

[Translation]

May 16, 2016

**Announcement of Partial Amendment to and Continuation of
Countermeasures against Large-Scale Purchases of the Company's Share
Certificates or Other Securities (Takeover Defense Measures)**

Taikisha Ltd. (the "Company") resolved to introduce the "Countermeasures against Large-Scale Purchases of the Company's Share Certificates or Other Securities (Takeover Defense Measures)" ("Original Plan") at the Board of Directors meeting of the Company held on January 31, 2008 and to partially amend the Original Plan at the Board of Directors meeting of the Company held on May 15, 2008, and the continuation of the Original Plan was approved by the shareholders at the Annual Shareholders' Meeting of the Company held on June 27, 2008. Subsequently, the amendments to and the continuation of the Original Plan in accordance with the implementation of the so-called Electronic Share Certificate System, etc., was approved by the shareholders at the Annual Shareholders' Meeting of the Company held on June 29, 2010; and the change of the upper limit for the period during which the Large-Scale Purchaser (as defined in the "Contents of the Plan" in the referenced section, the same shall apply hereinafter) may provide information and the amendments to and the continuation of the Original Plan in accordance with the review of the requirements for implementing the Original Plan were respectively approved by the shareholders at the Annual Shareholders' Meeting of the Company held on June 27, 2013 (hereinafter, the currently effective plan that has been amended and resolved to be continued after the introduction of the Original Plan shall be referred to as the "Current Plan"); however, the effective period of the Current Plan will expire as of the conclusion of the 71st Annual Shareholders' Meeting of the Company to be held on June 29, 2016 (such June 29, 2016 shareholders' meeting hereinafter referred to as the "Annual Shareholders' Meeting", the same definition shall also apply in the referenced section below titled "Contents of the Plan").

The Company has been considering the role of the Current Plan, including the issue as to whether to continue it, from the viewpoint of securing and improving the Company's

corporate value and, eventually, the common interests of the Company's shareholders, while taking into account the changes, etc., to the economic conditions. The Company hereby announces that, as a result of such considerations, at the Board of Directors meeting of the Company held as of the date hereof, the Board of Directors has resolved to further continue the Current Plan, partially amended (hereinafter the Current Plan that has been amended and resolved to be continued shall be referred to as the "Plan"), subject to the approval of the Company's shareholders at the Annual Shareholders' Meeting.

If the continuation of the Plan fails to be approved by the Company's shareholders, the Current Plan will be abolished at the time of the expiration of its effective period.

The major amendments from the Current Plan to the Plan are as follows:

- Specifying that, if the Company exercises countermeasures based on the Plan, the Company does not indemnify the Large-Scale Purchaser by providing any consideration such as money, etc. or any other financial consideration;
- Specifying that, if the Company exercises countermeasures based on the Plan, the Board of Directors of the Company will, as a general rule, follow the recommendations of the Independent Committee; and
- Specifying that, when considering exercising countermeasures based on the Plan, the Company may confirm the intent of shareholders at the shareholders' meeting in certain cases.

Please refer to the referenced section "Contents of The Plan" for further details of the contents of the Plan, including revised wording etc., of the Plan. Please also refer to the Internet website of the Company (<http://www.taikisha.co.jp/>) for the content of the Current Plan.

The career summaries, etc., of the candidate members of the Independent Committee who will be appointed at the first Board of Directors meeting of the Company to be held after the holding of the Annual Shareholders' Meeting are as indicated in Exhibit 3 of the referenced section.

Prior to the decision at the meeting of the Board of Directors of the Company, the

Company obtained the unanimous approval of the Independent Committee of the Company regarding the amendment of the Current Plan and continuation of the Plan. Furthermore, all four audit & supervisory board members of the Company, including the two outside audit & supervisory board members, were present at the Board of Directors meeting of the Company held as of the date hereof, and all of the audit & supervisory board members expressed their views to support the amendment of the Current Plan and the continuation of the Plan on the condition that the management of the Plan will be appropriately conducted.

The status of the major shareholders of the Company as of March 31, 2016, is as shown in Exhibit 1 of the referenced section and, as of the date of this announcement, the Company is unaware of any of its share certificates, etc., being targeted by any Large-Scale Purchases (as defined in the “Contents of the Plan” in the referenced section).

(Reference)

Contents of the Plan

1. Measures for the Enhancement of Corporate Value of the Company

(1) Philosophy and Vision of the Company

The Company has focused on the following as its corporate philosophy: “Establish a company which can continuously grow and contribute to the society”; and “Establish an attractive company”. In order to realize this corporate philosophy, the Company strives for the prosperity of stakeholders through an increase of the value-added, a creation of the productive environment and the development of the industrial society through technologies, personal fulfillment of employees through work, building of an organizational climate that has mutual trust, cooperation and rationality, and other matters. In other words, the following is its management vision that express what the Company aims at: “Conduct businesses under free and fair competition in compliance with laws and the spirit thereof; contribute to customer/business partner, shareholder, employee, community/society and global environment with transparency and integrity.”.

(2) Mid-Term Business Plan

In May 2016, the Company established a mid-term business plan for three years from the fiscal year ending March 2017 through the fiscal year ending March 2019. The mid-term business plan consists of the following four items: I. Philosophy and Vision; II. Basic Principles; III. The Group’s Mid-Term Business Targets; and IV. Measures to Realize Business Targets, and the overview is as follows. The Company aims at achieving sustainable development of the Company’s business that is focused on the green technology system business and the paint finishing system business, and at the same time strives to secure and enhance the corporate value and the common interests of shareholders.

I. Philosophy and Vision

“Mission Statement”: Customers First

“Corporate Philosophy”: 1. Establish a company which can

continuously grow and contribute to the society

2. Establish an attractive company

“Management Vision”:
Conduct businesses under free and fair competition in compliance with laws and the spirit thereof; contribute to customer/business partner, shareholder, employee, community/society and global environment with transparency and integrity.

II. Basic Principles

1. Responding flexibly and quickly to the needs of society and changes in the market environment and aiming at achieving steady and sustainable development.
2. Intending to be highly trusted and evaluated by all stakeholders.

III. Group’s Mid-Term Business Targets (Consolidated)

With respect to ordinary profit forecasts out of the targets (consolidated) on a yearly basis from the fiscal year ending March 2017 through the fiscal year ending March 2019, the Company has established 11.8 billion yen for the fiscal year ending March 2017, 12.3 billion yen for the fiscal year ending March 2018, and 13.0 billion yen for the fiscal year ending March 2019.

With respect to the dividend policy, the basic policy is to implement steady dividends by targeting a consolidated dividend payout ratio of 35%. The Company also intends to implement stock buybacks flexibly in order to improve the efficiency of capital use and to achieve a flexible financial policy.

IV. Measures to Realize Business Targets

In order to achieve the business targets, the Company has established specific measures for its green technology system business and the paint finishing system business, and at the same time has established measures to enhance the business base.

For details of the Company's mid-term business plan, please see the Company's website (<http://www.taikisha.co.jp/>).

(3) Measures for Corporate Governance

The Company is acutely aware that the biggest management risk that will damage the corporate value is a breach of laws and regulations, and therefore it has given top priority to enhance the corporate value through the implementation of compliance, and further expand corporate governance to widely receive recognition from society. Through activities of organizations such as the Board of Directors, the Board of Audit & Supervisory Board Members, the Management Meeting, the Corporate Compliance Committee and the Internal Audit Office, and also through establishment of an internal control system, the Company strives to comply with relevant laws and regulations such as the Construction Business Law and the Financial Instruments and Exchange Law.

2. Purpose of Continuing the Plan

The Company will continue the Plan with the aim of securing and enhancing the corporate value of the Company, and consequently, the common interests of shareholders.

The Company believes that the trading of the Company shares should be left to the market, and believes that the shareholders should make the final decision as to whether to sell the Company's shares by accepting the request by the Large-Scale Purchaser (Note 2) who conducts the Large-Scale Purchase (Note 1) of the Company's share certificates or other securities. Furthermore, the involvement in the management by the Large-Scale Purchaser will not necessarily damage the corporate value, and if it leads to the expansion of the Company's corporate value, the Company will not deny such involvement.

However, the Company believes that, among the Large-Scale Purchasers who conduct those Large-Scale Purchases, in view of the purpose of the Large-Scale Purchase, in some cases, an inadequate Large-Scale Purchase is made by such Large-Scale Purchaser,

such as the case where such purpose is likely to damage the corporate value of the Company, and consequently, the common interests of shareholders, or the case where a Large-Scale Purchase by the Large-Scale Purchaser would virtually force the shareholders to sell the Company shares. When such inadequate Large-Scale Purchase is made that goes against the corporate value of the Company, and consequently, the common interests of shareholders, the Company believes that it is necessary to secure the sufficient information and time that are necessary to make a decision as to whether the shareholders will accept the request to purchase by the Large-Scale Purchaser and for the Company to secure the opportunity to negotiate with the Large-Scale Purchaser.

In addition, in order to achieve the goal of securing and enhancing the corporate value, and consequently, the common interests of shareholders that maintain the continuity, it is necessary to fully understand the position and the role of each business corporation within the Company group, and strive for a stable management by eyeing the future prospects from a more medium to long-term perspective.

Thus, the Company believes that, in order to secure and enhance the corporate value of the Company, and consequently, the common interests of shareholders, it is essential for the shareholders to secure sufficient information and time necessary for deciding whether to accept that Large-Scale Purchase in light of the special qualities of the Company and the Company group, and for the Company to secure the opportunity to negotiate with the Large-Scale Purchaser, where a Large-Scale Purchase of the Company's share certificates or other securities is made by a Large-Scale Purchaser.

The status of large shareholders of the Company as of March 31, 2016 is as indicated in Exhibit 1, and at this point in time, the Company has no knowledge of the Company's share certificates or other securities having become subject to a Large-Scale Purchase. However, the Company has decided to continue the Plan, which stipulates the rules of a large-scale purchase (as defined in part 3 below) and countermeasures against a Large-Scale Purchase, in order to prevent in advance the Company's corporate value from being damaged without discretion, and prevent any unexpected disadvantages that might occur to shareholders, by securing the information and time necessary for examining the following: 1) whether the purpose of the Large-Scale Purchase by the

Large-Scale Purchaser is likely to damage the corporate value, and consequently, the common interests of shareholders; 2) whether the Large-Scale Purchase by the Large-Scale Purchaser would virtually force the shareholders to sell the Company shares; 3) whether a necessary and sufficient disclosure of information has been made by the Large-Scale Purchaser to the shareholders; and 4) whether there is sufficient time necessary for the shareholders to examine the appropriateness of the Large-Scale Purchase; and other matters, where a Large-Scale Purchase is made in the future that poses a risk of damaging the corporate value, and consequently, the common interests of shareholders.

Note 1: Large-Scale Purchase

Purchases of the Company's share certificates or other securities (Note 1-1) in which the ratio of voting rights (Note 1-3) of specified shareholders, etc. (Note 1-2) of the Company's share certificates or other securities is 20% or more, or purchases of the Company's share certificates or other securities that result in the ratio of voting rights of the specified shareholders, etc. is 20% or more (with respect to any of them, unless agreed by the Company's Board of Directors in advance, and in whatever the specific purchase method, such as a market transaction and a tender offer).

Note 1-1: Share certificates or other securities

Either Share certificates or other securities stipulated in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law, or Share certificates or other securities stipulated in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law.

Note 1-2: Specified shareholders, etc.

- (i) Holders (holders as stipulated in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law, including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 of the Financial Instruments and Exchange Law) of share certificates or other securities (share certificates or other securities as stipulated in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law) of the Company, and any joint holders (joint holders as stipulated in Paragraph 5, Article 27-23 of the Financial Instruments and Exchange Law, including a person deemed as a joint holder pursuant to Paragraph 6, Article 27-23 thereof; the same will apply hereafter), or

- (ii) A person who makes a purchase (a purchase as stipulated in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law, including a purchase made on a securities exchange market, whether or not the purchase is made in a manner of auctions) of share certificates or other securities (defined in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Law) of the Company, and any specially related parties (specially related parties as defined in Paragraph 7, Article 27-2 of the Financial Instruments and Exchange Law).

Note 1-3: Shares of voting rights

- (i) “Shares of voting rights” refers to (i) the shareholding ratio of the holder as stipulated in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law, taking into account the number of shares held by any joint holders of that holder (the number of the share certificates or other securities held as stipulated in the said Paragraph; the same will apply hereafter), when the specified shareholders, etc. is as defined in Note 1-2 (i), or
- (ii) The sum of the shareholding ratio of the large-scale purchaser and any specially related parties (the shareholding ratio of share certificates or other securities stipulated in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law) when the specified shareholders, etc. is as stipulated in Note 1-2 (ii).

In calculating the shareholding ratio of share certificates or other securities, or the ratio of possessing share certificates or other securities, the total voting rights (as stipulated in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Law), and the total number of outstanding and issued shares (as stipulated in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Law) may refer to Securities Reports, Semi-Annual Reports and Reports on the Status of Purchasing Treasury Share Certificates, of which were most recently submitted.

Note 2: Large-Scale Purchaser

A person conducting a Large-Scale Purchase.

3. Details of Large-Scale Purchase Rules

The Plan stipulates the procedures for the Board of Directors of the Company to require a Large-Scale Purchaser to provide information on a large-scale purchase in advance (as

defined in (1) below; the same will apply hereafter) to evaluate and examine the Large-Scale Purchase, negotiate with the Large-Scale Purchaser regarding terms and other matters of the purchase, and to propose an alternative plan to shareholders and other matters to shareholders, in order to secure sufficient information and time necessary for shareholders to appropriately decide whether to accept the Large-Scale Purchase upon a Large-Scale Purchase of the Company's share certificates or other securities, and also stipulates the procedures for the Board of Directors of the Company to, while, as a general rule, following the recommendations of the Independent Committee (please see subpart (3) below for details of the Independent Committee) , allot a gratis share subscription rights (*Shinkabu Yoyakuken*) or exercise other countermeasures against a Large-Scale Purchaser that are deemed reasonable at the point in time against a Large-Scale Purchase ("Large-Scale Purchase Rules"). Details of the Large-Scale Purchase Rules are as follows:

(1) Request for Providing Information to a Large-Scale Purchaser

Unless agreed to by the Board of Directors of the Company in advance, the Large-Scale Purchaser is required to submit to the Board of Directors of the Company a pledge that indicates the wording of pledges and other matters to observe the Large-Scale Purchase Rules in implementing the Large-Scale Purchase, and a document in a format prescribed by the Company that indicates information stipulated in the following items (i) to (viii) ("Large-Scale Purchase Relevant Information") prior to the commencement of the Large-Scale Purchase.

Where the Board of Directors of the Company receives the Large-Scale Purchase Relevant Information from a Large-Scale Purchaser, it will immediately provide the Independent Committee with that Large-Scale Purchase Relevant Information.

If the Board of Directors of the Company or the Independent Committee determines that the Large-Scale Purchase Relevant Information is insufficient to examine the Large-Scale Purchase intended by the Large-Scale Purchaser, it may, directly or indirectly, request that the Large-Scale Purchaser submit additional information.

The Board of Directors of the Company will set a period of 60 days from the day on which the Large-Scale Purchase Relevant Information to be provided by the

Large-Scale Purchaser to the Board of Directors of the Company is first delivered to the Board of Directors of the Company, as a period during which the Board of Directors of the Company requests that the Large-Scale Purchaser submits additional information and which the Large-Scale Purchaser gives a response thereto (“Information Providing Period”), and even when a sufficient amount of Large-Scale Purchase Relevant Information has not been not provided, the Examination Period set forth in (2) below shall immediately commence upon expiration of the Information Providing Period. However, upon the Large-Scale Purchaser’s request to extend such period based on reasonable grounds, the Board of Directors of the Company may extend the Information Providing Period for up to 30 days as necessary. If, prior to the expiration of the Information Providing Period, it is deemed that a sufficient amount of additional information had been submitted in order to examine the Large-Scale Purchase, then the Board of Directors of the Company shall commence the Examination Period after notifying the Large-Scale Purchaser to that effect.

The Board of Directors of the Company will disclose as necessary a whole or a part of the fact that the Large-Scale Purchase has been proposed, and the Large-Scale Purchase Relevant Information and other information provided by the Large-Scale Purchaser, at the time and in a manner in which the Board of Directors of the Company deems appropriate.

- (i) Outline of the Large-Scale Purchaser and its group (including specified shareholders, etc., interested parties, and each partner and other constituent members in case of a partnership or a fund; the same will apply hereafter) (including the specific name, capital structure, financial details and other matters);
- (ii) The purposes, methods and details of the Large-Scale Purchase (including the price and type of consideration, period of the purchase, structure of the related transactions, the legality of the method, feasibility of the implementation and other matters);
- (iii) Whether or not any communication has been made with a third party with regard to the Large-Scale Purchase and the details, if any;

- (iv) The basis of calculating the consideration of the purchase (including the assumed facts of the calculation, calculation method, numeric information used for the calculation, details of synergies that are expected to occur as a result of the series of transactions, and details of the synergies shareholders will be affected by out of those synergies, and other matters), and the corroboration of the funds for the purchase (including the specific name of the fund provider (including substantial provider), methods of raising funds, details of the related transactions, and other matters);
 - (v) Management policies, capital policy, dividend policy and financial policy of the Company and the Company group that the Large-Scale Purchaser intends to adopt after the Large-Scale Purchase;
 - (vi) Policies for responding to employees, business partners, customers of the Company, and other interested parties of the Company after the Large-Scale Purchase;
 - (vii) Specific measures to avoid a conflict of interest between other shareholders of the Company; and
 - (viii) Other information that the Board of Directors of the Company or the Independent Committee determines to be necessary.
- (2) Examination of the Details of the Large-Scale Purchase and the Alternative Measures, and Negotiation with the Large-Scale Purchaser by the Board of Directors of the Company
- After the expiration of the Information Providing Period or if the Board of Directors of the Company deems that a sufficient amount of additional information has been submitted as the Large-Scale Purchase Relevant Information, the Board of Directors of the Company will examine the Large-Scale Purchase by the Large-Scale Purchaser from the perspective of whether it will contribute to secure and enhance the Company's corporate value, and consequently, the common interests of shareholders, based on the Large-Scale Purchase Relevant Information received from the Large-Scale Purchaser, and information and other materials that the Board of Directors of the Company independently obtained.

In examining the Large-Scale Purchase, the Board of Directors of the Company will,

as a general rule, follow the recommendation of the Independent Committee to be held in accordance with subpart (3) below, and at the same time, it may receive advice from third party organizations such as financial advisors, certified public accountants, attorneys and consultants. In addition, the Board of Directors of the Company will negotiate with the Large-Scale Purchaser and make a proposal of alternative measures as necessary.

The Board of Directors of the Company will set 60 days in the circumstance of a whole purchase of the Company's share certificates or other securities by a tender offer that makes cash the only consideration (yen value), and 90 days in the circumstance of other purchases, commencing from the date when the Board of Directors of the Company begins the examination as the period to examine the Large-Scale Purchase ("Examination Period"), and the Large-Scale Purchaser is allowed to conduct the Large-Scale Purchase only after the termination of the Examination Period. If the Shareholders' Meeting for Confirming the Intent of Shareholders set forth in subpart 4(1) below is held, the Large-Scale Purchaser is not allowed to conduct the Large-Scale Purchase until after the intent of the shareholders has been confirmed at the Shareholders' Meeting for Confirming the Intent of Shareholders in addition to the Examination Period, and the Large-Scale Purchaser is allowed to conduct the Large-Scale Purchase only after the conclusion of the Shareholders' Meeting for Confirming the Intent of Shareholders.

Upon expiration of the Information Providing Period or when the Board of Directors of the Company deems that the additional information submitted by the Large-Scale Purchaser suffices as the Large-Scale Purchase Relevant Information and it is to commence the Examination Period, it will notify the Large-Scale Purchaser, and will make a disclosure with respect to the commencement of the Examination Period at the time and in a manner which the Company deems appropriate.

Where the Board of Directors of the Company determines that an examination of the details of the Large-Scale Purchase, proposal of alternative measures, negotiation with the Large-Scale Purchaser, or other matters has been insufficient,

even upon the expiration of the Examination Period, it may extend the Examination Period up to a maximum period of 30 days by its resolution. The Board of Directors of the Company will consult the Independent Committee, and respect the recommendation of the Independent Committee in resolving upon the extension of the Examination Period. In addition, where the extension of the Examination Period is resolved upon, the Board of Directors of the Company will notify the Large-Scale Purchaser the period of extension and the reason of the extension, and will make the corresponding disclosure at the time and in a manner the Board of Directors of the Company deems appropriate.

(3) Examination of Details of the Large-Scale Purchase by the Independent Committee, and Other Matters

In order to eliminate arbitrary decisions by the Board of Directors in exercising a gratis allotment of share subscription rights and other countermeasures, the Plan will go through the decision process of the Independent Committee that only consists of people outside the Company who have no specific interest with the Company and are independent from the Board of Directors of the Company.

The members of the Independent Committee will be appointed from outside directors, outside audit & supervisory board members and outside advisors who have no specific interest with the Company and are highly independent from the Board of Directors of the Company. Please see Exhibit 2 with respect to the outline of the Independent Committee Rules, and Exhibit 3 with respect to biographies of each candidate independent committee member planned to become a member after the continuation of the Plan, and other matters.

The Independent Committee will discuss and examine whether the Large-Scale Purchase Relevant Information provided by the Large-Scale Purchaser is sufficient, and whether to exercise countermeasures against the Large-Scale Purchase (whether the Large-Scale Purchaser observes the Large-Scale Purchase Rules, or whether it is obvious that the Large-Scale Purchase by the Large-Scale Purchaser will inflict upon the Company any damage that is difficult to recover, and other matters) to the extent of the Information Providing Period and the Examination

Period, and, based on the result of such discussion and examination, will make a recommendation to the Board of Directors of the Company as to whether they should exercise countermeasures, in addition to making a demand for the submission of additional information to the Large-Scale Purchaser or the Board of Directors of the Company. The Board of Directors of the Company will, as a general rule, resolve upon whether to exercise countermeasures against the Large-Scale Purchase in accordance with the procedures indicated in part 4 below by following the details of the recommendations of the Independent Committee.

Specifically, if the Independent Committee determines that the Large-Scale Purchase Information and other information provided by the Large-Scale Purchaser are insufficient for discussing and examining, it may request, during the Information Providing Period, directly or through the Board of Directors that the Large-Scale Purchaser provide additional information. In addition, in order to make a comparative review between the Large-Scale Purchase Relevant Information and other information provided by the Large-Scale Purchaser on the one hand and business plans of the Board of Directors of the Company, an evaluation of the corporate value and other matters on the other, the Independent Committee may also request, by from time to time establishing the deadline of the response, that the Board of Directors of the Company provide views on the details of the Large-Scale Purchase Relevant Information by the Large-Scale Purchaser and other information provided by the Large-Scale Purchaser (including views to withhold opinions on that information), the supporting materials, alternative measures (only where there are any alternative measures), other information that the Independent Committee from time to time deems necessary, and other matters.

Where there is any change in a fact that supports such recommendation such as where the Large-Scale Purchaser suspends the Large-Scale Purchase after that recommendation, the Independent Committee may change the details of the recommendation, cancel the recommendation, or take other actions.

4. Exercise of Countermeasures

(1) Where the Large-Scale Purchase Rules are Observed

The Plan stipulates certain rules for the purpose of providing shareholders with sufficient information necessary for deciding as to whether to accept such Large-Scale Purchase, for evaluation, opinions and other matters of the Board of Directors of the Company that is actually involved in the management, from the perspective of securing and enhancing the corporate value of the Company and the common interests of shareholders with respect to the Large-Scale Purchase of share certificates or other securities with a scale that might have an influence on the Company's management, and further assuring opportunities to receive a proposal of alternative measures and sufficient time necessary for examining those opportunities.

Therefore, where the Large-Scale Purchaser observes the Large-Scale Purchase Rules, countermeasures will not be exercised in principle.

Even where the Large-Scale Purchaser observes the Large-Scale Purchase Rules, however, if, as a result of examining the Large-Scale Purchase based on the Large-Scale Purchase Relevant Information, other information received from the Large-Scale Purchaser, and information independently obtained by the Board of Directors of the Company, that the Large-Scale Purchase is deemed obvious to be an act that will inflict upon the Company any damage that is difficult to recover from, such as an act falling under one or more of the requirements in the following items (i) through (v), the Board of Directors of the Company will, as a general rule, resolve to exercise countermeasures, and will exercise such countermeasures, in accordance with the recommendations of the Independent Committee made in accordance with subpart 3 (3) above.

As specific countermeasures, appropriate countermeasures will be selected, depending on the situation at different times, out of those accepted as being within the authority of the Board of Directors of the Company in relation to a gratis allotment of share subscription rights, other laws and regulations, and the Company's Articles of Incorporation. The outline of share subscription rights where implementing that gratis allotment of share subscription rights as a countermeasure

is as indicated in Exhibit 4. Upon exercising a countermeasure, the Company does not indemnify the Large-Scale Purchaser by providing money, etc. or other financial consideration, regardless of the name thereof, such as consideration for acquisition or transfer of share subscription rights, etc. The Board of Directors of the Company may confirm the intent of shareholders regarding the exercise of countermeasures at the shareholders' meeting (the "Shareholders' Meeting for Confirming the Intent of Shareholders") (i) when the Independent Committee makes a recommendation with the reservation that it is appropriate to confirm the intent of shareholders in advance or (ii) when, regarding the exercising of countermeasures, the Board of Directors of the Company decides that it is appropriate to confirm the intent of shareholders in advance, in view of the fiduciary duty of directors, taking into account the time required for holding the shareholders' meeting, etc. The Board of Directors of the Company will resolve to exercise a countermeasure if the approval of shareholders regarding the exercise of a countermeasure is obtained at the Shareholders' Meeting for Confirming the Intent of Shareholders, and the Board of Directors of the Company will resolve not to exercise a countermeasure if the approval of shareholders regarding the exercise of a countermeasure is not obtained at the Shareholders' Meeting for Confirming the Intent of Shareholders.

Even after deciding to exercise a countermeasure, where that Large-Scale Purchase is not deemed obvious to inflict upon the Company any damage that is difficult to recover from for reasons such as any change occurring to an assumed fact, the Board of Directors of the Company may, as a general rule, cancel a resolution related to the exercise of a countermeasure in accordance with the recommendations of the Independent Committee.

- (i) Where the Large-Scale Purchase is made for the purpose of driving up the share price and forcing interested parties of the Company to purchase the Company's share certificates or other securities at a high price despite no intent to truly participate in the company management of the Company (so-called greenmailer);
- (ii) Where the Large-Scale Purchase is made for the purpose of transferring to the

Large-Scale Purchaser or its group intellectual property rights, know-how, trade secret information, major business partners, customers or other matters necessary for the business management of the Company by temporarily taking control of the Company's management;

- (iii) Where the Large-Scale Purchase is made in order to divert the Company's assets as collateral for or repayment of debts of the Large-Scale Purchaser or its group after taking control of the Company's management;
- (iv) Where the Large-Scale Purchase is made by temporarily controlling the Company's management for the purpose of bringing about a disposal by sale or other methods of its high-value assets or other matters such as real estate and securities that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling share certificates or other securities of the Company at a high price, taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends; or
- (v) Where the purchase results in virtually compelling the shareholders to sell their shares, by unfavorably (or without clarification) setting terms of the purchase in the second stage and making the purchase, without soliciting a purchase of all share certificates or other securities of the Company (so-called coercive two-tiered tender offer).

(2) Where the Large-Scale Purchase Rules are not Observed

Where the Large-Scale Purchaser fails to observe the Large-Scale Purchase Rules, the Board of Directors of the Company will, as a general rule, resolve to exercise countermeasures and exercise such countermeasures for securing the Company's corporate value and the common interests of shareholders in accordance with the recommendations of the Independent Committee made in accordance with subpart 3(3) above. As specific countermeasures, appropriate countermeasures will be selected, depending on the situation at different times, out of those accepted as being within the authority of the Board of Directors of the Company in relation to a gratis allotment of share subscription rights, other laws and regulations, and the Company's Articles of Incorporation. The outline of share subscription rights where implementing that gratis allotment of share subscription rights as a countermeasure

is as indicated in Exhibit 4. Upon exercising a countermeasure, the Company does not indemnify the Large-Scale Purchaser by providing money, etc. or other financial consideration, regardless of the name thereof, such as consideration for acquisition or transfer of share subscription rights, etc.

In addition, similar to subpart (1) above, even after deciding upon an exercise of countermeasures, where that Large-Scale Purchase is not deemed obvious to inflict upon the Company any damage that is difficult to recover from for reasons such as any change occurring to an assumed fact, the Board of Directors of the Company may, as a general rule, cancel a resolution related to the exercise of countermeasures in accordance with the recommendations of the Independent Committee.

5 . Effective Period, Abolition and Change of the Plan

The effective period of the Plan will be until the completion of the annual shareholders' meeting regarding the last fiscal year ending within three years after the end of the Annual Shareholders' Meeting upon approval of the shareholders at the Annual Shareholders' Meeting.

On the other hand, if no approval is received at the Annual Shareholders' Meeting, then the Plan will not continue and, at that point in time, the Current Plan will be abolished.

However, even after shareholders approve the Plan, if the shareholders' meeting of the Company resolves to abolish the Plan, or the Board of Directors of the Company resolves to abolish the Plan, before the expiration of the effective period of the Plan, then the Plan will be abolished as of the time of such resolution.

In addition, unless it is against the purpose of introducing the Current Plan and continuing the Plan, where it is appropriate to revise the Plan because of a new establishment, revision or abolition of laws and regulations regarding the Plan, stock exchange rules and other rules even during the effective period of the Plan, if it is appropriate to make a revision of the wording such as revisions and supplements of

errors, omissions and other matters, and that revision will not adversely affect the shareholders of the Company, the Board of Directors of the Company will revise or change the Plan upon obtaining approval of the Independent Committee.

If the abolition, revision, change or other matter of the Plan is made, the Company will promptly make a disclosure with respect to the fact and details or other matters of that abolition, revision, change or other matters.

6. Scheme to Enhance the Rationale of the Plan

(1) Fully Satisfying the Three Principles Set Out in the Guidelines Regarding the Takeover Defense Measures

The Plan fully satisfies the three principles ((i) Protection and Enhancement of Corporate Value and Shareholders' Common Interests, (ii) Prior Disclosure and Shareholders' Intent and (iii) Necessity and Reasonableness) 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 as of May 27, 2005.

(2) Reflecting the spirit of the Takeover Defense Measures released by the Corporate Value Study Group

The contents of the Plan reflect the spirit of "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008 by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry.

(3) Emphasis on the Intent of the Shareholders and Information Disclosure

The Company will confirm the intent of shareholders at the Annual Shareholders' Meeting as to whether to continue the Plan, and if no approval is obtained with respect to the continuation of the Plan, then the Plan will be terminated as of the expiration of the effective period of the Current Plan, and the intent of shareholders will be reflected.

In addition, as indicated in part 5 “Effective Period, Abolition and Change of the Plan” above, even before the expiration of the effective period of the Plan, if the shareholders’ meeting resolves to abolish the Plan, then the Plan will be abolished as of the time of such resolution, and for this point, the continuation and abolition of the Plan will be conducted in a manner that respects the intent of the shareholders.

Moreover, as mentioned in subpart 4 (1), the Shareholders’ Meeting for Confirming the Intent of Shareholders can be held in order to have an opportunity to confirm the intent of shareholders regarding the advantages and disadvantages of exercising a countermeasure and it will be possible to clarify that countermeasures are exercised by respecting the intent of shareholders.

Furthermore, in order to enable the shareholders to appropriately make decisions such as decisions on the abolition or other matters of the Plan, the decision as to whether to sell shares of the Company by accepting the Large-Scale Purchase, and other matters, the Board of Directors of the Company will, as indicated in subpart 3(1) above, disclose to shareholders the Large-Scale Purchase Relevant Information and other information provided by the Large-Scale Purchaser at the time and in a method the Board of Directors of the Company deems appropriate.

- (4) Scheme to Eliminate Arbitrary Decisions by the Board of Directors of the Company
- In introducing the Current Plan and continuing the Plan, the Company established the Independent Committee to eliminate arbitrary decisions by the Board of Directors of the Company.

If a Large-Scale Purchase is made against the Company, as indicated in subpart 3(3) “Examination of Details of the Large-Scale Purchase by the Independent Committee, and Other Matters” above, the Independent Committee will make a recommendation to the Board of Directors of the Company upon discussing and examining whether to exercise countermeasures against the Large-Scale Purchase, and other matters, and the Board of Directors of the Company will, as a regular rule, make a resolution following the recommendation of the Independent Committee,

and a scheme to eliminate the exercise of countermeasures based on arbitrary decisions by the Board of Directors of the Company is thereby secured.

Furthermore, the Plan will be exercised only when the Large-Scale Purchaser fails to observe formal Large-Scale Purchase Rules set out in the Plan as indicated in subparts 4(1) and (2) above, or when the Large-Scale Purchase satisfies objective requirements stipulated reasonably and in detail where the Large-Scale Purchaser considerably damages the Company's corporate value, and the Shareholders' Meeting for Confirming the Intent of Shareholders is held in certain cases and countermeasures are exercised only when the approval by the majority of the shareholders is obtained, and also on these points, a scheme to eliminate the exercise of arbitrary countermeasures by the Board of Directors of the Company will be in place.

(5) No Dead-Handed or Slow-Handed Defense Measures

As indicated in part 5 "Effective Period, Abolition and Change of the Plan" above, the Plan may be abolished by the Board of Directors of the Company, and therefore the Plan is not a dead-handed takeover defense measure (a takeover defense measure in which even if a majority of the constituent members of the Board of Directors are replaced, the exercise of the measures cannot be prevented). In addition, because the Company does not adopt a fixed-term system based on time differences with respect to the term of directors, the Plan is not a slow-handed takeover defense measure (a takeover defense measure that requires time to prevent the exercise because constituent members of the Board of Directors may not be replaced at one time).

7. Impact on Shareholders and Investors and Other Matters

(1) Impact of the Continuation of the Plan on Shareholders and Investors

At the time of continuation of the Plan, no allotment of share subscription rights or other matters will be implemented, and therefore, there will be no direct impact on the relation of rights of the shareholders.

The Plan aims to secure sufficient information and time necessary for shareholders and investors to accept a Large-Scale Purchase, or provide opinions of the Board of Directors of the Company that currently engages in the Company's management, and other matters, and further guarantees the shareholders and investors the opportunity to receive a proposal of alternative measures. It is considered that this will enable shareholders and investors to make an appropriate decision whether to accept a Large-Scale Purchase based on sufficient and necessary information and time, and will lead to a protection of the common interests of shareholders and investors. Accordingly, it is considered that the continuation of the Plan will be the premise for the shareholders and investors to make an appropriate investment decision, and will contribute to secure and enhance the common interests of shareholders and investors.

As indicated in part 4 above, the Company's response policies to that Large-Scale Purchase will differ depending on whether the Large-Scale Purchaser will observe the Large-Scale Purchase Rules, and therefore, shareholders and investors should monitor the Large-Scale Purchaser.

(2) Impact on Shareholders and Investors upon the Exercise of Countermeasures, and Other Matters

If the Large-Scale Purchaser fails to observe the Large-Scale Purchase Rules, the Board of Directors of the Company might take countermeasures that are accepted as being within the authority of the Board of Directors of the Company in relation to a gratis allotment of share subscription rights, other laws and regulations, and the Company's Articles of Incorporation; however, under the structure of those countermeasures, it has not assumed any circumstance will arise where the shareholders (excluding the Large-Scale Purchaser that has become subject to the exercise of countermeasures) will suffer particular damage to their legal rights or economic interests.

If the Board of Directors of the Company decides to take specific countermeasures, a timely and appropriate disclosure will be made from time to time in accordance with the laws and regulations and stock exchange rules.

In addition, of the possible countermeasures, procedures involving the shareholders where the Company conducts a gratis allotment of share subscription rights in accordance with the outline of Exhibit 4 and where the Company acquires share subscription rights are as follows:

(i) Procedures to conduct a gratis allotment of share subscription rights

Shareholders that became subject to a gratis allotment of share subscription rights will automatically become right holders on the effective date stipulated in the Board of Directors of the Company, and therefore, it is not necessary to conduct special procedures along with the allotment.

However, a gratis allotment of share subscription rights will be made to shareholders as of the certain reference date stipulated by the Board of Directors of the Company, and therefore please note that it is necessary for shareholders to be registered on the shareholders list by that reference date to receive that gratis allocation.

(ii) Where shareholders exercise share subscription rights

Where exercising share subscription rights, shareholders are required to pay a certain amount within a prescribed period. Details of such procedures will be separately made known in accordance with the laws and regulations and other matters at the time when any allotment of share subscription rights is actually implemented.

(iii) Where the Company acquires share subscription rights

Where the Company acquires any share subscription rights in exchange for the Company shares, if the Company takes prescribed procedures necessary for such acquisition, shareholders, who hold share subscription rights that the Board of Directors of the Company approved as the target of that acquisition, may receive a delivery of the Company shares as consideration for the acquisition of share subscription rights by the Company without going through the procedures related to the exercise of share subscription rights such as a payment of the amount equivalent to the exercise price. Such shareholder might be requested, however, to submit a document or other matter evidencing that it does not fall under a Large-Scale Purchaser when the Company acquires share subscription rights from such shareholder.

Please note that, even after the Board of Directors of the Company resolves for a gratis allotment of share subscription rights as countermeasures, and shareholders to whom share subscription rights will be allocated are decided, it might cancel that gratis allotment of share subscription rights during the period until the preceding day of the effective date, or acquire those share subscription rights during the period after the effective date of a gratis allotment of share subscription rights until the previous day of the commencement date of the exercise period. In these circumstances, the Board of Directors of the Company will, as a regular rule, follow the recommendation of the Independent Committee. When the Company cancels such gratis allotment of share subscription rights, or acquires such share subscription rights during the period after the effective date of a gratis allotment of share subscription rights until the day preceding the commencement date of the exercise period, a dilution of the value per share of the Company shares will not occur, and therefore, shareholders or investors who make transactions based on the premise that a dilution of the value per share of the Company shares will occur might incur a corresponding loss because of changes in share prices.

Exhibit 1

Major Shareholders of the Company as of March 31, 2016

Name of Shareholders	Number of Shares Held(in thousands)	Percentage of Shares Held to the Total Number of Issued Shares (%)
Ichigo Trust Pte.Ltd.	2,818	8.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,669	7.7
Kenzaisha Ltd.	1,730	5.0
Japan Trustee Services Bank, Ltd. (Trust Account 9)	1,500	4.3
Japan Trustee Services Bank, Ltd. (Trust Account)	1,272	3.7
Taikisha Business Partners Shareholding Association	1,003	2.9
Dai ni Kenzaisha Ltd.	1,000	2.9
BNYML-NON TREATY ACCOUNT	930	2.7
Taikisha Employees Shareholding Association	873	2.5
Nippon Life Insurance Company	866	2.5

Note 1: The Company holds 2,219,061 treasury shares but excludes these shares from the list of major shareholders above. The above treasury shares do not include the 167,600 shares of Trust & Custody Services Bank, Ltd. (Trust E Account) because of the introduction of ESOP (Employee Stock Ownership Plan).

Note 2: The Percentage of Shares Held to the Total Number of Issued Shares is calculated by subtracting treasury shares from all issued shares.

Exhibit 2

Summary of Independent Committee Rules

1. Purpose of Establishment of Independent Committee

The Independent Committee will be established to secure the objectiveness, fairness and reasonableness of decisions made by the Board of Directors with respect to this Plan.

2. Composition of Independent Committee

The Independent Committee will be comprised of at least three members. The members who are elected, through a resolution of the Board of Directors, are outside directors, outside audit & supervisory board members, or well-informed outsiders and others (including attorneys, certified public accountants, business managers with proven records, academic experts, or those with equivalent qualifications as the above) who are independent from the management engaged in the execution of duties of the Company, in order to make it possible to render fair and reasonable judgments.

3. Term of the members of the Independent Committee

The term of office of the Independent Committee members will be from the time of their election until the time of the conclusion of the Board of Directors meeting held for the first time after the conclusion of the annual shareholders' meeting relating to the last fiscal year that ends within one year following their election. Members may be re-elected.

4. Convocation Procedures for the Independent Committee

The Independent Committee will be convened by a representative director of the Company or by any member of the Independent Committee.

5. Resolution Method by the Independent Committee

The recommendation by the Independent Committee will be issued by the majority of the members, with all the members of the Independent Committee present in principle.

6. Authority of Independent Committee

The Independent Committee is authorized to do all of the following matters. Each member of the Independent Committee shall deliberate and discuss any of the following, from the perspective of securing and enhancing the corporate value of the Company and the common interests of shareholders.

- (1) To deliberate and discuss whether or not to take countermeasures in the Plan and issue a recommendation to the Board of Directors;
- (2) To deliberate and discuss whether or not to discontinue or withdraw from the countermeasures taken in the Plan and issue a recommendation to the Board of Directors;
- (3) To deliberate and discuss whether or not the Large-Scale Relevant Information submitted by a Large-Scale Purchaser is necessary and sufficient;
- (4) To request the Large-Scale Purchaser, directly or through the Board of Directors, to submit additional information;
- (5) To agree with any modification or amendment to the Plan to the extent not to cause any disadvantage to shareholders; and
- (6) To deliberate and discuss any other matters the Board of Directors of the Company voluntarily consulted with the Independent Committee relating to

the Plan.

7. Attendees at Independent Committee

The Independent Committee may cause the directors, audit & supervisory board members or employees of the Company to be present at the Independent Committee, as appropriate, and may request them to submit information necessary for the Independent Committee.

8. Advice from Third Party Organizations

In deliberating and discussing, the Independent Committee may receive advice from third party organizations, including financial advisors, certified public accountants, attorneys, consultants, etc., at the cost of the Company.

Exhibit 3

Profile of Candidates to become Independent Committee Members

Name: Shuichi Murakami

Date of Birth: November 12, 1950

Career Summary: April 2005 – Managing Corporate Officer, General Manager of Shikoku District, Sompo Japan Insurance Inc. (current Sompo Japan Nipponkoa Insurance Inc.)
April 2008 – Advisor, Corporate Sales Planning Department, Sompo Japan Insurance Inc.
June 2008 – Resigned from Sompo Japan Insurance Inc.
Outside Audit & Supervisory Board Member of the Company
Full-time Outside Audit & Supervisory Board Member, Origin Electric Co., Ltd. (Retired in June 2012)
June 2012 – Outside Director of the Company (current position)

* Shuichi Murakami is an outside director of the Company provided for in Article 2, Item (xv) of the Companies Act, and is also an Independent Director provided for in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. No material conflict of interest exists between Shuichi Murakami and the Company.

Name: Kazumasa Suezawa

Date of Birth: September 3, 1948

Career Summary: April 1972 – Joined the Industrial Bank of Japan, Ltd. (current Mizuho Bank, Ltd.) (Resigned in March 2001)
June 2001 – Executive Officer, Dowa Mining Co., Ltd. (current Dowa Holdings Co., Ltd.)
March 2002 – Outside Audit & Supervisory Board Member, Fujita Kanko Inc. (Retired in March 2003)
June 2002 – Director in charge of corporate staff, Dowa Mining Co., Ltd.
April 2003 – Director and CFO in charge of corporate staff,

Dowa Mining Co., Ltd.

June 2006 – Director, Executive Vice President, Dowa Mining Co., Ltd

October 2007 – Advisor, Fujita Kanko Inc.

March 2008 – Representative Director, Executive Officer and President, Fujita Kanko Inc.

Retired as Director, Executive Vice President, Dowa Mining Co., Ltd.

August 2009 – Representative Director, Executive Officer, President, Chief General Manager and in charge of Mejiro District in Business Division, Fujita Kanko Inc.

February 2010 – Representative Director, Executive Officer and President of Fujita Kanko Inc.

March 2013 – Chairman, Fujita Kanko Inc.

April 2014 – Counselor, Fujita Kanko Inc. (Resigned in March 2015)

February 2016 – Outside Audit & Supervisory Board Member, Tobu Trading Co., Ltd. (current position)

April 2016 – Outside Director, Kamakura Shinsho, Ltd. (current position)

* Kazumasa Suezawa is a candidate who will be appointed as an outside director by the shareholders at the Annual Shareholders' Meeting, and will also be an Independent Director provided for in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc., subject to the approval of the appointment. No material conflict of interest exists between Kazumasa Suezawa and the Company.

Name: Hirokazu Hikosaka

Date of Birth: December 2, 1960

Career Summary: April 1983 – Joined the Asahi Shinkin Bank (Resigned in March 1985)
April 1992 – Admitted as attorney. Joined Nakajima Law Office (current Nakajima Hikosaka Kubouchi Law Office) (current position)
April 1999 – Commissioner, Kanto Federation of Bar

Associations

April 2005 – Executive Commissioner, Japan Federation of Bar Associations

June 2006 – Outside Director, Adways Inc.

June 2010 – Audit & Supervisory Board Member, Adways Inc.
(current position)

April 2014 – Vice President, Tokyo Bar Association

June 2015 – Audit & Supervisory Board Member of the Company (current position)

* Mr. Hirokazu Hikosaka is an outside audit & supervisory board member of the Company provided for in Article 2, Item (xvi) of the Companies Act, and is also an Independent Auditor provided for in Article 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. No material conflict exists between Yoshikatsu Nakajima and the Company.

Exhibit 4

Summary of Share Subscription Rights

1. Shareholders subject to the allotment and the number of share subscription rights to be allotted to shareholders

The share subscription rights will be allotted gratis to the shareholders who are registered on the latest shareholders list as of the record date determined by the Board of Directors of the Company, at the rate of one unit of rights per share held by them (excluding the common shares of the Company held by the Company).

2. Type and number of shares subject to share subscription rights

The type of shares subject to the share subscription rights will be the common shares of the Company, and the number of shares of the common shares of the Company issued by the exercise of one unit of the share subscription rights will be one share; however, the number of shares will be adjusted as necessary if the Company conducts a stock split or reverse stock split.

3. Effective date for gratis allotment of share subscription rights

The effective date will be separately determined by the Board of Directors of the Company.

4. Value of assets contributed in connection with the exercise of each share subscription right

When exercising each share subscription right, a person will be given shares and in exchange will pay a sum of money; and the value of the assets contributed in connection with the exercise of the share subscription rights will be at least one yen per share of the common shares of the Company, and will be determined by the Board of Directors of the Company.

5. Limitation on transfer of share subscription rights

The acquisition by way of transfer of the share subscription rights requires approval of the Board of Directors of the Company.

6. Acquisition of share subscription rights by the Company

The Company may acquire all the share subscription rights that have not been exercised by the day previous to the acquisition day determined by the Board of Directors of the Company (the “Acquisition Day”) at the time of the Acquisition Day (excluding the share subscription rights held by any person who cannot exercise the rights due to the exercise conditions determined in accordance with the provisions in part 7 below), and in exchange for the above, the Company may issue one share of the common shares of the Company per unit of the share subscription rights. It is not permitted to set a provision which enables the Company to acquire all or part of the share subscription rights that are held by any person who cannot exercise such rights due to the exercise conditions determined in accordance with the provisions in part 7 below, and that have not been exercised, and provide money, etc. or other financial compensation as per one unit of the share subscription rights, in exchange for such share subscription rights.

7. Exercise condition for share subscription rights

The Large-Scale Purchaser and the specified shareholders, etc., and the persons who acquired or assumed share subscription rights from the Large-Scale Purchaser and specified shareholders, etc., without approval of the Board of Directors of the Company may not exercise the share subscription rights. All other exercise conditions will be determined by the Board of Directors of the Company.

8. Exercise period of share subscription rights, etc.

The exercise period of the share subscription rights and other necessary matters

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