirer and (if the Independent Committee requests the Company’s board of directors to provide information as set out in (i) above) the Company’s board of directors (the period for information collection and consideration by the Independent Committee is hereinafter referred to as the “Independent Committee Consideration Period”). Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer.

In order to ensure that the Independent Committee’s decision contributes to the Company’s corporate value and, in turn, the common interests of its shareholders, the Independent Committee may, at the cost of the Company, obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts). If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other
information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(e) Recommendation by the Independent Committee

The Independent Committee will make recommendations to the Company’s board of directors as follows based on the abovementioned procedures.

(i) Recommendations for the Triggering of the Plan

If the Independent Committee determines that the Acquisition falls under any trigger events set out below in 3.2, ‘Requirements for the Gratis Allotment of Stock Acquisition Rights,’ the Independent Committee will recommend the implementation of the gratis allotment of stock acquisition rights (as detailed in 3.3 ‘Outline of the Gratis Allotment of Stock Acquisition Rights’; the relevant stock acquisition rights hereinafter referred to as “Stock Acquisition Rights”) to the Company’s board of directors except in any specific case where further disclosure of information by the Acquirer or discussion or negotiation with the Acquirer is necessary. If it is concerned that an Acquisition may fall under the Trigger Event (2) (“Trigger Event (2)”) set out in 3.2, ‘Requirements for the Gratis Allotment of Stock Acquisition Rights,’ the Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events in (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

(A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

(B) There is no longer any trigger event due to a change or the like in the facts or other matters on which the recommendation decision was made.

(ii) Recommendations for the Non-Triggering of the Plan

If the Independent Committee determines the Acquisition does not fall under either
trigger events, the Independent Committee will recommend the non-implementation of the gratis allotment of Stock Acquisition Rights to the Company’s board of directors, regardless of whether the Independent Committee Consideration Period has ended.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made one recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or other matters on which the recommendation decision was made and trigger events arise, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) 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 Stock Acquisition Rights during the initial Independent Committee Consideration Period, the Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer’s Acquisition, consideration of an alternative proposal and discussion and negotiation with the Acquirer, extend the Independent Committee Consideration Period (in principle up to 30 days in total). If the Independent Committee Consideration Period is extended, the Independent Committee will continue to collect information, deliberate, discuss, negotiate and perform similar activities, and use its best efforts to make a recommendation for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

(f) Resolutions by the Board of Directors

The Company’s board of directors, in exercising their role as an organization under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent any recommendation of the Independent Committee described above. If the Shareholders Meeting is convened in accordance with (g) below, the Company’s board of directors will make a resolution in accordance with the resolution at the Shareholders Meeting.

(g) Convocation of the Shareholders Meeting

Upon the implementation of the gratis allotment of the Stock Acquisition Rights pursuant to the Plan, the Company’s board of directors may convene a meeting of shareholders\(^\text{12}\) (the “Shareholders Meeting”) and confirm the intent of the Company’s

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\(^{12}\) A “meeting of shareholders” includes not only a shareholder’s meeting where shareholders resolve statutory matters for resolution set out in Article 295 of the Companies Act, but also a meeting to be held in accordance with the provisions regarding shareholder’s meetings under the Companies Act where advisory
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 Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance in accordance with (e)(i) above, or (ii) the applicability of Trigger Event (2) becomes an issue and the Company’s board of directors determines it appropriate to confirm the shareholders’ intent for the Acquisition taking into consideration the time required to convene a general meeting of shareholders or other matters pursuant to the duty of care of a director.

(h) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Independent Committee or the Company’s board of directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer’s Statement and Acquisition Document have been submitted, the fact of whether the Acquirer has provided sufficient information, the fact that an Acquirer who intends to effect the Acquisition without submitting the Acquirer’s Statement and Acquisition Document emerges, the fact 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 and an outline of resolutions by the Shareholders Meeting, in accordance with the relevant laws and ordinances or the regulations and rules of the financial instruments exchange.

3.2 Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement a gratis allotment of Stock Acquisition Rights are as follows. As described above in (e) of 3.1, ‘Procedures for Triggering the Plan,’ the Company’s board of directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Independent Committee has been obtained.

**Trigger Event (1)**
The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

resolutions regarding matters other than the statutory matters for resolution set out in Article 295 of the Companies Act are made.
**Trigger Event (2)**
The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

(a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:
   (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company or the Company’s affiliates at a high price.
   (ii) 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 Mitsubishi Estate Group’s material assets.
   (iii) Diversion of Mitsubishi Estate Group’s assets to secure or repay debts of the Acquirer or its group company.
   (iv) Temporary control of the Company’s management to bring about the disposal of high-value assets that have no current relevance to Mitsubishi Estate Group’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.

(b) Certain Acquisitions that threaten 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).

(c) Acquisitions to which the terms (including the amount and type of consideration, timeframe, legality of the Acquisition method, feasibility of the Acquisition being effected, post-Acquisition business plan, and policies dealing with the Company’s other shareholders, clients, employees, and other stakeholders) are inadequate or inappropriate in light of the Company’s intrinsic value.

(d) Acquisitions that materially threaten to oppose the corporate value of the Company and, in turn, the common interests of shareholders, by destroying relationships with the Company’s shareholders, clients, and employees or the brand value of the
Company, which are indispensable to the generation of the Company’s corporate value.

3.3 Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented under the Plan is described below.

(a) Number of Stock Acquisition Rights

The maximum number of Stock Acquisition Rights to be allotted upon implementation of a gratis allotment of Stock Acquisition Rights 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 Company’s board of directors relating to the gratis allotment of Stock Acquisition Rights (the “Gratis Allotment Resolution”).

(b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to shareholders, other than the Company, who are recorded in the Company’s register of shareholders 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 Stock Acquisition Rights

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

(d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The total number of shares to be acquired upon exercise of the Stock Acquisition Rights shall, in principle, be the number of Stock Acquisition Rights multiplied by the number separately determined in the Gratis Allotment Resolution by the Company’s board of directors in the range not exceeding one share. The number of shares to be acquired upon exercise of each Stock Acquisition Right\textsuperscript{13} (the “Applicable Number of Shares”) shall, in principle,\textsuperscript{14} be the number separately determined in the Gratis Allotment Resolution by the Company’s board of directors in the range not exceeding one share.\textsuperscript{15} If there are any resulting fractional

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\textsuperscript{13} Even if the Company becomes a company issuing class shares (Article 2, Item 13 of the Companies Act) in the future, both (i) the shares in the Company to be delivered upon exercise of Stock Acquisition Rights and (ii) the shares to be delivered in exchange for acquisition of Stock Acquisition Rights are the same class of shares of common stock that have been issued at the time of the Ordinary General Meeting of Shareholders.

\textsuperscript{14} In case of a stock split, etc., the Company will adjust the Applicable Number of Shares as necessary.

\textsuperscript{15} Assuming that the number of issuable shares of the Company is 1,980,000,000 shares, and the total
shares in the number of shares to be delivered to Stock Acquisition Right holders who exercise the Stock Acquisition Rights, the Company will dispose of the fractional shares in accordance with the applicable laws and ordinances.

(e) Amount to be Contributed upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be one yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution; provided, however, that the Exercise Period for the Stock Acquisition Rights acquired by the Company in accordance with (ii) of paragraph (i) below (Acquisition of Stock Acquisition Rights by the Company) ends on the business day immediately prior to the acquisition date. If the last day of the Exercise Period falls on a holiday for the place handling cash payments, the Exercise Period will end on the business day immediately prior to that date.

(g) Conditions for Exercise of Stock Acquisition Rights

Except where any exceptional event occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

(I) Specified Large Holders;

number of issued shares is 1,390,397,097 shares as of May 14, 2010, the maximum number of shares to be acquired upon exercise of each Stock Acquisition Right is approximately 0.4 share.

Specifically, the Company intends to set out that an “exceptional event” means when (x) the Acquirer cancels or revokes the Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so, and (y) the Acquirer’s shareholding ratio determined by the Company’s board of directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be the Acquirer’s Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the “Non-Qualified Parties’ Shareholding Ratio”) falls below the lower of (i) the Non-Qualified Parties’ Shareholding Ratio before the Acquisition, or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Company’s board of directors.

“Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc., issued by
(II) Joint Holders of Specified Large Holders;
(III) Specified Large Purchasers;¹⁸
(IV) Persons having a Special Relationship with Specified Large Purchasers;
(V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Company’s board of directors; or
(VI) Any Affiliated Party¹⁹ of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares, etc. in the Company as set out in (ii) of paragraph (i) below (Acquisition of Stock Acquisition Rights by the Company) subject to compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, may not exercise the Stock Acquisition Rights.

the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed applicable to the above by the Company’s board of directors); provided, however, that a party that the Company’s board of directors recognizes as a party 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 or a certain other party that the board of directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this document.

¹⁸ “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note) issued by the Company through a 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 of the Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed to fall under the above by the Company’s board of directors); provided, however, that a party that the Company’s board of directors recognizes as a party 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 or certain other party that the board of directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this document.

¹⁹ 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 party who is deemed to fall under the above by the Company’s board of directors), or a party deemed by the Company’s board of directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.
(h) Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Company’s board of directors.

(i) Acquisition of Stock Acquisition Rights by the Company

(i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Company’s board of directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day separately determined by the Company’s board of directors, acquire all of the Stock Acquisition Rights for no consideration.

(ii) On a date separately determined by the Company’s board of directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Company’s board of directors, that are held by parties other than Non-Qualified Parties (if any) and, in exchange, deliver shares, etc. in the Company in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Company’s board of directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a date determined by the Company’s board of directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Company’s board of directors (if any) and, in exchange, deliver shares, etc. in the Company in the number equivalent to the number of the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

20 For the purpose of the Plan, shares in the Company are to be delivered, in principle, as consideration for acquiring the Stock Acquisition Rights. As stated in (d) of III.3.3 above, under this Plan, fractions in the Applicable Number of Shares may result, in which case, property other than shares in the Company may be delivered to the extent necessary to dispose of the fraction.

21 The Company intends to properly dispose of any fraction in the Applicable Number of Shares in accordance with applicable laws and ordinances. In that case, the number of shares, etc. in the Company to be delivered for each Stock Acquisition Right may differ from the Applicable Number of Shares.

22 For example, a person who initially was a Person having a Special Relationship with a Specified Large Purchaser cancels the relationship with the Specified Large Purchaser and is no longer a Non-Qualified Party.
(j) Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (kyushu bunkatsu), Incorporation-type Demerger (shinsetsu bunkatsu), Share Exchange (kabushiki koukan), and Share Transfer (kabushiki iten)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Stock Acquisition Rights

Certificates representing the Stock Acquisition Rights will not be issued.

(l) Other

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

3.4 Procedures for the Renewal of the Plan

The Company will renew the Plan subject to shareholders’ approval at the Ordinary General Meeting of Shareholders of the agenda item regarding the Renewal.

3.5 Effective Period, Abolition and Amendment of the Plan

The effective period of the Plan (the “Effective Period”) will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the Ordinary General Meeting of Shareholders.

However, if, before the expiration of the Effective Period, the Company’s board of directors resolves to abolish the Plan, the Plan will be abolished at that time.

Further, the Company’s board of directors may revise or amend the Plan even during the Effective Period of the Plan, in cases where any law, ordinance, or regulation or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, and cases where the revision or amendment does not cause any disadvantage to the Company’s shareholders, and subject to the approval of the Independent Committee.

If the Plan is abolished, modified or amended, the Company will promptly disclose the fact that such abolition, modification or amendment has taken place, and (in the event of a modification or amendment) the details of the modification, amendment and any other matters.
3.6 Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 14, 2010. If it becomes necessary after such date to amend the terms and conditions or definitions of terms set out in the paragraphs above due to the establishment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such establishment, amendment or abolishment.

4. Impact on Shareholders and Investors

4.1 Impact on Shareholders and Investors Upon Renewal of the Plan

Upon the Renewal, the Plan will have no direct or material impact on shareholders and investors because no actual gratis allotment of Stock Acquisition Rights will be implemented.

4.2 Impact on Shareholders and Investors at the Time of the Gratis Allotment of Stock Acquisition Rights

(a) Procedures for Shareholders upon Gratis Allotment of Stock Acquisition Rights

If the Company’s board of directors resolves to make a gratis allotment of Stock Acquisition Rights, it will also decide the Allotment Date in the same resolution and give public notice of this Allotment Date. In this case, the Company will make a gratis allotment of Stock Acquisition Rights to the shareholders who are recorded in the Company’s register of shareholders as of the Allotment Date (the “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 Stock Acquisition Rights, and no further procedures, such as applying for such gratis allotment, will be necessary.

In addition, even after the Company’s board of directors resolves to make a gratis allotment of Stock Acquisition Rights, the Company may, by respecting any recommendation of the Independent Committee described above in section (e)(i) of 3.1, ‘Procedures for Triggering the Plan,’ to the maximum extent, (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights), cancel the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the
commencement date of the exercise period of the Stock Acquisition Rights) acquire the Stock Acquisition Rights for no consideration. In such cases, no dilution of the value per share in the Company held by the shareholders will result, and it is possible that any investors who have sold or bought the shares in the Company expecting to see such a dilution will be subject to unforeseen loss as a result of a fluctuation in the share price.

(b) Procedures for Exercising Stock Acquisition Rights

The Company will deliver, as a general rule, a document necessary to be submitted for the exercise of the Stock Acquisition Rights (in the form prescribed by the Company and containing necessary matters such as the terms and number of 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 exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, and information necessary to allocate shares of the Company to the account of the Entitled Shareholders) and other documents necessary for the exercise of the Stock Acquisition Rights to the Entitled Shareholders. After the gratis allotment of Stock Acquisition Rights, the shareholders will be issued, as a general rule, shares in the Company in the range not exceeding one share in exchange for each Stock Acquisition Right as separately determined in the Gratis Allotment Resolution by the Company’s board of directors upon submitting these necessary documents during the exercise period of Stock Acquisition Rights and by paying in the prescribed manner the exercise price of Stock Acquisition Rights, which will be one yen, as a general rule. Non-Qualified Parties intending to exercise Stock Acquisition Rights must follow the Company’s separate determination in accordance with (g) of 3.3, ‘Outline of the Gratis Allotment of Stock Acquisition Rights.’

If the Company’s 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 Stock Acquisition Rights by other shareholders.

However, it is also possible for the Company to acquire the Stock Acquisition Rights of all shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company, in accordance with the procedures set out in (c) below. If the Company carries out such acquisition procedures, all shareholders other than Non-Qualified Parties will, in principle, come to receive shares in the Company without exercising their Stock Acquisition Rights or paying an amount equivalent to the exercise price and, in principle, there will be no subsequent dilution of the shares in the Company they hold.

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

If the Company’s board of directors determines to acquire the Stock Acquisition Rights,
the Company will acquire the Stock Acquisition Rights in accordance with the statutory procedures from the shareholders other than Non-Qualified Parties, on the date separately determined by the Company’s board of directors and, in principle, deliver shares in the Company in exchange. In this case, the shareholders concerned will come to receive shares in the Company in the range not exceeding one share in exchange for each Stock Acquisition Right, in principle, as separately determined in the Gratis Allotment Resolution by the Company’s board of directors as consideration for the acquisition by the Company of those Stock Acquisition Rights, without paying the amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to provide information necessary to allocate shares of the Company to the account of the Entitled Shareholders and submit, in the form prescribed by the Company, a written undertaking including representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants. (See (i) of 3.3, ‘Outline of the Gratis Allotment of Stock Acquisition Rights.’)

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

IV. Rationale of the Plan

1. Ensure and Enhance the Company’s Corporate Value and the Common Interests of Shareholders

The Plan is in line with the Basic Policy for the purpose of maintaining the corporate value of the Company and, in turn, the common interests of its shareholders by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc. of the Company and for the board of directors to present an alternative proposal to the shareholders, and by enabling the board of directors to negotiate with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected.

2. Satisfying the Requirements of the Guidelines for Takeover Defense Measures

The Plan fully satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders’ Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely, the principles of:
ensuring and enhancing the corporate value and shareholders’ common interests;
· prior disclosure and respect for shareholder intent; and
· ensuring necessity and reasonableness.

3. **Placing High Value on the Intent of Shareholders**

The Plan will be renewed subject to shareholder approval at the Ordinary General Meeting of Shareholders.

The Company’s board of directors may, under certain circumstances, confirm the intent of the Company’s shareholders at a Shareholder’s Meeting regarding the need to trigger the Plan.

Further, the Plan is subject to a so-called sunset clause setting the Effective Period of approximately three years and if, even before the expiration of the Effective Period of the Plan, the Company’s board of directors resolves to abolish the Plan, the Plan will be abolished at that time. In this regard, the life of the Plan depends on the intent of the Company’s shareholders.

4. **Emphasis on the Decisions of Independent Parties Such As Outside Directors and Obtaining the Advice of Third-Party Experts**

The Company must obtain a recommendation from the Independent Committee, composed only of members who are independent, such as outside directors, when making decisions for triggering the Plan.

Further, the Independent Committee may obtain advice from independent third-party experts at the Company’s expense, which is a mechanism to even further ensure the objectivity and fairness of the decisions made by the Independent Committee.

5. **Establishment of Reasonable Objective Requirements**

As set out above in section (e) of III.3.1, ‘Procedures for Triggering the Plan,’ and section III.3.2, ‘Requirements for the Gratis Allotment of Stock Acquisition Rights,’ the Company believes that the Plan is established so that it will not be triggered unless reasonable and objective requirements have been satisfied, and ensures a structure to eliminate arbitrary triggering by the Company’s board of directors.

6. **No Dead-Hand or Slow-Hand Takeover Defense Measures**
The Plan may be abolished by a meeting of the board of directors composed of directors who are nominated by a person who acquires a large number of share certificates and appointed at the Company’s general meeting of shareholders. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the board of directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office for the board of directors, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that all members of the board of directors cannot be replaced at once).
Attachment 1

Outline of the Rules of the Independent Committee

・The Independent Committee will be established by resolution of the Company’s board of directors.

・There will be no less than three members in the Independent Committee, and the Company’s board of directors shall elect the members from (i) outside directors of the Company, (ii) outside statutory auditors of the Company, or (iii) experts, in each case someone who is independent from the management of the Company involved in the execution of the business. Such experts must be experienced corporate managers, parties with knowledge of the investment banking industry, parties with knowledge of the Company’s business, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Company’s board of directors that contains a provision obligating the experts to exercise their duty of care to the Company or a similar provision.

・Unless otherwise determined in a resolution by the Company’s 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 of the Ordinary General Meeting of Shareholders. However, the term of office of any member of the Independent Committee who is an outside director or outside statutory auditor will end at the same time when they cease to be an outside director or outside statutory auditor (except in the case of their re-appointment).

・The Independent Committee will make decisions on the matters listed below and make recommendations to the Company’s board of directors containing the details of and reasons for the decisions. Respecting such recommendations by the Independent Committee to the maximum extent, the Company’s board of directors shall resolve the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights as an organization under the Companies Act (or, if the Shareholders Meeting otherwise resolves to implement the gratis allotment of Stock Acquisition Rights as set out in (a) below, in accordance with such resolution). Each member of the Independent Committee and each director of the Company must make such decisions from the perspective of whether or not the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not solely serve their own interests or those of the management of the Company.
(a) The implementation or non-implementation of the gratis allotment of Stock Acquisition Rights.
(b) The cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights.
(c) Any other matters that are for determination by the Company’s board of directors in respect to which it has consulted the Independent Committee.

- In addition to the matters prescribed above, the Independent Committee may conduct the matters listed below.
  (a) Determination whether the Acquisition should be made subject to the Plan.
  (b) Determination of the information that the Acquirer and the Company’s board of directors should provide to the Independent Committee, and the deadline for the provision of that information.
  (c) Examination and consideration of the terms of the Acquirer’s Acquisition.
  (d) Discussion and negotiation with the Acquirer.
  (e) Request for an alternative proposal and consideration of the alternative proposal by the Company’s board of directors.
  (f) Determination regarding extension of the Independent Committee Consideration Period.
  (g) Determination whether the Shareholders Meeting should be convened regarding the implementation of the gratis allotment of the Stock Acquisition Rights.
  (h) Approval of modification or amendment to the Plan.
  (i) Determination whether or not takeover defense measures other than the Plan should be introduced.
  (j) Any other matters prescribed in the Plan that the Independent Committee may conduct.
  (k) Any matters that the Company’s board of directors separately determines that the Independent Committee may conduct.

- If the Independent Committee decides that the Acquisition Document and information provided are inadequate as Essential Information, it may request that the Acquirer provide additional information. Further, if the Independent Committee receives from the Acquirer the Acquisition Document and the Essential Information, it may request that the Company’s board of directors provide within a certain period an opinion regarding the terms of the Acquisition by the Acquirer and materials supporting that opinion, an alternative proposal (if any), and any other information that the Independent Committee may consider necessary from time to time.

- If it is necessary in order to have the terms of the Acquirer’s Acquisition revised from the standpoint of ensuring and enhancing the corporate value of the Company
and, in turn, the common interests of its shareholders, the Independent Committee will either directly or indirectly discuss and negotiate with the Acquirer, or present to the shareholders the alternative plan of the Company’s board of directors or conduct any similar action.

- In order to collect the necessary information, the Independent Committee may request the attendance of a director, statutory auditor or employee of the Company, or any other party that the Independent Committee considers necessary, and may demand explanation of any matter it requests.

- The Independent Committee may, at the Company’s expense, obtain advice from an independent third party (including financial advisers, certified public accountants, lawyers, tax accountants, 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 arises, or at any other time.

- As a general rule, resolutions of meetings of the Independent Committee will pass with at least a two-thirds vote when at least two-thirds of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference).

---End---
Profiles of the Members of the Independent Committee

The following three persons are scheduled to be the initial members of the Independent Committee upon the Renewal.

Isao Matsuhashi
Born on April 16, 1933
April 1956 Joined Japan Travel Bureau Foundation
June 1990 Appointed President and Representative Director, JTB Corp.
June 1996 Appointed Chairman and Representative Director, JTB Corp.
June 2002 Appointed Director and Advisor, JTB Corp.
April 2004 Appointed Chairman and Director, NARITA INTERNATIONAL AIRPORT CORPORATION
June 2004 Appointed Advisor, JTB Corp. (Current position)
June 2007 Retired from the position of Chairman and Director, NARITA INTERNATIONAL AIRPORT CORPORATION
    Appointed Director of the Company (Current position)

Mr. Isao Matsuzaki is an outside director of the Company, as set out in Article 2, Item 15 of the Companies Act. He is scheduled to be reappointed as an outside director upon approval at the Ordinary General Meeting of Shareholders. The Company also notified the Tokyo Stock Exchange on March 30, 2010 that Mr. Matsuzaki is an independent director of the Company, as set out in Rule 436-2, Paragraph 1 of the Securities Listing Regulations of Tokyo Stock Exchange.

He does not have any special interests in the Company.

Fumikatsu Tokiwa
Born on November 13, 1933
April 1957 Joined Kao Sekken Kabushiki Kaisha (currently Kao Corporation)
June 1990 Appointed President and Director, Kao Corporation
June 1997 Appointed Chairman and Director, Kao Corporation
June 2000 Retired from Kao Corporation
June 2006 Appointed Director of the Company (Current position)
Mr. Fumikatsu Tokiwa is an outside director of the Company, as set out in Article 2, Item 15 of the Companies Act. He is scheduled to be reappointed as an outside director upon approval at the Ordinary General Meeting of Shareholders. The Company also notified the Tokyo Stock Exchange on March 30, 2010 that Mr. Tokiwa is an independent director of the Company, as set out in Rule 436-2, Paragraph 1 of the Securities Listing Regulations of Tokyo Stock Exchange.

He does not have any special interests in the Company.

**Shu Tomioka**

Born on April 15, 1948

November 1975  Joined Morgan Guaranty Trust Company of New York

February 1991  Appointed Branch Manager and Representative in Japan, J.P. Morgan Securities Asia Pte. Limited, Tokyo Branch

July 1998  Appointed Director and Vice Chairman, J.P. Morgan Securities Asia Pte. Limited

April 1999  Appointed Representative in Japan, J.P. Morgan Securities Asia Pte. Limited

March 2001  Appointed Vice Chairman, J.P. Morgan Securities Asia Pte. Limited

October 2002  Retired from J.P. Morgan Securities Asia Pte. Limited

June 2006  Appointed Director of the Company (Current position)

Mr. Shu Tomioka is an outside director of the Company, as set out in Article 2, Item 15 of the Companies Act. He is scheduled to be reappointed as an outside director upon approval at the Ordinary General Meeting of Shareholders. The Company also notified the Tokyo Stock Exchange on March 30, 2010 that Mr. Tomioka is an independent director of the Company, as set out in Rule 436-2, Paragraph 1 of the Securities Listing Regulations of Tokyo Stock Exchange.

He does not have any special interests in the Company.
### Major Shareholders of the Company

Major shareholders of the Company as of March 31, 2010 are as follows.

<table>
<thead>
<tr>
<th>Name of Shareholder</th>
<th>Investment in the Company</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of shares held (thousands)</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td>
<td>85,658</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (Trust Account)</td>
<td>60,038</td>
</tr>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>52,421</td>
</tr>
<tr>
<td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td>
<td>45,028</td>
</tr>
<tr>
<td>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd.</td>
<td>39,920</td>
</tr>
<tr>
<td>State Street Bank and Trust Company</td>
<td>36,060</td>
</tr>
<tr>
<td>CBLDN STICHTING PGGM DEPOSITORY</td>
<td>23,581</td>
</tr>
<tr>
<td>Asahi Glass Co., Ltd.</td>
<td>22,714</td>
</tr>
<tr>
<td>State Street Bank and Trust Company 505225</td>
<td>20,736</td>
</tr>
<tr>
<td>The Chase Manhattan Bank, N.A. London S.L. Omnibus Account</td>
<td>20,224</td>
</tr>
</tbody>
</table>

Note: In addition to the shares above, the Company holds 2,267 thousand of shares of treasury stocks.
Outline of Procedures under the Plan (For reference purposes only)

- **Emergence of Acquirer** (a person who intends to make an acquisition of 20% or more of the Company’s share certificates, etc.)
  - Compliant with rules
    - Receive Acquisition Document from Acquirer
      - Provide Acquirer format for Acquisition Document
        (no later than 10 business days after receiving Acquirer’s Statement)
      - Receive Acquisition Document from Acquirer
        (including additional information)
    - Board of directors present opinion and alternative proposals
      (up to 30 days as a general rule)
    - Consideration by Independent Committee of terms of Acquirer’s Acquisition, business plan, alternative proposal and discussion and negotiation with Acquirer
      (up to 60 days as a general rule, and may be extend up to 30 days in total)
      - Acquisition not falling under trigger events
        - Recommendation for non-implementation of countermeasures
      - Acquisition falling under trigger events
        - Recommendation for implementation of countermeasures
    - Resolution by board of directors
      (respecting to maximum extent recommendation by Independent Committee)
      - Board of directors’ resolution for non-implementation of countermeasures
      - Board of directors’ resolution
        for convocation of Shareholders Meeting
        (*2 in certain cases)
      - Board of directors’ resolution for implementation of countermeasures
      - Shareholders Meeting’s resolution for implementation of countermeasures
    - Reject Implementation
      - board of directors’ resolution for non-implementation of countermeasures
    - Approve Implementation
      - board of directors’ resolution for implementation of countermeasures
  - Implementation of countermeasures
    (gratis allotment of the Stock Acquisition Rights)
*1 The Independent Committee may recommend implementation of the countermeasures (gratis allotment of the Stock Acquisition Rights) subject to obtaining approval at the Shareholders Meeting in advance regarding implementation of the countermeasures if the applicability of Trigger Event (2) becomes an issue.

*2 Upon the implementation of the countermeasures pursuant to the Plan, the board of directors may convene a 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 countermeasures subject to obtaining approval at the shareholders meeting in advance, or (ii) the applicability of Trigger Event (2) becomes an issue and 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 director.

This reference material is a simplified explanation of the Plan in chart form to help shareholders and investors better understand the Plan. Please refer to the main text of this press release for accurate details of the Plan as accuracy or completeness of this reference material is not guaranteed.