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Securities Code: 6395

June 3, 2014

To Shareholders:

Koichi Tadano
Representative Director, President and CEO
TADANO LTD.
Ko-34 Shinden-cho, Takamatsu, Kagawa

Notice of Convocation of 66th Ordinary General Meeting of Shareholders

Please be advised that the 66th Ordinary General Meeting of Shareholders of TADANO LTD. (hereinafter “the Company”) will be held as follows. Your attendance at the meeting is cordially requested.

If you are unable to attend the meeting on the day, you may exercise your voting rights by either of the methods described below. However, please note that the deadline for exercising your voting rights in this case is 5:25 pm, Tuesday, June 24, 2014. Please also review the attached Reference Documents for Shareholders Meeting before making your decisions.

Exercise of Voting Rights by Mail (in Writing)

Please indicate your approval or disapproval of the proposals using the enclosed ballot form and send it back to us by the deadline specified above.

Exercise of Voting Rights via the Internet

Please access the website for exercising voting rights (<http://www.it-soukai.com>), input the “code for exercising voting rights” and “password” displayed on the enclosed ballot form, and follow the instructions on the screen to enter your approval or disapproval of the proposals.

Before exercising your voting rights via the internet, please be sure to check the “Instructions for Exercise of Voting Rights via the Internet” on page 25.

1. Date and Time: Wednesday, June 25, 2014, 10:00 a.m.

2. Place: Seto Hall, Annex 2F, Takamatsu International Hotel
2191-1 Kita-cho, Takamatsu City, Kagawa, Japan

3. Purpose of Meeting

Items to Be Reported:

- (1) Business report, consolidated financial statements, independent auditor's audit report, and Audit and Supervisory Board's audit report on consolidated financial statements for the 66th term (from April 1, 2013 to March 31, 2014)
- (2) Financial statements for the 66th term (from April 1, 2013 to March 31, 2014)

Items to Be Resolved:

- 1) Appropriation of retained earnings
- 2) Election of six Directors
- 3) Election of two Auditors
- 4) Election of one Substitute Auditor
- 5) Revision of countermeasure policy (takeover defense measures) regarding large-scale purchases, etc. of the Company's shares

4. Other Important Matters Related to the Convocation

- (1) If you do not indicate your approval or disapproval of the proposal(s) using the ballot form, you are regarded as having approved the proposal(s).
- (2) If you cannot attend the meeting, another shareholder with voting rights can act as a proxy for you at the meeting. In this situation, however, the said proxy must submit to the Company a written document certifying the right to serve as proxy.

◎ When you attend the meeting, please present the enclosed ballot form to the reception desk.

◎ Of documents that are required to be attached to the notice of this convocation, the following items are available online via our website (<http://www.tadano.co.jp/>), and are excluded from this notice in accordance with legal provisions and Article 14 of the company's articles of incorporation.

- (1) Business report: System for ensuring appropriate business operations (i.e., basic policy on internal control system construction)
- (2) Business report: Basic policy on corporate governance
- (3) Consolidated financial statements: Notes to consolidated financial statements
- (4) Non-consolidated financial statements: Notes to non-consolidated financial statements

Accordingly, the documents attached to this notice are part of the consolidated financial statements or non-consolidated financial statements audited by independent auditors when preparing their audit report, and are also part of the business report, consolidated financial statements or non-consolidated financial statements audited by the Audit and Supervisory Board and its members when preparing their audit report.

◎ Please note that if any revisions are made to the contents of the business report, consolidated financial statements and non-consolidated financial statements, and reference documents for the Shareholders Meeting, the revised contents will be made available online via our website (<http://www.tadano.co.jp/>).

Reference Documents for Shareholders Meeting

Proposals and Reference Matters

Proposal 1: Appropriation of retained earnings

To continuously offer stable returns to shareholders, the company determines the amount of appropriated retained earnings by thoroughly considering factors such as consolidated performance and dividend payout ratios, and also ensures sufficient internal reserves to maintain financial strength.

Outlined below is the company's proposed year-end dividend for the current fiscal year, set in consideration of the current year's performance and future management environment.

- (1) Dividend type
Cash dividends
- (2) Per-share dividend amount and total amount of dividends
10 yen per common share of the company
1,267,227,320 yen in total
- (3) Effective date of dividend payment
Thursday, June 26, 2014

Proposal 2: Election of six Directors

The office term of all current Directors (six Directors) shall expire at the close of this Shareholders Meeting.

Accordingly, it is proposed that the following six Directors be elected.

Candidates for Director

Candidate No.	Name (Date of birth)	Employment History, Position, Duty, and Important Concurrent Responsibilities	Shares of the Company Owned
1	Koichi Tadano (July 3, 1954)	April 1977: Joined Marubeni Corporation June 1988: Joined TADANO LTD. June 1991: General Manager of President's Office January 1997: Director and President of FAUN GmbH (currently TADANO FAUN GmbH) June 1997: Director April 1999: Director and Executive Officer April 2001: Director and Senior Executive Officer April 2002: Representative Director and Senior Executive Officer June 2003: Representative Director and President and CEO April 2012: Representative Director, President and CEO, and Head of Planning & Administration Division/ICT Division (current position)	274,000
2	Tadashi Suzuki (January 5, 1953)	April 1976: Joined Sumitomo Corporation April 1997: Joined TADANO LTD. July 1997: General Manager of International Operation Division April 1999: Officer June 2001: Director and Officer April 2002: Director and Executive Officer June 2003: Director and Senior Executive Officer April 2013: Director, Senior Executive Officer and Head of Sales Administration Division/Customer Support Division/Domestic Sales Division/International Sales Division/European Operation /American Operation /Indian Operation (current position)	109,000

Candidate No.	Name (Date of birth)	Employment History, Position, Duty, and Important Concurrent Responsibilities	Shares of the Company Owned
3	Tamaki Okuyama (May10, 1954)	<p>April 1980: Joined TADANO LTD. October 2000: General Manager of Design I Division January 2004: Director of FAUN GmbH (currently TADANO FAUN GmbH) April 2008: Officer April 2011: Executive Officer June 2011: Director and Executive Officer April 2013: Director, Executive Officer and Head of Production Division/Procurement Division/Quality & Safety Assurance Division/Thailand Operation (current position)</p>	50,000
4	Yoichiro Nishi (February 24, 1956)	<p>April 1976: Joined Yanmar Diesel Co., Ltd. (currently Yanmar Co., Ltd.) April 2005: General Manager of Tractor Development Division I, Development Headquarters (Yanmar) January 2007: General Manager of Development Group III, Development Division, Tractor Business Headquarters (Yanmar Agricultural Equipment Co., Ltd.; currently Yanmar Co., Ltd.) June 2008: General Manager of Product Technology Department, Development Division, Tractor Business Headquarters (Yanmar) September 2008: Joined TADANO LTD. January 2009: General Manager of R&D Planning Department April 2009: Officer April 2011: Executive Officer June 2011: Director and Executive Officer April 2012: Director, Executive Officer and Head of R&D Division/SVE Division/China Operation (current position)</p>	11,000
5	Nobuhiko Ito (February 5, 1947)	<p>July 1971: Joined Exxon Chemical Japan Ltd. July 1989: Joined General Electric Japan Ltd. (currently GE Japan Ltd.) January 1999: Representative Director and President of GE Yokogawa Medical Systems Ltd. (currently GE Healthcare Japan Ltd.) September 2002: Representative Director, President and CEO of GE Edison Life Insurance Co. Ltd. (currently Gibraltar Life Insurance Co., Ltd.) January 2004: Representative Director, President and CEO of GE Capital Leasing Co., Ltd. (currently GE Japan Ltd.) February 2005: Representative Director, President and CEO of General Electric Japan Ltd. (currently GE Japan Ltd.) January 2008: Senior Adviser of TPG Capital Co., Ltd. (current position) February 2008: Director of NIS Group Co., Ltd. June 2008: Director of TADANO Ltd. (current position) June 2010: Board Director (outside) of Konica Minolta Holdings Co., Ltd. (currently Konica Minolta, Inc.) (current position) March 2012: Representative Director and Chairman of AVON Products Co., Ltd. June 2012: Outside Director of TOMY Co. Ltd. (current position) (Important concurrent responsibilities) Senior Adviser of TPG Capital Co., Ltd., Board Director (outside) of Konica Minolta Holdings Co., Ltd., and Outside Director of TOMY Co. Ltd.</p>	0
6	Yasuyuki Yoshida (August 23, 1947)	<p>April 1971: Joined Mitsubishi Research Institute, Inc. ("MRI") October 2002: Councilor of MRI October 2007: Joined NIKKEN SEKKEI Research Institute ("NSRI") (as Senior Researcher) January 2008: Managing Executive and Senior Researcher of NSRI June 2008: Director of TADANO Ltd. (current position) March 2009: Director, Managing Executive and Vice President of NSRI</p>	17,000

Notes:

1. There is no special interest between each candidate and the company.
2. Mr. Nobuhiko Ito and Mr. Yasuyuki Yoshida are candidates for Outside Directors.
Their sixth year as outside directors of the company shall end at the close of this shareholders' meeting.
3. Reasons for nominating the candidates for Outside Directors
Mr. Nobuhiko Ito is nominated because he satisfies the requirements for becoming an independent director stipulated by Tokyo Stock Exchange, Inc., and his abundant knowledge of, and experience in, corporate management can be utilized for the company's management activities.

Mr. Yasuyuki Yoshida is nominated because he also satisfies the requirements for becoming an independent director stipulated by Tokyo Stock Exchange, Inc., and the abundant knowledge and experience that he had acquired while he was a think tank employee can be utilized for the company's management activities.

4. Agreements with Outside Directors regarding the limitation of liability

The company has made agreements with Mr. Nobuhiko Ito and Mr. Yasuyuki Yoshida, outside director candidates, regarding the limitation of liability in accordance with Article 423, Paragraph 1 of the Companies Act. If the proposal for their election is approved, these agreements will remain valid. In addition, the amount of their individual liability under such agreements is the minimum amount stipulated by law or ordinance.

Proposal 3: Election of two auditors

The terms of office of Auditors Mr. Yoshihito Kodama and Mr. Akihito Nabeshima shall expire at the close of this Shareholders Meeting. Accordingly, it is proposed that the following two Auditors be elected.

If elected, the terms of office of these Auditors shall expire at the close of the 70th Ordinary General Meeting of Shareholders.

This proposal has already been approved by the Audit and Supervisory Board.

Candidates for Auditor

*Indicates a new candidate.

Candidate No.	Name (Date of birth)	Employment History, Position, Duty, and Important Concurrent Responsibilities	Shares of the Company Owned
1	Yoshihito Kodama (August 9, 1952)	<p>April 1975: Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>February 2004: Joined Cecile Co., Ltd.</p> <p>March 2004: Senior Executive Officer and General Manager of Administrative Headquarters</p> <p>March 2005: Senior Managing Director and General Manager of Administrative Headquarters/Operational Headquarters</p> <p>April 2006: Joined TADANO LTD.</p> <p>June 2007: Officer, and Deputy Head/General Manager of Planning & Administration Division</p> <p>April 2009: Officer, and Head/General Manager of Planning & Administration Division</p> <p>April 2010: Executive Officer, and Head/General Manager of Planning & Administration Division</p> <p>April 2011: Senior Adviser of TADANO LTD.</p> <p>June 2011: Full-time Auditor (current position)</p>	7,000
2	* Kazushi Inokawa (July 24, 1955)	<p>April 1979: Became a police officer of Kagawa Prefectural Police</p> <p>March 2008: Deputy Head of Takamatsu-Kita Police Station</p> <p>March 2009: Crime Laboratory Section Manager of Kagawa Prefectural Police Headquarters</p> <p>March 2010: Assistant to Public Safety Commissioner of Police Affairs Department, Kagawa Prefectural Police Headquarters</p> <p>February 2011: Counselor/Accounting Section Manager of Police Affairs Department, Kagawa Prefectural Police Headquarters</p>	0

Notes

1. There are no special interests between either of the candidates and the company.

2. Mr. Kazushi Inokawa is a candidate for Outside Auditor.

3. Reasons for nominating the candidate for Outside Auditor

Mr. Kazushi Inokawa is nominated because he satisfies the requirements for becoming an independent auditor stipulated by the Tokyo Stock Exchange, Inc., and while he does not have direct experience related to company management, his abundant knowledge of and experience with compliance matters can be utilized for the company's audit system.

4. Agreement with the Outside Auditor regarding the limitation of liability

If Mr. Kazushi Inokawa, a candidate for outside auditor, is elected without any changes, the company plans to make an agreement with him regarding the limitation of liability in accordance with Article 423, Paragraph 1 of the Companies Act. In addition, the amount of his individual liability under such agreement shall be the minimum

amount stipulated by law or ordinance.

Proposal 4: Election of one substitute auditor

The validity of pre-election of Mr. Kuniyuki Matsuo, a substitute auditor, expires at the start of this Shareholders Meeting. Since the company needs to avoid the situation where the number of auditors becomes legally insufficient, it is proposed that the following substitute auditor be elected. If Proposal 3 is approved without any changes, Mr. Akihito Nabeshima, a substitute auditor candidate, shall become the substitute auditor for the proposed auditors, Mr. Yuichiro Miyake and Mr. Kazushi Inokawa.

This proposal has already been approved by the Audit and Supervisory Board.

Candidate for Substitute Auditor

Name (Date of birth)	Employment History, Position, Duty, and Important Concurrent Responsibilities	Shares of the Company Owned
Akihito Nabeshima (January 17, 1953)	October 1976: Joined Takamatsu Office of Tohmatsu-Aoki Audit Corporation (currently Deloitte Touche Tohmatsu LLC). September 1980: Registered as a certified public accountant (to date). October 2006: Registered as a licensed tax accountant (to date). October 2006: Established and became the representative of Akihito Nabeshima CPA/Licensed Tax Accountant Office (current position) June 2011: Outside Auditor of Yondenko Corporation (current position) June 2012: Outside Auditor of TADANO LTD. (current position) (Important Concurrent Responsibilities) Certified public accountant/Licensed tax accountant (representative of Akihito Nabeshima CPA/Licensed Tax Accountant Office), Outside Auditor of Yondenko Corporation	0

Notes

1. There are no special interests between the candidate for Substitute Auditor and the company.
2. Mr. Akihito Nabeshima is a candidate for Substitute Outside Auditor.
3. Reasons for nominating the candidate for Substitute Outside Auditor
 Mr. Akihito Nabeshima is nominated because, while he does not have direct experience related to company management, his professional viewpoints as a certified public accountant and licensed tax accountant, as well as his abundant knowledge of, and experience in, corporate accounting can be utilized for the company's audit system.
4. Agreement with the Outside Auditor regarding the limitation of liability
 If Mr. Akihito Nabeshima, a candidate for Substitute Auditor, is elected without any changes and assumes office, the company plans to make an agreement with him regarding the limitation of liability in accordance with Article 423, Paragraph 1 of the Companies Act. In addition, the amount of his individual liability under such agreement shall be the minimum amount stipulated by law or ordinance.

Proposal 5: Revision of countermeasure policy regarding large-scale purchases, etc., of the Company's shares (takeover defense measures)

The Company decided to implement a "Countermeasure policy regarding large-scale purchases, etc., of the Company's shares, etc.," at the board of directors meeting held on May 8, 2008. This policy was approved by the Company's shareholders at the 60th annual shareholders meeting held on June 24, 2008.

Thereafter, the Company revised the policy after obtaining shareholder approval for a partial revision and continuous implementation at the 63rd annual shareholders meeting held on June 24, 2011 (the revised countermeasure policy is hereinafter referred to as the "Current Countermeasure Policy"). The Current Countermeasure Policy is valid until the end of this shareholders meeting.

Even after the implementation of the Current Countermeasure Policy, the Company has continuously kept an eye on regulatory movements such as changes in the Financial Instruments and Exchange Act and relevant governmental and ministerial ordinances. The Company has also taken into consideration changes in social and economic conditions, progress in recent discussions on takeover defense measures, and other matters to explore the ideal policy implementation (including whether to revise the Current Countermeasure Policy or not) as part of the measures to ensure and further improve the Company's corporate value and the common interests of shareholders.

As a result of this exploration, while the Current Countermeasure Policy remains effective, the Company has decided to continuously implement the "Basic policy on how to deal with persons in control of the Company's decisions over finance and business policies" (hereinafter "Basic Policy," as stipulated in the introductory clause of Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act) on the condition that the relevant resolution is made at the board of directors meeting to be held on May 20, 2014, and approved by shareholders at this annual shareholders meeting. However, the "Current Countermeasure Policy" will be revised and renamed as the "Measures to prevent inappropriate persons from taking control of the Company's decisions over finance and business policies in light of the Basic Policy" (hereinafter "New Countermeasure Policy," as stipulated in the provisions of Article 118, Item 3(b)-(2) of the Ordinance for Enforcement of the Companies Act).

There will be no substantial changes in the contents after the revision into the New Countermeasure Policy.

The revision into the New Countermeasure Policy was approved by all directors including the 2 outside directors at the Company's board of directors meeting. All corporate auditors including the 2 outside corporate auditors attended this meeting and agreed to the New Countermeasure Policy without exception on the condition that it would be specifically implemented in an appropriate manner.

This agenda item is listed to request shareholder approval for the following revision of the Current Countermeasure Policy in accordance with Article 16 of the Company's Articles of Incorporation so that shareholders' opinions can be reflected in the revision as much as possible. In the event that this agenda item is not approved by the Company's shareholders, the Current Countermeasure Policy will be void when its effective period ends at the conclusion of this shareholders meeting, with no implementation of the New Countermeasure Policy.

Appendix 1 shows the list of the Company's major shareholders as of the end of March 2014. The Company has not received any specific proposals for large-scale purchases of the Company's shares as of May 20, 2014.

1. Purpose of the New Countermeasure Policy

The purpose of implementing the New Countermeasure Policy is to ensure and improve the Company's corporate value and the common interests of shareholders in line with the Basic Policy. The content outline of the Basic Policy and the outline of special measures helpful for policy implementation are disclosed in a timely manner in

accordance with the regulations of Tokyo Stock Exchange, Inc., and are also available online on the Company's website (please visit <http://www.tadano.co.jp/company/ir/newsrelease/index.html>, and refer to the "Revision of countermeasure policy regarding large-scale purchases, etc., of the Company's shares (takeover defense measures)" (dated May 20, 2014)).

The Company's board of directors has concluded that it needs to prepare for large-scale purchases, etc., of the Company's shares that are contrary to the Company's corporate value and the common interests of shareholders, and to build a framework to prevent such purchases by providing shareholders with relevant information, ensuring time necessary for them to determine whether such purchases are inappropriate ones, and also enabling the Company's board of directors to negotiate with purchasers or to take other measures for the benefit of shareholders.

2. Purchases of the Company's shares subject to the New Countermeasure Policy

If a person makes, or tries to make, purchases, etc., of the Company's shares aiming to raise the ratio of voting rights (Note 2) of a specified shareholder group (Note 1) to 20% or more (such person is hereinafter referred to as "Large-scale Purchaser"), or raises, or tries to raise, such ratio to 20% or more as a result of such purchases (irrespective of the specific purchase methods used in either case such as open-market purchases and takeover bids, except when the Company's board of directors consents to such purchases in advance; these purchases are hereinafter referred to as "Large-scale Purchases, etc."), the Large-scale Purchaser is required to provide the Company with necessary information about the Large-scale Purchases, etc., in advance in compliance with the rules below for Large-scale Purchases, etc., of the Company's shares as stipulated by the New Countermeasure Policy (hereinafter "Large-scale Purchase Rules") so that the time period necessary for assessment and consideration, etc., of the details can be ensured.

(Note 1) A specified shareholder group is:

- [1] A holder of the Company's shares, etc., (a "holder" and "shares, etc.," as stipulated in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, including a person regarded as a shareholder in accordance with Paragraph 3 of said Article; the same applies hereinafter unless otherwise specified), or a joint shareholder (a "joint holder" as stipulated in Article 27-23, Paragraph 5 of said Act, including a person regarded as a joint holder in accordance with Paragraph 6 of said Article; the same applies hereinafter), or
- [2] A person who makes purchases, etc., of the Company's shares, etc., ("shares, etc.," as stipulated in Article 27-2, Paragraph 1 of said Act; the "purchases, etc.," as stipulated in Article 27-2, Paragraph 1, including those made in financial instruments exchange markets; the same applies hereinafter), or a related party of such person (a "related party" as stipulated in Paragraph 7 of said Article; the same applies hereinafter).

(Note 2) The ratio of voting rights is:

- [1] The ratio of shares, etc., owned by a shareholder (the ratio stipulated by Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act if a specified shareholder group is applicable to [1] of Note 1. In this case, the number of shares, etc., owned by the shareholder's joint shareholder (the number of such shares stipulated by the said Paragraph) is also added. The same applies hereinafter), or
- [2] The ratio of total shares, etc., owned by a purchaser and related parties of the purchaser ("ratio of shares, etc., owned" as stipulated by Article 27-2, Paragraph 8 of the said Act; the same applies hereinafter) if a specified shareholder group is applicable to [2] of Note 1.

The ratio of voting rights can be calculated using the total number of outstanding shares (as stipulated in Article 27-23, Paragraph 4 of said Act) and the total number of voting rights (as stipulated in Article 27-2, Paragraph 8 of said Act) that are available in the most recently submitted Securities Report, Quarterly Report, or Treasury Share Purchase Report.

3. Establishment of an Independent Committee

The Company's board of directors makes final decisions on whether a series of procedures have been completed in compliance with the Large-scale Purchase Rules, and whether to take certain countermeasures that are considered to be necessary and appropriate to ensure or improve the Company's corporate value and the common interests of shareholders in cases where such Rules have been complied with. However, the Company will establish an independent committee as an organization independent from the Company's board of directors in accordance with the Independent Committee Rules (see Appendix 2 for the outline of the Rules) so that the reasonableness and fairness of the board's decisions can be ensured, and will follow the committee's advice as much as possible. The independent committee consists of 3 or more committee members that the Company's board of directors appoints. These members will be outside directors, outside corporate auditors, or outside professionals (e.g. lawyers, certified tax accountants, certified public accountants, academic specialists, persons familiar with investment banking business, or outside persons having experience as directors, executive officers, or corporate auditors), who are independent from the Company's management in charge of business execution. See Appendix 4 "Brief Personal History of Independent Committee Members" for the names and brief personal histories of the independent committee members.

4. Details of Large-scale Purchase Rules

The Company's board of directors considers that if Large-scale Purchases, etc., are made in accordance with the Large-scale Purchase Rules, they match the corporate value and common interests of shareholders. The Large-scale Purchase Rules can be summarized as follows: [1] The Large-scale Purchaser provides the Company's board of directors with necessary and sufficient information in advance, and [2] such Purchaser starts making Large-scale Purchases, etc., after the expiration of a certain period necessary for the Company's board of directors to perform assessments.

(1) Submission of Letter of Intent

A Large-scale Purchaser who wishes to make Large-scale Purchases is required to submit a Japanese document declaring compliance with the Large-scale Purchase Rules (hereinafter "Letter of Intent") to the Company's board of directors. The Letter of Intent must contain the following matters.

[1] Large-scale Purchaser and Profile

- (i) Name and address
- (ii) Purposes and business description of the company, etc.
- (iii) Outline of major shareholders or equity holders (top 10 holders in terms of the number of shares owned or the equity ownership ratio)
- (iv) Governing law for incorporation
- (v) Representative's name
- (vi) Contact person in Japan

[2] Number of the Company's shares, etc., that the Large-scale Purchaser currently holds, and transactions made by the Large-scale Purchaser regarding the Company's shares, etc., during the 60 days prior to submission of the Letter of Intent

[3] Outline of Large-scale Purchases, etc., that the Large-scale Purchaser proposes (including the type and number of the Company's shares, etc., that the Large-scale Purchaser plans to purchase as Large-scale Purchases, etc., and the outline of the purposes of making Large-scale Purchases, etc., (e.g. acquisition of control, participation in management, genuine investment, cross-shareholding investment, transfer of the Company's shares, etc., to third parties after Large-scale Purchases, etc., are made, provision of important proposals, etc., (Note 3), or any

other purpose and the relevant outline if any. If multiple purposes exist, they must be described in their entirety.))

[4] Declaration of Compliance with the Large-scale Purchase Rules

When a Letter of Intent is submitted, a document proving the existence of the Large-scale Purchaser (e.g. a certified copy of commercial registration and a copy of the articles of incorporation) must be attached (if such document is written in a foreign language, the Japanese translation must also be attached).

(Note 3) Important proposals, etc., are:

Proposals, etc., as stipulated in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Enforcement Order of said Act, and Article 16 of the Cabinet Office Ordinance on Disclosure of the Status of Large Volume Holding of Shares, etc.

(2) Provision of Large-scale Purchase Information

Within 10 business days after the receipt of a Letter of Intent (Note 4) (excluding the first day), the Company's board of directors will deliver a list of initially required information items (hereinafter "Initially Provided Information List") to the Large-scale Purchaser whenever necessary in consultation with outside professionals (including investment banks, securities firms, financial advisers, certified public accountants, lawyers, consultants and other specialists; the same applies hereinafter) so that shareholders can make decisions on Large-scale Purchases, etc., and the Company's board of directors can assess and examine these Purchases. The Large-scale Purchaser is required to submit sufficient information in Japanese to the Company's board of directors based on the Initially Provided Information List. Immediately after receiving information from the Large-scale Purchaser, the Company's board of directors will provide the independent committee with such information. In the event that the Company's board of directors rationally considers, after following the independent committee's advice as far as possible, that the information initially provided by the Large-scale Purchaser to the Company's board of directors based on the above-mentioned Initially Provided Information List is insufficient for shareholders' decision-making and for the assessment and consideration, etc., performed by the Company's board of directors in light of the content and situation, etc., of said Large-scale Purchases, etc., the Large-scale Purchaser is required to provide the Company's board of directors with additional information at the request of the board (the information to be provided based on the Initially Provided Information List and the information to be additionally provided are hereinafter referred to collectively as the "Large-scale Purchase Information"). Immediately after receiving the additional information from the Large-scale Purchaser, the Company's board of directors will provide the independent committee with such additional information.

Whenever the Company's board of directors needs to request the Large-scale Purchaser to provide information, it may set a deadline for provision of said information so that the Large-scale Purchase Rules can be complied with immediately. Regarding the time period available for the Large-scale Purchaser to give answers following receipt of the Company's board of directors' request for provision of information (hereinafter "Information Provision Request Period"), the Company's board of directors will set a maximum period of 60 days from the date of delivery of the Initially Provided Information List to the Large-scale Purchaser as the deadline for such provision. After the expiration of the Information Provision Request Period, the board of directors will immediately stop communication with the Large-scale Purchaser regarding the provision of information, and start its assessment even if all of the necessary information is not yet available. If the Large-scale Purchaser requests an extension of said time period based on reasonable cause, the board of directors may extend the Information Provision Request Period for a maximum of 30 days depending on necessity. Even before the expiration of the Information Provision Request Period, if the Company's board of directors considers that all necessary information is available, it may terminate the Period, and start its assessment.

In principle, items [1] through [10] discussed below shall be included in the Initially Provided Information List, but the specific content and scope of said Large-scale Purchase Information are limited to those matters that the Company's board of directors considers necessary and sufficient in a rational manner for the Company's shareholders to make decisions and for the Company's board of directors to form its opinion in light of the content and situation of said Large-scale Purchases, etc. (the content and scope of additional information to be provided are determined by following the independent committee's advice as far as possible). In case the Large-scale Purchaser is unable to provide certain Large-scale Purchase Information, the Company's board of directors will request the Large-scale Purchaser to specifically explain the reasons why such Information cannot be provided.

- [1] Details (e.g. name; address; corporate purposes; business description; corporate history; names and personal histories of the representative, directors, shareholders, employees, and members; number of shares owned; capital structure; corporate situation; financial condition for the past 3 fiscal years; operating results; accounting data; and governing law for incorporation) concerning the Large-scale Purchaser and its group (including joint shareholders, related parties, fund partners and fund members)
- [2] The purposes (the specific details of the purposes disclosed in the Letter of Intent), methods, and details of Large-scale Purchases, etc., (including the value and type of purchase consideration, the timing of Large-scale Purchases, relevant transaction structures, the legality of methods of Large-scale Purchases, etc. (including the acquisition of legally required permits, licenses, etc.), feasibility, and if there is a prospect of the Company being delisted after the Large-scale Purchases, etc., a statement to that effect and the reasons for delisting)
- [3] The basis of calculation of purchase consideration (including the facts and assumptions used as prerequisites for calculation, the numerical information used for calculation, the details of anticipated synergies arising from the series of transactions related to the Large-scale Purchases, etc., the names of third parties if such parties' opinions have been obtained for calculation, the outline of such opinions, and how amounts have been determined based on such opinions)
- [4] Proof of purchase funds (e.g.: the fund provider's name (including substantial providers), procurement method, the conditions of the series of relevant transactions, and the transaction structure)
- [5] Whether communication with third parties has been maintained regarding Large-scale Purchases, etc., and communication details if such has been maintained
- [6] The management policies, business plans, financial plans, capital policies and dividend policies of the Company and its group that are scheduled to be formulated after the completion of Large-scale Purchases, etc.
- [7] Policies regarding the relationships of the Company and its group with their employees, suppliers, regional society and other stakeholders after the completion of Large-scale Purchases, etc.
- [8] Specific policies to avoid conflicts of interest with other shareholders of the Company
- [9] Information about relationships with anti-social forces
- [10] Other information that the Company's board of directors or the independent committee considers to be rationally necessary

After receiving a Letter of Intent regarding Large-scale Purchases, etc., the Company's board of directors will inform shareholders of such fact. Large-scale Purchase Information provided to the Company's board of directors (including information not provided by the Large-scale Purchaser despite the Company's request for such information, and the reasons for the failure to provide it; the same applies hereinafter) will be entirely or partially disclosed when the Company's board of directors considers that disclosure is necessary for shareholder decision-making.

If, after following the independent committee's advice as far as possible, the Company's board of directors rationally considers that information provided by the Large-scale Purchaser is satisfactory as Large-scale Purchase Information, and such Information has been completely provided, it will disclose such fact.

(Note 4) Business days are:

Days other than those stipulated by Article 1, Paragraph 1, Items of the Act on Holidays of Administrative Organs. The same applies hereinafter.

(3) Assessment and Exploration by the Company's Board of Directors

After expiration or termination of the Information Provision Request Period, the Company's board of directors will set the period [1] or [2] given below as the period for assessment, exploration, negotiation, opinion formation and alternative plan formulation by the Company's board of directors (hereinafter "Board of Directors' Assessment Period") depending on the difficulty of assessing and exploring the Large-scale Purchases, etc.

[1] A maximum of 60 days in the case of Large-scale Purchases, etc., that are cash-only (yen) consideration takeover bids for all shares, etc., of the Company ("takeover bid" as stipulated in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act; the same applies hereinafter)

[2] A maximum of 90 days in the case of Large-scale Purchases, etc., other than [1].

However, upon expiration of the Board of Directors' Assessment Period and having followed the independent committee's advice as far as possible, if the Company's board of directors considers that assessment, exploration, negotiation, opinion formation and alternative plan formulation, etc., have not been carried out sufficiently with regard to the Large-scale Purchases, etc., it may extend said Assessment Period by the maximum of 30 days. In this case, a specific extension period and the reasons why such extension is needed will be announced to the Large-scale Purchaser, and also disclosed to shareholders.

During the Board of Directors' Assessment Period, the Company's board of directors will assess and explore the information provided fully in consultation with outside professionals if necessary, summarize its opinions carefully, notify them to the Large-scale Purchaser, and then disclose them to shareholders in a timely and appropriate manner. The Company's board of directors may also negotiate with the Large-scale Purchaser regarding the conditions of Large-scale Purchases, etc., and present alternative plans to shareholders if it considers that such actions are necessary. After receiving a Letter of Intent and Large-scale Purchase Information from the Large-scale Purchaser, the Company's board of directors will consult the independent committee during the Board of Directors' Assessment Period about whether countermeasures should be initiated.

The Large-scale Purchaser may start conducting Large-scale Purchases, etc., only after the expiration of the Board of Directors' Assessment Period.

(4) Independent committee's advice on the initiation of countermeasures

After receiving a request for consultation from the Company's board of directors, the independent committee will consider during the Board of Directors' Assessment Period whether said Large-scale Purchases, etc., fall under any of the categories listed in 5.(1), (2)-[1], (2)-[2], (2)-[3], (2)-[4], or (2)-[5] below, and whether countermeasures should be initiated against said Purchases, etc., and will also explore other matters of consultation so that the committee can give advice to the Company's board of directors. These actions will be taken concurrently with the assessment, exploration, negotiation, opinion formation and alternative plan formulation conducted by the Company's board of directors in accordance with 4.(3) above. The independent committee may request the Large-scale Purchaser to provide necessary information for such exploration. The independent committee may obtain, at the Company's expense, the advice of outside professionals who are independent from the management in charge of the Company's business execution so that its decisions can be of definite help in ensuring and

improving the Company's corporate value and the common interests of shareholders. The Company's board of directors will also immediately disclose information on the outline of such advice and other matters it considers appropriate.

(5) Resolutions of the board of directors

Having followed the independent committee's advice as far as possible as described in 4.(4) above, the Company's board of directors will determine whether to initiate countermeasures immediately from the standpoint of ensuring and improving the Company's corporate value and the common interests of shareholders. The Company's board of directors will immediately disclose information on the outline of such determination and other matters it considers appropriate.

5. Countermeasure policy against Large-scale Purchases, etc.,

If, after assessing and exploring the details of Large-scale Purchases, etc., and discussing and negotiating with the Large-scale Purchaser, the Company's board of directors considers such Purchases, etc., to fall under any of the following categories, and that the initiation of certain countermeasures against them should be resolved upon, it may resolve to initiate countermeasures (e.g.: allotment of stock acquisition rights without consideration as described in 5.(3) below) in accordance with the authorization given to the board of directors under the Companies Act, related laws and regulations, and the Company's articles of incorporation, regardless of whether the Board of Directors' Assessment Period has started or ended.

(1) Cases where the Large-scale Purchaser does not comply with the Large-scale Purchase Rules

In cases where the Large-scale Purchaser conducts, or tries to conduct, Large-scale Purchases, etc., without complying with the Large-scale Purchase Rules, the Company's board of directors may deem said Purchases, etc., to be purchases that will significantly damage the Company's corporate value and the common interests of shareholders irrespective of the purchase conditions and methods adopted, and may resolve to initiate the countermeasures it considers necessary and appropriate to ensure and improve such value and interests.

(2) Cases where the Large-scale Purchaser complies with the Large-scale Purchase Rules

In cases where the Large-scale Purchaser conducts, or tries to conduct, Large-scale Purchases, etc., by complying with the Large-scale Purchase Rules, the initiation of countermeasures against such Purchases, etc., in principle, will not be resolved upon even if the Company's board of directors opposes such Purchases, etc., although this will not eliminate the possibility that the Company will express opposite opinions, propose alternative plans, give explanations to shareholders or take other actions. Shareholders need to make their own decisions with regard to whether the Large-scale Purchaser's proposal for Large-scale Purchases, etc., is accepted or not in consideration of the details of said proposal, the relevant opinions of the Company's board of directors and alternative plans, etc.

Even if the Large-scale Purchaser conducts, or tries to conduct, Large-scale Purchases, etc., in compliance with the Large-scale Purchase Rules, however, the Company's board of directors may exceptionally resolve to initiate necessary and appropriate countermeasures to protect the Company's corporate value and the common interests of shareholders if it is clearly considered that said Purchases, etc., will significantly damage the Company's corporate value and the common interests of shareholders because they fall under, for example, any of the categories listed in [1] through [5] and will cause irreparable damage to the Company, or due to other reasons.

- [1] Cases where it is judged that the Large-scale Purchaser is acquiring the Company's shares, etc., with the aim simply of boosting the stock price and making the Company or its related parties purchase them at a high price despite having no intention to participate sincerely in the Company's management (cases where the Large-scale Purchaser is judged to be a so-called greenmailer)

- [2] Cases where it is judged that the Large-scale Purchaser is acquiring the Company's shares, etc., with the aim of controlling the Company's management temporarily to transfer the Company's intellectual property rights, know-how, confidential corporate data, main suppliers, main customers, etc., which are necessary for the Company's business execution, to the Large-scale Purchaser or its group companies, etc.
- [3] Cases where it is judged that the objective of acquiring the Company's shares, etc., is to use the Company's assets after obtaining control of the Company's management as the sources for secured debts and repayments for the benefit of the Large-scale Purchaser and its group companies, etc.
- [4] Cases where it is judged that the objective of acquiring the Company's shares, etc., is to control the Company's management temporarily and make the Company dispose of high-value assets, etc., such as real estate and securities that are currently irrelevant to the Company's business, aiming to make the Company pay high dividends temporarily using gains on such disposal or to sell said shares, etc., at the highest price, taking the opportunity to make profits when the stock price jumps due to the high dividends being paid temporarily
- [5] Cases where it is judged that the method for purchasing the Company's shares, etc., that the Large-scale Purchaser proposes may restrict shareholders' decision-making opportunities or freedom and actually compel shareholders to sell such shares, etc., (however, if a maximum number of shares to be purchased for a takeover bid is set, it will naturally not be judged to fall under this category), such as in the case of a so-called coercive two-tier purchase (i.e.: the purchase, etc., of shares, etc., by means of a takeover bid, etc., without soliciting the purchase of all shares, etc., of the Company in the first stage of purchase, but with less favorable purchase conditions set in the second stage of purchase than in the first, or where such conditions are left ambiguous)

To ensure the objectivity and rationality of judgments made when resolving on the initiation of the above-mentioned exceptional countermeasures, the Company's board of directors will refer to Large-scale Purchase Information, including the post-purchase management policies that the Large-scale Purchaser provides, consult outside professionals as necessary, and follow the independent committee's advice as far as possible so that it can explore the specific details and situations of the said Large-scale Purchaser and Large-scale Purchases, as well as the effects of said Large-scale Purchases on the Company's corporate value and the common interests of shareholders.

(3) Details of countermeasures

The countermeasures against Large-scale Purchases, etc., that the Company may initiate based on the New Countermeasure Policy include the allotment of stock acquisition rights without consideration and actions that the Company's board of directors are authorized to take in accordance with other laws and regulations or the Company's articles of incorporation, with appropriate countermeasures to be selected depending on the situation. The outline of said stock acquisition rights allotted without consideration as part of countermeasures (hereinafter "Stock Acquisition Rights") is described in Appendix 3 "Outline of Stock Acquisition Rights").

(4) Suspension and cancellation of any countermeasures initiated

Even after resolving to initiate or after actually initiating countermeasures, the Company's board of directors may discuss and negotiate with the Large-scale Purchaser as necessary. If the Large-scale Purchaser suspends or cancels Large-scale Purchases, etc., or it is considered undesirable to take countermeasures after they are resolved upon because there are changes in the facts, etc., used as assumptions for making judgments on whether the countermeasures should be initiated, and also from the standpoint of ensuring and improving the Company's corporate value and the common interests of shareholders, the Company's board of directors may suspend or cancel the countermeasures in consultation with outside professionals as necessary and while following the

independent committee's advice as far as possible. For example, if, after the Company's board of directors resolves on the allotment of stock acquisition rights without consideration as a countermeasure, the Large-scale Purchaser suspends Large-scale Purchases, etc., and then the Company's board of directors resolves to suspend or cancel its countermeasures, such allotment may be suspended if such resolution is made at least 2 business days before the ex-rights date set for such allotment (hereinafter "Ex-rights Date"). However, if, after acquiring the Company's shares before the Ex-rights Date, an investor actually sells these shares assuming the dilution after the Ex-rights Date caused by such allotment, such allotment will not be suspended or canceled on or after the business day preceding the Ex-rights Date so that such investor does not incur losses.

If the Company's board of directors decides to suspend or cancel countermeasures after having resolved to initiate them, it will consult the independent committee again by presenting the specific causes that have resulted in the situation where it is considered inappropriate to continue taking said countermeasures. The independent committee will then explore whether said countermeasures should continue to be taken based on said consultation and also by obtaining the advice of outside professionals as necessary, and will also give advice to the Company's board of directors. The Company's board of directors will make judgments on whether the initiation of countermeasures should be suspended or canceled while following the independent committee's advice as far as possible.

6. Effective period, continuation, revision and repeal of the New Countermeasure Policy

The New Countermeasure Policy will take effect at the conclusion of this shareholders' meeting and its effective period will end at the conclusion of the annual shareholders' meeting scheduled to be held in June 2017.

Even before the expiration of said effective period, the New Countermeasure Policy may be revised or repealed whenever its revision or repeal is resolved upon at a Company shareholders' meeting or a meeting of the Company's board of directors. In this case, the Company's board of directors will immediately disclose such revision or repeal.

Any revision or repeal of the New Countermeasure Policy resolved upon by the Company's board of directors must be in compliance with the relevant laws and regulations revised or enacted and limited to the range not contrary to the purpose of approving and resolving said Policy at such shareholders' meeting. The independent committee's advice must also be followed as far as possible.

7. Effects on shareholders and investors

(1) Effects on shareholders and investors caused by the implementation of the New Countermeasure Policy

Countermeasures will not be initiated when the New Countermeasure Policy is implemented. Accordingly, there will be no direct effects specifically on the legal rights and economic interests related to the Company's shares that shareholders and investors own when the New Countermeasure Policy is implemented.

As described in 5 above, the Company will adopt different countermeasure policies against Large-scale Purchases, etc., depending on whether the Large-scale Purchaser involved complies with the Large-scale Purchase Rules. Shareholders and investors are requested to keep an eye on the movements of a Large-scale Purchaser.

(2) Effects on shareholders and investors caused by the initiation of countermeasures

The Company's board of directors may resolve to allot stock acquisition rights without consideration and initiate other countermeasures authorized under relevant laws and regulations and the Company's articles of incorporation, aiming to protect the Company's corporate value and the common interests of shareholders, but does not expect any situation where shareholders (excluding the Large-scale Purchaser and certain other persons targeted by the initiation of countermeasures) may suffer substantial losses in terms of legal rights or economic aspects. In the case where the Company's board of directors resolves upon the initiation of specific countermeasures, it will disclose information in a timely and appropriate manner in accordance with applicable laws and regulations and the securities listing regulations of its financial instruments exchange, etc.

If the Company's board of directors resolves upon the initiation of possible countermeasures and allots stock acquisition rights without consideration in accordance with the outline shown in Appendix 3 (hereinafter "Resolution of the Allotment of Stock Acquisition Rights without Consideration"), it will allot these rights without consideration on the separately determined effective date to shareholders recorded on the final stockholder register as of the separately determined record date at the ratio of 1 (one share held) to 1 or more (as determined separately by the Company's board of directors). Since countermeasures will be implemented as described above, the allotment of stock acquisition rights without consideration will not result in the dilution of the economic value of all of the Company's shares held although the economic value of each share of the Company that shareholders and investors own will be diluted. The voting rights per share of the Company's stock will not be diluted either. As a result, the Company specifically assumes no direct effects on the legal rights and economic interests related to all of the Company's shares that shareholders and investors own. The New Countermeasure Policy will be disclosed to call a Large-scale Purchaser's attention to the Large-scale Purchase Rules so that these Rules are not violated and also to induce a Large-scale Purchaser to comply with said Rules.

Even in cases where the implementation of the allotment of stock acquisition rights without consideration is resolved on as a countermeasure, such allotment may be suspended or canceled no less than 2 business days before the Ex-rights Date set for such allotment due to reasons such as the Large-scale Purchaser having canceled Large-scale Purchases, etc., as described in 5.(4) above, but such allotment will not be suspended or canceled on or after the business day preceding the Ex-rights Date.

- (3) Effects on shareholders and investors brought about by Stock Acquisition Rights exercised or acquired after the implementation of the allotment of stock acquisition rights without consideration
- In the case where stock acquisition rights are allotted without consideration as a possible countermeasure in accordance with the outline shown in Appendix 3, it is anticipated that the legal rights, etc., of the disqualified persons described in 8 of Appendix 3 "Outline of Stock Acquisition Rights" will be diluted when said Rights are exercised or acquired because the application of discriminatory conditions is planned for the time when the Stock Acquisition Rights are exercised or acquired. Even in this case, the Company specifically expects no direct effects on the legal rights and economic interests related to all of the Company's shares owned by shareholders and investors other than disqualified persons.

8. Procedures that shareholders will need to follow when countermeasures are initiated

In the case where stock acquisition rights are allotted without consideration as a possible countermeasure in accordance with the outline shown in Appendix 3 and the Company acquires stock acquisition rights, shareholders will need to follow the following procedures.

- [1] If the Company's board of directors decides to initiate countermeasures and implement the Resolution of the Allotment of Stock Acquisition Rights without Consideration, it will determine the record date at its meeting and announce it publicly. Stock Acquisition Rights will naturally be granted on the effective date of said allotment of stock acquisition rights without consideration to shareholders registered on the final stockholder register as of the record date. Accordingly, no application procedures, etc., will be required for the allotment of stock acquisition rights without consideration.
- [2] When exercising Stock Acquisition Rights, shareholders will need to exercise such Rights by paying a certain amount of money to acquire new shares. If the Company acquires Stock Acquisition Rights pursuant to the acquisition conditions, shareholders will not need to follow the above procedures to exercise such Rights. However, in that situation where the Company acquires Stock Acquisition Rights, it may request each shareholder to submit a document, etc., proving that the shareholder is not regarded as a Large-scale Purchaser or certain other person. The details of relevant procedures will be announced separately in accordance with

applicable laws and regulations and the securities listing regulations of the financial instruments exchange once it actually becomes necessary to follow these procedures.

9. Other

- (1) The New Countermeasure Policy was resolved on with the approval of all directors including 2 outside directors at the Company's board of directors meeting held on May 20, 2014. All corporate auditors of the Company including 2 outside corporate auditors were present at the meeting and agreed to this Policy on the condition that it would be specifically implemented in an appropriate manner.
- (2) The Company's board of directors may, even before the expiration of the effective period of the New Countermeasure Policy, revise this Policy if necessary in consideration of revisions of relevant laws and regulations, future trends in judicial decisions, announcements of the financial instruments exchange and other public organizations, etc., and from the standpoint of ensuring and improving the Company's corporate value and the common interests of shareholders, or may take any measures necessary including the implementation of different defense measures instead of the New Countermeasure Policy.

List of the Company's major shareholders

(As of the end of March 2014)

Shareholder name	Investment in the Company	
	Number of shares held (thousand shares)	Share ownership ratio (%)
Japan Trustee Services Bank, Ltd.	14,259	11.2
Nippon Life Insurance Company	7,086	5.5
Mizuho Bank, Ltd.	6,246	4.9
The Hyakujushi Bank, Limited	6,171	4.8
The Master Trust Bank of Japan, Ltd.	4,978	3.9
Meiji Yasuda Life Insurance Company	4,111	3.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,367	2.6
The Dai-ichi Life Insurance Company, Limited	3,287	2.5
Tadano Client Stock Ownership Association	2,897	2.2
Trust & Custody Services Bank, Ltd.	1,912	1.5
Total	54,317	42.8

- (Note)
1. The share ownership ratio is calculated after deducting 2,777,623 treasury shares.
 2. The shareholding ratio is calculated without the inclusion of treasury shares.
 3. The numbers of shares held by Japan Trustee Services Bank, Ltd., The Master Trust Bank of Japan, Ltd. , or Trust & Custody Services Bank, Ltd. all represent shares related to the trust business of those companies.
 4. The number of shares held by Nippon Life Insurance Company includes 35,000 shares in a special account.
 5. The number of shares held by Meiji Yasuda Life Insurance Company includes 111,000 shares in a special account.
 6. The number of shares held by The Dai-ichi Life Insurance Company, Limited includes 79,000 shares in a special account.

(Reference)

- | | |
|----------------------------------------|--------------------|
| [1] Total number of authorized shares | 400,000,000 shares |
| [2] Total number of outstanding shares | 129,500,355 shares |
| [3] Number of shareholders | 7,987 persons |
- * The total number of outstanding shares includes 2,777,623 treasury shares.

Outline of the independent committee regulations

1. An independent committee shall be established based on a resolution of the Company's board of directors.
2. The independent committee shall consist of 3 or more committee members whom the Company's board of directors shall appoint. These members will be (1) outside directors, (2) outside corporate auditors or (3) outside professionals (e.g. lawyers, certified tax accountants, certified public accountants, academic specialists, persons familiar with investment banking business, or outside persons with experience as directors, executive officers or corporate auditors) who are independent from the Company's management in charge of business execution. The agreements that the Company makes with each independent committee member will contain provisions related to the due care and confidentiality obligations.
3. The term of office of each member of the independent committee shall start on the date of appointment and end at the conclusion of the first board of directors meeting held after the conclusion of the annual shareholders meeting for the fiscal year in which such member is appointed or on the date agreed upon separately by the Company and such member. However, said term of office shall not be applicable if another term of office is resolved upon by the Company's board of directors.
4. Independent committee meetings shall be called by the Company's representative director or any of the independent committee members.
5. The chair of the independent committee shall be chosen by the members of the independent committee.
6. In principle, when the independent committee resolves upon a certain matter, all of its members need to be present at the meeting and the decision must be made by a majority of those committee members present. However, if a certain event prevents a member from attending a meeting or in the case where some unavoidable reason exists, said matter can be resolved upon if a majority of committee members is present and approval is obtained by a majority of those members present.
7. The independent committee members shall discuss and determine resolutions on the matters listed below and give advice to the Company's board of directors, while explaining the details of and the reasons for making the resolutions.
 - (1) Whether to initiate countermeasures related to the New Countermeasure Policy
 - (2) Suspension or repeal of the initiation of countermeasures related to the New Countermeasure Policy
 - (3) Revision and repeal of the New Countermeasure Policy
 - (4) Other matters about which the Company's board of directors needs to make decisions and consult the independent committee voluntarily
8. The independent committee may, if necessary, request the Company's directors, corporate auditors, employees or other persons to attend a meeting to express opinions and give explanations about matters that the committee needs to know.
9. When carrying out the duties stipulated in Paragraph 7, the independent committee may obtain the advice of outside professionals (including investment banks, securities firms, financial advisers, certified public accountants, lawyers, consultants, and other specialists) who are independent from the management in charge of the Company's business execution at the Company's expense.

Outline of Stock Acquisition Rights

1. Total number of Stock Acquisition Rights allotted

The total number of Stock Acquisition Rights allotted will be determined separately by the Company's board of directors as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration, but will exceed the total number of the Company's outstanding shares as of the record date (excluding, however, the number of the Company's common shares that the Company owns as of the said record date).

2. Shareholders eligible to receive the allotment

The Company's board of directors shall allot stock acquisition rights without consideration to shareholders recorded on the final stockholder register as of the record date at the ratio of 1 (one share held) to 1 or more as separately determined by the Company's board of directors (However, the number of the Company's common shares that the Company owns shall be excluded).

3. Date when the allotment of stock acquisition rights without consideration takes effect

The allotment shall take effect on the date that the Company's board of directors determines separately as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration.

4. Type and number of shares subject to Stock Acquisition Rights

The type of shares subject to Stock Acquisition Rights shall be the Company's common shares and the number of shares subject to each Stock Acquisition Right shall be one share (hereinafter "Applicable Number of Shares"). In the case where the Company conducts a stock split or a reverse stock split, the necessary adjustments will be made.

5. Contents and values of assets contributed when Stock Acquisition Rights are exercised

The asset contributed when Stock Acquisition Rights are exercised is money and the amount per common share of the Company that will need to be contributed when such Rights are exercised shall be 1 yen or more, a matter that shall be determined separately by the Company's board of directors as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration.

6. Restrictions on transfer of Stock Acquisition Rights

Approval of the Company's board of directors shall be required for the transfer of Stock Acquisition Rights.

7. Exercise period of Stock Acquisition Rights

The exercise period of Stock Acquisition Rights shall be determined separately by the Company's board of directors as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration.

8. Exercise conditions of Stock Acquisition Rights

Depending on the specific purchase method used by the Large-scale Purchaser, the following persons and parties will not be able to exercise Stock Acquisition Rights (these persons and parties are collectively referred to as "Disqualified Persons"): (1) Specified large-volume holders (Note 5), (2) Joint holders of a specified large-volume holder, (3) Specified large-volume purchaser (Note 6), (4) Related parties of a specified large-volume purchaser, (5) Persons who take over Stock Acquisition Rights from persons mentioned in (1) through (4) above, or persons who succeed to such Rights without approval of the Company's board of directors, or (6) persons or parties with a relationship to a person regarded as any of (1) through (5) above (Note 7). The details of the exercise conditions of Stock Acquisition Rights shall be determined separately by the Company's board of directors as provided in the Resolution for the Allotment of Stock Acquisition Rights without Consideration.

9. Acquisition of Stock Acquisition Rights by the Company

The Company may, on the date determined separately by its board of directors, acquire Stock Acquisition Rights that persons other than Disqualified Persons own and issue common shares (i.e.: the Applicable Number of Shares for each Stock Acquisition Right as of the said acquisition date) as a consideration for the acquisition of such Rights. The Company may also separately resolve upon matters related to the acquisition of Stock Acquisition Rights (including matters related to the acquisition of such Rights from Disqualified Persons) as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration.

The details of the conditions for acquisition of Stock Acquisition Rights shall be determined separately by the Company's board of directors as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration.

10. Other

Other necessary matters are separately determined by the Company's board of directors as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration.

(Note 5) A specified large-volume holder is:

A holder of shares, etc., issued by the Company whose ownership ratio of such shares, etc., is 20% or more or a person whom the Company's board of directors treats as a specified large-volume holder. However, if the Company's board of directors considers that the acquisition or ownership of the Company's shares, etc., by a certain person is not against the Company's corporate value and the common interests of shareholders, or that a certain person can be specifically excluded from designation as such a holder as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration, such person shall not be regarded as a specified large-volume holder.

(Note 6) A specified large-volume purchaser is:

A person who publicly notifies of purchases, etc., of shares, etc., (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; the same applies hereinafter in this Note) issued by the Company by means of a takeover bid and whose ownership ratio of shares, etc., (including shares stipulated by Article 7, Paragraph 1 of the Enforcement Ordinance of the Financial Instruments and Exchange Act as equivalent) together with such ratio of shares, etc., owned by the person's related parties, after said purchases, etc., will be 20% or more, or any other person who the Company's board of directors treats as a specified large-volume purchaser. However, if the Company's board of directors considers that the acquisition or ownership of the Company's shares, etc., by a certain person is not against the Company's corporate value and the common interests of shareholders, or that a certain person can be specifically excluded from designation as such a holder as provided in the Resolution of the Allotment of Stock Acquisition Rights without Consideration, such person shall not be regarded as a specified large-volume holder.

(Note 7) A person or party with a relationship to a certain person is:

A person or party who substantially controls, is controlled by, or is under common control with said certain person (including a person or party whom the Company's board of directors treats as such a person or party), or any other person or party whom the Company's board of directors treats as a person or party who acts in cooperation with said certain person. "Control" in this Note means the "control of decisions on the financial and business policies" of other companies, etc., (as defined in Article 3, Paragraph 3 of the Ordinance for Enforcement of the Companies Act).

Appendix 4

Brief Profiles of the Independent Committee Members

Name Nobuhiko Ito

Date of birth February 5, 1947

Profile

July 1971 Joined Exxon Chemical Japan Ltd.

July 1989 Joined General Electric Japan Ltd. (currently GE Japan Ltd.)

January 1999 Representative Director and President of GE Yokogawa Medical Systems Ltd. (currently GE Healthcare Japan Ltd.)

September 2002 Representative Director, President and CEO of GE Edison Life Insurance Co., Ltd. (currently Gibraltar Life Insurance Co., Ltd.)

January 2004 Representative Director, President and CEO of GE Capital Leasing Co., Ltd. (currently GE Japan Ltd.)

February 2005 Representative Director, President and CEO of General Electric Japan Ltd. (currently GE Japan Ltd.)

January 2008 Senior Adviser of TPG Capital Co., Ltd. (current position)

February 2008 Director of NIS Group Co., Ltd.

June 2008 Director of TADANO Ltd. (current position)

June 2010 Board Director (outside) of Konica Minolta Holdings Inc. (currently Konica Minolta, Inc.) (current position)

March 2012 Representative Director and Chairman of AVON Products Co., Ltd.

June 2012 Outside Director of TOMY Company, Ltd.

(Important concurrent responsibilities)

Senior Adviser of TPG Capital Co., Ltd., and Board Director (outside) of Konica Minolta Inc.

* Mr. Nobuhiko Ito is currently an outside director of the Company and is scheduled to be reappointed as an outside director at this shareholders meeting. The Company has registered Mr. Ito with Tokyo Stock Exchange, Inc., as an independent director. There are no vested interests between Mr. Ito and the Company.

Name Yasuyuki Yoshida

Date of birth August 23, 1947

Profile

April 1971 Joined Mitsubishi Research Institute, Inc. (“MRI”)

October 2002 Councilor of MRI

October 2007 Joined NIKKEN SEKKEI Research Institute (“NSRI”) (as Principal Consultant)

January 2008 Managing Executive and Principal Consultant of NSRI

June 2008 Director of TADANO Ltd. (current position)

March 2009 Director, Managing Executive and Vice President of NSRI

March 2011 Retired from NSRI.

* Mr. Yasuyuki Yoshida is currently an outside director of the Company and is scheduled to be reappointed as an outside director at this shareholders meeting. The Company has registered Mr. Yoshida with Tokyo Stock Exchange, Inc., as an independent director. There are no vested interests between Mr. Yoshida and the Company.

Name Yuichiro Miyake

Date of birth August 8, 1947

Profile

April 1972 Registered as a lawyer (to present)

April 1972 Joined Miyake & Partners (to present)

August 1994 Outside Auditor of TAIHEI PAPER CORPORATION (currently DYNIC CORPORATION)

June 1995 Outside Auditor of SANYO DENKI CO.,LTD.

June 1998 Outside Auditor of Sumitomo Osaka Cement Co.,Ltd.

June 1999 Outside Director of SANYO DENKI CO.,LTD. (present position)

November 2000 Outside Auditor of Tokyo Individualized Educational Institute, INC.

June 2003 Outside Auditor of Shindengen Electric Manufacturing Co.,Ltd. (present position)

August 2006 Outside Auditor of ASAHI KASEI CORPORATION

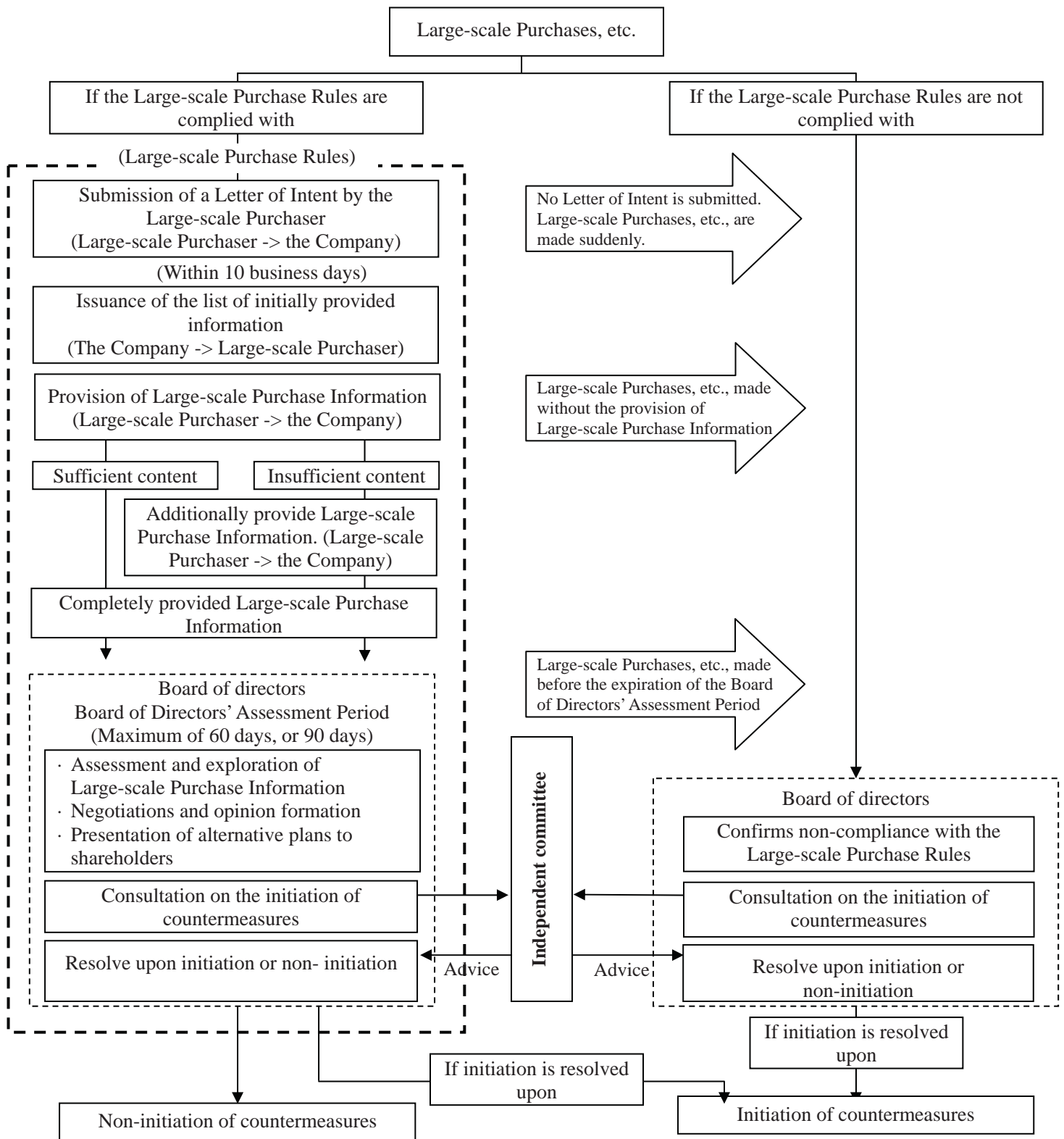
June 2008 Corporate auditor of TADANO Ltd. (present position)

(Important concurrent responsibilities)

Lawyer (Representative of Miyake & Partners)

* Mr. Yuichiro Miyake is currently an outside corporate auditor of the Company. The Company has registered Mr. Miyake with Tokyo Stock Exchange, Inc., as an independent director. There are no vested interests between Mr. Miyake and the Company.

Countermeasure Policy against Large-scale Purchases, etc., of the Company's Shares
(Flowchart Diagram)



The diagram above is presented to help readers better understand the New Countermeasure Policy and the Large-scale Purchase Rules and explains the representative flow of procedures. Not all of the required procedures have been necessarily shown. Please see the main text regarding details.

Instructions for Exercise of Voting Rights via the Internet

1. Exercise of voting rights via the Internet

- (1) You may exercise your voting rights via the Company's designated "website for exercising voting rights" (see URL below), instead of in writing. If you wish to do so, please login to the website, input the code for exercising voting rights and your password displayed on the right side of the enclosed ballot form, and then follow the instructions on the screen. To ensure security, you need to change your password upon initial login.

Please also note that the website for exercising voting rights is not accessible via mobile phones.

<http://www.it-soukai.com>

- (2) The deadline for exercising voting rights is 5:25 pm, Tuesday, June 24, 2014. Please finish entering your votes by that time. Early voting will be appreciated.
- (3) If you exercise your voting rights both in writing and via the internet, only your votes exercised via the internet will be considered valid. If you exercise your voting rights more than once, only the final exercise of your voting rights will be considered valid.
- (4) Your password (including your changed password) will be valid for this Shareholders Meeting only. A new password will be issued for the next Shareholders Meeting.
- (5) Shareholders are requested to gain internet access at their own expense.

(Important)

- The password is a means of confirming that the voter is qualified to vote. The Company will never ask for your password.
- If you enter the wrong password more than a certain number of times, your password will be locked and become unusable. If this happens, please follow the instructions on the screen to unlock your password.
- The website for exercising voting rights is designed to be compatible with common devices with an internet connection. However, the website may not be compatible with some devices.

2. Contact

For any inquiries, please contact the Stock Transfer Agency Department of Mizuho Trust & Banking Co., Ltd., the Company's shareholder registry administrator (see below).

- (1) Inquiries about how to use the website for exercising voting rights
Toll-free number: 0120-768-524 (Weekdays: 9:00 – 21:00)
- (2) Inquiries about stock administration other than the above
Toll-free number: 0120-288-324 (Weekdays: 9:00 – 17:00)

(Reference)

The platform for electronically exercising voting rights provided by Investor Communications Japan (ICJ) is available to institutional investors.