

## Reference materials for proposals at General Meeting of Shareholders

### Proposal 1- Partial amendments to the Articles of Incorporation

#### 1. Objective

This is to propose to eliminate the provisions in relation to Type A Preferred Shares from the Articles of Incorporation in accordance with the acquisition and cancellation of all of the issued Type A Preferred Shares implemented by the Company during the fiscal year under review and make some adjustments to the expression of certain terms therein related thereto where necessary.

#### 2. Details

(1) Amendments to the provisions as follows:

Current Version	Amended Version				
<p style="text-align: center;"><b>CHAPTER 1 GENERAL PROVISIONS</b></p> <p style="text-align: center;">Article 1</p> <p style="text-align: center;">through</p> <p style="text-align: center;">Article 5</p> <p style="text-align: center;">(Omitted)</p> <p style="text-align: center;"><b>CHAPTER 2 COMPANY STOCK</b></p> <p>Article 6. Total number of shares authorized to be issued <u>and total number of shares authorized to be issued by class</u></p> <p>The total number of shares of the Company authorized to be issued shall be 1,775,000,000 shares.</p> <p><u>The total number of shares of the Company authorized to be issued by class shall be as follows:</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 70%;"><u>Common shares</u></td> <td style="text-align: right;"><u>1,775,000,000 shares</u></td> </tr> <tr> <td><u>Type A Preferred Shares</u></td> <td style="text-align: right;"><u>3,000,000 shares</u></td> </tr> </table> <p>Article 7. Number of shares <u>of common stock</u> comprising one (1) unit</p> <p>The number of shares <u>of common stock</u> comprising one (1) unit (hereinafter referred to as "Unit") shall be 1,000 shares.</p>	<u>Common shares</u>	<u>1,775,000,000 shares</u>	<u>Type A Preferred Shares</u>	<u>3,000,000 shares</u>	<p style="text-align: center;"><b>CHAPTER 1 GENERAL PROVISIONS</b></p> <p style="text-align: center;">Article 1</p> <p style="text-align: center;">through</p> <p style="text-align: center;">Article 5</p> <p style="text-align: center;">(Same as Current Version)</p> <p style="text-align: center;"><b>CHAPTER 2 COMPANY STOCK</b></p> <p>Article 6. Total number of shares authorized to be issued</p> <p>The total number of shares of the Company authorized to be issued shall be 1,775,000,000 shares.</p> <p style="text-align: center;">(Deleted)</p> <p>Article 7. Number of shares comprising one (1) unit</p> <p>The number of shares comprising one (1) unit (hereinafter referred to as "Unit") shall be 1,000 shares.</p>
<u>Common shares</u>	<u>1,775,000,000 shares</u>				
<u>Type A Preferred Shares</u>	<u>3,000,000 shares</u>				

(2) Elimination of the following provisions

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**CHAPTER 2-2 TYPE A PREFERRED SHARES**

Article 10-2 Type A Preferred Dividends

1. If the Company is to distribute any surplus (excluding the Type A Preferred Interim Dividend defined in paragraph 5), the Company will distribute the amount of surplus per share of the Type A Preferred Shares set out in the following paragraph (the "Type A Preferred Dividend") to the shareholders of the Type A Preferred Shares (the "Type A Preferred Shareholders"), and the registered pledgees of shares of the Type A Preferred Shares (the "Registered Pledgees of Type A Preferred Shares"), listed or recorded in the latest register of shareholders as of the record date for the distribution of surplus before making any such distribution to the shareholders of common shares (the "Common Shareholders") or the registered pledgees of common shares (the "Registered Pledgees of Common Shares"). However, if all or part of the Type A Preferred Dividend (excluding the distribution of the Accumulated Unpaid Type A Preferred Dividend defined in paragraph 3 and including the Type A Preferred Interim Dividend defined in paragraph 5) has already been paid based on a record date that falls in the fiscal year of the record date for the distribution of surplus, the accumulated amount of the distribution shall be deducted from the amount of surplus. If the Company acquires the Type A Preferred Shares in the period from the record date of the distribution of surplus to the distribution of surplus, the distribution of surplus with respect to the record date above for the Type A Preferred Shares will not be required.

2. The amount of the Type A Preferred Dividend will be JPY 925 per share (the amount of the Type A Preferred Dividend with a record date that falls in the fiscal year ending on March 31, 2010 will be JPY 842 per share). However, if the aggregate of the amounts of surplus per share to be distributed to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares (excluding the distribution of the Accumulated Unpaid Type A Preferred Dividend defined in the following paragraph and including the Type A Preferred Interim Dividend defined in paragraph 5) in a fiscal year (the "Fiscal Year Before Amendment for Type A Preferred Dividend") and the immediately preceding fiscal year does not reach the amount of the Type A Preferred Dividend relating to those fiscal years for 2 consecutive years, the amount of the Type A Preferred Dividends will, starting from the fiscal year immediately after the Fiscal Year Before Amendment for Type A Preferred Dividend (the "Fiscal Year After Amendment for Type A Preferred Dividend"), be amended to JPY 1,225 per share (the "Amendment of Type A Preferred Dividend").

3. If the aggregate of the amount of surplus per share to be distributed to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares based on a record date that falls in a fiscal year (excluding the distribution of the Accumulated Unpaid Type A Preferred Dividend defined in the following paragraph) does not reach the amount of the Type A Preferred Dividend for that fiscal year, the shortfall will accumulate and be carried over to the following and subsequent fiscal years, and the accumulated shortfall (the "Accumulated Unpaid Type A Preferred Dividend") will be paid to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares before making the Type A Preferred Dividend, the Type A Preferred Interim Dividend defined in paragraph 5 and any distribution to the Common Shareholders or the Registered Pledgees of Common Shares.

4. No surplus in excess of the Type A Preferred Dividend will be distributed to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares.

5. If the Company is to distribute any surplus based on a record date of September 30 on any given year, the Company will distribute the amount of surplus per share of the Type A Preferred Shares equal to one-half of the amount of the Type A Preferred Dividend in the fiscal year of the record date (rounded up to the nearest whole yen) (the "Type A Preferred Interim Dividend") to the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares, listed or recorded in the latest register of shareholders as of September 30 of that year before making any such distribution to the Common Shareholders or the Registered Pledgees of Common Shares. The amount of the Type A Preferred Interim Dividend with a record date that falls on September 30, 2009 will be JPY 381 per share.

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Article 10-3 Distribution of Residual Assets

1. If the Company is to distribute residual assets, the Company will pay the base acquisition price set out in Article 10-5, Paragraph 2, as the residual assets distribution amount per share of the Type A Preferred Shares to the Type A Preferred Shareholders and the Registered Pledges of Type A Preferred Shares prior to the Common Shareholders or the Registered Pledges of Common Shares.

2. In the case of the distribution of residual assets set out in the preceding paragraph, the base acquisition price will be calculated by reading the "Acquisition Date" in the calculation of the base acquisition price set out in Article 10-5, Paragraph 2, as meaning the "date on which the residual assets are distributed".

3. No residual assets other than those provided for in paragraph 1 will be distributed to the Type A Preferred Shareholders or the Registered Pledges of Type A Preferred Shares.

Article 10-4 Voting Rights

Unless otherwise provided by law or regulation, the Type A Preferred Shareholders do not have voting rights at general meetings of shareholders.

Article 10-5 The Preferred Shareholders' Right to Request Acquisition of Type A Preferred Shares with Cash Consideration

1. The Type A Preferred Shareholders may, at any time on and after July 2, 2009, request the Company to pay cash amount in exchange for the Company's acquiring all or part of the Type A Preferred Shares. Upon receiving that request, the Company shall implement the acquisition of all or part of the Type A Preferred Shares as set out below on the effective date of the request within the limit of the distributable reserve stipulated in Article 461, Paragraph 2, of the Companies Act as of the effective date to the extent permitted by law or regulation (the date on which the shares are acquired, the "Acquisition Date"). However, if the Type A Preferred Shareholders request to acquire the shares in excess of the distributable reserve, the shares of the Type A Preferred Shares to be acquired will be determined by pro rata allotment in proportion to the number of the shares requested.

2. The acquisition price per share of the Type A Preferred Shares will be calculated according to each case set out below. The acquisition price per share of the Type A Preferred Shares calculated in accordance with the formula below is referred to as the "Base Acquisition Price." The "Business Day" below means any day other than the days stipulated as bank holidays in Japan under the Banking Law (Law No. 59 of 1981, as amended).

(1) In the case the Type A Preferred Dividend is not amended

Base Acquisition Price Formula

Base Acquisition Price = JPY 10,000 × (1 + 0.0925)<sup>m</sup> × (1 + 0.0925)<sup>n</sup>

In the Base Acquisition Price Formula, "m" is

(a) if the Acquisition Date falls in the period between the payment date to the date immediately preceding the first anniversary of such payment date—zero, or

(b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the payment date to the Immediately Preceding Payment Anniversary.

Each anniversary of the payment date is referred to as a "Payment Anniversary," and the "Immediately Preceding Payment Anniversary" means the Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Payment Anniversary).

In the Base Acquisition Price Formula, "n" will be calculated by dividing the "Number of Remaining Days" (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The "Number of Remaining Days" means the actual number of days from the date (inclusive) immediately following the payment date to the Acquisition Date (inclusive) in the case of (a) above or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

Notwithstanding the formula above, if the Type A Preferred Dividend (including the Accumulated Unpaid Type A Preferred Dividend; the same applies in this paragraph) is paid before the Acquisition Date (inclusive) (the Type A Preferred Dividend paid before the Acquisition Date is referred to as the "Paid Type A Preferred Dividend"), the Acquisition Price per share of the Type A Preferred Shares will be adjusted by deducting the price calculated in accordance with the following formula from the Base Acquisition Price. If the Type A Preferred Dividend is paid multiple times, the deduction price will be calculated for each of the Paid Type A Preferred Dividend and deducted from the Base Acquisition Price.

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Deduction Price Formula

Deduction Price = Paid Type A Preferred Dividend x (1 + 0.0925)<sup>x</sup> x (1 + 0.0925)<sup>y</sup>

In the Deduction Price Formula, “x” is

- (a) if the Acquisition Date falls on any day between the date on which the Paid Type A Preferred Dividend is paid (the “Preferred Dividend Payment Date”) (inclusive) and the date immediately preceding the anniversary of the Preferred Dividend Payment Date—zero, or  
(b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the Preferred Dividend Payment Date to the Immediately Preceding Preferred Dividend Payment Anniversary. Each anniversary of the Preferred Dividend Payment Date is referred to as a “Preferred Dividend Payment Anniversary”, and the “Immediately Preceding Preferred Dividend Payment Anniversary” means the Preferred Dividend Payment Anniversary immediately preceding the Acquisition Date (if the Acquisition Date occurs on the same date as a Preferred Dividend Payment Anniversary, the Acquisition Date will be considered the Immediately Preceding Preferred Dividend Payment Anniversary).

In the Deduction Price Formula, “y” is calculated by dividing the “Number of Remaining Days” (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The “Number of Remaining Days” means the actual number of days from the date (inclusive) immediately following the Preferred Dividend Payment Date to the Acquisition Date (inclusive) in the case of (a) above, or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Preferred Dividend Payment Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

(2) In the case the Type A Preferred Dividend is amended

Base Acquisition Price Formula After Amendment of Type A Preferred Dividend

Base Acquisition Price After Amendment of Type A Preferred Dividend = Amended Calculation Date Acquisition Price x (1 + 0.1225)<sup>p</sup> x (1 + 0.1225)<sup>q</sup>

If the Acquisition Date falls on the last day of the Fiscal Year Before Amendment for Type A Preferred Dividend (the “Calculation Date”), the “Amended Calculation Date Acquisition Price” means the Acquisition Price calculated in accordance with the preceding item.

In the Base Acquisition Price Formula After Amendment of Type A Preferred Dividend, “p” is

- (a) if the Acquisition Date falls in the period between the Calculation Date to the date immediately preceding the first anniversary of such Calculation Date—zero, or  
(b) if the Acquisition Date falls on any subsequent day—the number of years elapsed (positive integer) from the Calculation Date to the Immediately Preceding Anniversary Date, .

Each anniversary of the Calculation Date is referred to as a Calculation Anniversary,” and the “Immediately Preceding Calculation Anniversary” means the Calculation Anniversary immediately preceding the Acquisition Date, (if the Acquisition Date occurs on the same date as a Calculation Anniversary, the Acquisition Date will be considered the Immediately Preceding Calculation Anniversary).

In the Base Acquisition Price Formula After Amendment of Type A Preferred Dividend, “q” will be calculated by dividing the “Number of Remaining Days” (defined below) by 365 (calculated to four decimal places and rounded down to three decimal places). The “Number of Remaining Days” means the actual number of days from the date (inclusive) immediately following the Calculation Date to the Acquisition Date (inclusive) in the case of (a) above or the actual number of days from the date (inclusive) immediately following the Immediately Preceding Calculation Anniversary to the Acquisition Date (inclusive) in the case of (b) above.

Notwithstanding the formula above, if the Type A Preferred Dividend is paid between the date immediately following the Calculation Date to the Acquisition Date (including such date) (the Type A Preferred Dividend paid between the date immediately following the Calculation to the Acquisition Date shall be referred to as the “Paid Type A Preferred Dividend After Amendment”), the Acquisition Price per share of the Type A Preferred Shares will be arranged by deducting the price calculated in accordance with the following formula from the Base Acquisition Price After Amendment of Type A Preferred Dividend. If the Type A Preferred Dividend is paid in multiple times, the deduction price will be calculated for each of the Paid Type A Preferred Dividend After Amendment and deducted from the Base Acquisition Price.

Deduction Price Formula After Amendment of Type A Preferred Dividend

Deduction Price After Amendment of Type A Preferred Dividend = Paid Type A Preferred Dividend x 0.1225<sup>r</sup> x (1 + 0.1225)<sup>s</sup>

In the Deduction Price Formula After Amendment of Type A Preferred Dividend, “r” and “s” are calculated similarly in accordance with “x” and “y” in the Deduction Price Formula mentioned above. In such case, the Deduction Price After Amendment of Type A Preferred Dividend will be calculated by reading the “Paid Type A Preferred Dividend” in the calculation as meaning the “Paid Type A Preferred

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Dividend After Amendment”.

Article 10-6 The Company’s Right to Acquire Type A Preferred Shares with Cash Consideration

1. The Company may acquire all or part of the Type A Preferred Shares, on a date separately determined by the Board of Directors of the Company, to the extent permitted under the applicable law or regulation, in exchange for the amount of cash irrespective of the intention of the Type A Preferred Shareholders or the Registered Pledgees of Type A Preferred Shares (the date of the acquisition, the “Date of Acquisition by Right of Acquisition with Cash Consideration”). If the Company is to acquire part of the Type A Preferred Shares, it shall do so pro rata or in a reasonable manner determined by the Board of Directors of the Company.

2. The acquisition price per Type A Preferred Share will be

(a) if the Date of Acquisition by Right of Acquisition with Cash Consideration falls within the period from the subscription date to the day immediately before its first anniversary—the amount equal to the Base Acquisition Price set out in Article 10-5, Paragraph 2, multiplied by 1.02, or

(b) if the Date of Acquisition by Right of Acquisition with Cash Consideration falls in any subsequent day—the amount equal to the Base Acquisition Price set out in Article 10-5, Paragraph 2.

When the above Base Acquisition Price being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Article 10-5, Paragraph 2, as meaning the “Date of Acquisition by Right of Acquisition with Cash Consideration”.

Article 10-7 Right to Request Acquisition of Type A Preferred Shares by the Company with Common Shares for Consideration

1. A Type A Preferred Shareholder may request the Company, under the conditions set out in Paragraph 3 below, to deliver the common shares in exchange for the Company’s acquiring the Type A Preferred Shares during the period in which the Type A Preferred Shareholder is entitled to request acquisition provided for Paragraph 2 below.

2. The period in which the Type A Preferred Shareholders are entitled to request acquisition of the Type A Preferred Shares is any time on and after July 2, 2009.

3. The Type A Preferred Shareholders may cause the Company to acquire the Type A Preferred Shares in exchange for delivery of the common shares of the Company under the following conditions (the date of acquisition, the “Acquisition Date with Common Share Consideration”). When the number of common shares to be delivered to the Type A Preferred Shareholders are being calculated, any fraction of a share is to be rounded down to the nearest one share, and the monetary adjustment set out in Paragraph 3 of Article 167 of the Companies Act will not be performed.

Formula:

The number of common shares to be delivered in exchange for acquisition =  $A \div B$

A = Aggregate Base Acquisition Price set out in Article 10-5, Paragraph 2, of the Type A Preferred Shares that the Type A Preferred Shareholders request the Company to acquire

B = Exchange price

When the above Base Acquisition Price is being calculated, the Base Acquisition Price will be calculated by reading the “Acquisition Date” in the calculation of the Base Acquisition Price set out in Article 10-5, Paragraph 2, as meaning the “Acquisition Date with Common Share Consideration.”

(1) The Initial Exchange Price is 291.7 yen.

(2) The Exchange Price will be revised on January 15 and July 15 (each date, the “Exchange Price Revision Date”) each year after January 15, 2010, to the amount (the “Revised Exchange Price”) equal to 90% of the current market price as of the Exchange Price Revision Date. However, if the Revised Exchange Price is less than 65% of the Initial Exchange Price (the “Minimum Exchange Price”), the Revised Exchange Price will be the Minimum Exchange Price. If the Exchange Price is adjusted in accordance with Item (3) below, the Minimum Exchange Price will be adjusted accordingly.

The “current market price” used above means the average daily closing price (including displayed quotes) of the common shares of the Company in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the Exchange Price Revision Date, and the calculation is to be made to the two decimal place denominated in yen and then rounded down to the one decimal place.

(3) (a) If the number of common shares changes or is likely to change due to any of the events listed in Item (b) below after the issue of the Type A Preferred Shares, the Company shall adjust the Exchange Price (including the Exchange Price after revision as set out in Item (2) above) in accordance with the following formula (the “Exchange Price Adjustment Formula”).

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## Formula:

Exchange price after adjustment =  $A \times (B + C \times D \div E) \div (B + C)$

A = Exchange price before adjustment

B = Number of common shares outstanding

C = Number of common shares to be delivered

D = Subscription price per share

E = Current market price per share

The "number of common shares outstanding" used in the Exchange Price Adjustment Formula means the number of outstanding common shares of the Company as of the record date, if any, of each transaction described in Items (b)(i) through (b)(iv) below with respect to the Common Shareholders, or if no such record date is set, the date 1 month before the date on which the adjusted Exchange Price becomes effective less the number of common shares held by the Company as of that date. The "number of common shares to be delivered" used in the Exchange Price Adjustment Formula means, in the case of a stock split of common shares, the number of common shares increased due to the stock split (excluding the number of common shares increased with respect to the common shares held by the Company as of the record date). In the case of a stock consolidation, the number of common shares decreased due to the stock consolidation (excluding the number of common shares decreased with respect to the common shares held by the Company as of the effective date) will be used in the Exchange Price Adjustment Formula as a negative number. The "subscription price per share" used in the Exchange Price Adjustment Formula means

(i) in the case of Item (b)(i) below, the relevant subscription price (or, in the case of subscription for contribution of non-monetary properties, the fair value, or in the case of gratuitous allotment, zero yen),

(ii) in the case of Items (b)(ii) and (b)(iv) below, zero yen, or

(iii) in the case of Item (b)(iii) below, the price as set out in Item (b)(v) below.

(b) The adjustment of the Exchange Price of the Type A Preferred Shares in accordance with the Exchange Price Adjustment Formula, and the time when the adjusted Exchange Price becomes effective, are as set out below.

(i) If the Company delivers (including by gratuitous allotment) the common shares at a subscription price that is less than the current market price set out in Item (c)(ii) below (except for the case where the Company delivers the common shares in exchange for acquisition of acquirable shares, shares with claim for acquisition, or acquirable stock acquisition rights (including those attached to bonds with stock acquisition rights; the same applies in this (3)), or upon conversion, exchange or exercise of the stock acquisition rights (including those attached to the bonds with stock acquisition rights; the same applies in this (3)) or other securities or rights that may demand delivery of the common shares), then the adjusted Exchange Price will become effective as of the day immediately following the payment date (or, if the payment period is set in the offering, the last day of that payment period; the same applies hereinafter), or the day immediately following the date on which the gratuitous allotment takes effect. However, if the record date on which a right to receive an allotment of offered shares is granted to the Common Shareholders of the Company or on which gratuitous allotment is executed is set, the adjusted Exchange Price will become effective as of the day immediately following that record date.

(ii) In the case of stock split of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock split.

(iii) If the Company delivers (including by gratuitous allotment)

- shares with claims for acquisition, acquirable shares or acquirable stock acquisition rights and the delivery of the common shares in exchange \_\_\_\_\_ for acquisition of acquirable shares, shares with claims for acquisition, or acquirable stock acquisition rights is set at a Price (as defined below) that is less than the current market price set out in Item (c)(ii) below, or
- stock acquisition rights or other securities or rights that allow their holders to demand delivery of common shares at a Price that is less than the current market price set out in Item (c)(ii) below,

then the adjusted Exchange Price will

be calculated in accordance with the Exchange Price Adjustment Formula assuming that the common shares are delivered in such a way that all of the shares with claim for acquisition, acquirable shares, \_\_\_\_\_ or acquirable stock acquisition rights, or the stock acquisition rights or other securities or rights (the "Shares with Claim for Acquisition, Etc.") to be delivered are acquired, converted, exchanged or exercised on the initial conditions, and

- become effective as of the day immediately following the delivery date or the effective date of gratuitous allotment.

However, if there is a record date on which a right to receive an allotment of the Shares with Claim for Acquisition, Etc. is granted to the Common Shareholders or on which gratuitous allotment is executed, the adjusted Exchange Price will become effective as of the day immediately following that record date.

Notwithstanding the foregoing, if the price of the common shares to be delivered upon acquisition, conversion, exchange or exercise is not settled at the time described above, the adjusted Exchange Price will

- be calculated in accordance with the Exchange Price Adjustment Formula assuming that the common shares are delivered in such a way that all of the Shares with Claim for Acquisition, Etc. that have been delivered at the time of settlement of the price are

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acquired, converted, exchanged or exercised on the conditions at the time of the settlement of the price, and

- become effective as of the day immediately following the date on which the price is settled.

(iv) In the case of a stock consolidation of the common shares, the adjusted Exchange Price will become effective as of the day immediately following the record date of the stock consolidation.

(v) The "Price" referred to in Item (iii) above means the amount calculated by dividing (a) the amount paid upon delivery of the Shares with Claim for Acquisition, Etc. and other payments in the nature of consideration (in the case of the stock acquisition rights that allow their holders to demand delivery of the common shares at a price that is less than the current market price, the total of the stock acquisition rights paid upon their delivery and the amount of property to be contributed upon their exercise) less the amount of property other than the common shares to be delivered to holders of the Shares with Claim for Acquisition, Etc. upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc., by (b) the number of common shares to be delivered upon acquisition, conversion, exchange or exercise of the Shares with Claim for Acquisition, Etc.

(c) (i) The calculation in accordance with the Exchange Price Adjustment Formula will be made to the two decimal place denominated in yen and then rounded down to the one decimal place.

(ii) The current market price used in the Exchange Price Adjustment Formula is the average daily closing price (including displayed quotes) of the common shares in regular trading as reported by the Tokyo Stock Exchange for the 30 consecutive trading days (excluding trading days on which no closing price is reported) commencing on the 45th trading day before the date on which the adjusted Exchange Price becomes effective. The calculation will be made to the two decimal place denominated in yen and then rounded to the nearest one decimal place.

(d) In addition to the events necessary to adjust the Exchange Price as set out in Item (b) above, if the Board of Directors of the Company reasonably determines that any of the following events applies, the Company shall adjust the Exchange Price as necessary:

(i) if it is necessary to adjust the Exchange Price for the purpose of a merger in which the Company is the surviving company, assumption of all or part of the rights and obligations of another company as a result of an absorption-type merger performed by that other company, or acquisition of all outstanding shares of a stock company as a result of a share exchange performed by that other stock company;

(ii) if two or more events necessary to adjust the Exchange Price occur almost simultaneously, and it is necessary to consider the effect that one event has on the current market price to be used for calculation of the Exchange Price after adjustment based on another event;  
or

(iii) if it is otherwise necessary to adjust the Exchange Price as a result of any event that changes or may change the number of outstanding common shares of the Company occurs.

(e) As long as the difference between the Exchange Price after adjustment calculated in accordance with the Exchange Price Adjustment Formula and the Exchange Price before adjustment is only less than 1 yen, the Exchange Price will not be adjusted. However, adjustments considered unnecessary under this item are to be carried forward and taken into consideration in calculating the subsequent adjustment.

(f) If the Exchange Price is adjusted in accordance with any of the items in Items (a) through (e), the Company shall give prior written notice to each Type A Preferred Shareholder recorded in the register of shareholders indicating the fact that the adjustment was made, the Exchange Price before adjustment, the Exchange Price after adjustment, the date on which the Exchange Price becomes effective, and other necessary matters. However, if the Company is unable to give the notice by the day immediately prior to the date on which the Exchange Price becomes effective, the Company shall promptly give such notice on and after the date on which the Exchange Price becomes effective.

Article 10-8. Consolidation or split of shares, allotment of offered shares etc.

Unless otherwise provided for by law or regulation, the Company will not consolidate or split the Type A Preferred Shares. The Company will not grant the Type A Preferred Shareholders the right to receive an allotment of offered shares or the right to receive an allotment of offered stock acquisition rights and will not carry out a gratis allotment of shares or a gratis allotment of stock acquisition rights.

Article 16-2. Meeting of class shareholders

The provisions of Article 13 through 16 apply with the necessary changes to meetings of class shareholders.

## Proposal 2- Election of Eleven Directors

The term of office of all the twelve Directors shall expire as of the end of this Ordinary General Meeting of Shareholders. It is therefore proposed that the following eleven Directors be elected. Details of the Director candidates are as follows:

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
<b>1</b>	Katsuji Fujimoto (28 Jul. 1943)	<p>Apr. 1968    Joined the Company</p> <p>Jun. 1998    Director</p> <p>Jun. 2002    Managing Director</p> <p>Jun. 2004    Representative Director, President</p> <p>Oct. 2007    President &amp; CEO</p> <p>Jun. 2008    Director, Chairman of NSG Group</p> <p>Oct. 2009    Representative Executive Director, President &amp; CEO</p> <p>Jun. 2010    Director, Chairman of NSG Group (Current position)</p>	122,000 Common shares
<b>2</b>	Tomoaki Abe (25 Mar. 1941)	<p>Apr. 1963    Joined the Company</p> <p>Jun. 1992    Director</p> <p>Jun. 1998    Managing Director</p> <p>Jun. 2000    Senior Managing Director</p> <p>Jun. 2002    Vice President, Representative Director</p> <p>Jun. 2004    Vice Chairman, Representative Director</p> <p>Jun. 2007    Director Vice Chairman (Current position)</p>	78,000 Common shares

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
<b>3</b>	Craig Naylor (24 Nov. 1948)	<p>Jun. 1970    Joined E. I. du Pont de Nemours and Company (DuPont)</p> <p>Aug. 1987    Regional Director DuPont Automotive, Asia Pacific (Japan)</p> <p>Mar. 1991    Products Director, Engineering Polymers (USA)</p> <p>Aug. 1992    Global Business Director, Nylon Resins (Switzerland)</p> <p>Dec. 1996    Vice President &amp; General Manager, Engineering Polymers (Switzerland)</p> <p>Jun. 2000    Group Vice President &amp; General Manager, Engineering Polymers, Fluoroproducts and Packaging &amp; Industrial Polymers (Switzerland)</p> <p>Jun. 2002    Group Vice President DuPont Performance Materials (USA)</p> <p>Jan, 2004    Group Vice President Asia Pacific (China)</p> <p>Jun. 2004    Group Vice President DuPont Electronic &amp; Communication Technologies (USA)</p> <p>Feb. 2005    Non-executive director, Delphi Corporation (Retired in Sep. 2009)</p> <p>Jun. 2010    Representative Executive Director, President &amp; CEO, NSG Group (Current position)</p>	—
<b>4</b>	Mark Lyons (31 Oct. 1962)	<p>Apr. 1990    Joined Pilkington plc (Currently Pilkington Group Limited)</p> <p>Jan. 2003    CFO, Building Products Worldwide</p> <p>Mar. 2005    President, Building Products Europe</p> <p>Apr. 2007    General Manager, BP Regional Operations, NSG Group Managing Director, Building Products Europe,</p> <p>Jun. 2007    Senior Executive Officer, NSG Group General Manager, BP Regional Operations Managing Director, Building Products Europe</p> <p>Oct. 2007    Senior Executive Officer, NSG Group Head of Building Products Worldwide (Current position)</p> <p>Jun. 2008    Executive Director, NSG Group (Current position)</p>	—

(Continued)

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
5	Mike Fallon (27 Feb. 1958)	Aug. 1979 Joined Pilkington plc (Currently Pilkington Group Limited) Jan. 1990 Production Manager Triplex Safety Glass Dec. 1991 Works Manager Triplex Safety Glass Jan. 1994 Sales & Marketing Director Triplex Safety Glass  Mar. 1996 Customer Development Director OE, Pilkington Automotive Aug. 1997 Director of Operations AGR Europe & Chairman of Pilkington Finland Apr. 2004 Vice President AGR Europe Sep. 2006 Vice President AGR South America Sep. 2007 Vice President Global AGR Jun. 2008 Executive Officer, NSG Group Sep. 2008 Head of Automotive Worldwide (Current position) Jun. 2009 Executive Director, NSG Group (Current position)	—
6	Keiji Yoshikawa (6 Jul. 1950)	Apr. 1973 Joined the Company Apr. 2003 General Manager of Information & Telecommunication Device Division, Information Technology Company Oct. 2003 General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant Jun. 2004 Executive Officer, General Manager of Information & Telecommunication Device Division, Information Technology Company & Plant Manager of SAGAMIHARA Plant Jun. 2006 Executive Officer, President of Information Technology Company, General Manager of Information & Telecommunication Device Division, Information Technology Company, and General Manager of Planning Department Sep. 2006 Executive Officer, President of Information Technology Company, and General Manager of Planning Department Apr. 2007 Executive Officer, General Manager of IT Business Line, and General Manager of Planning Department Jan. 2008 Executive Officer, General Manager of IT Business Line Jun. 2008 Executive Director, Head of Specialty Glass Worldwide (Current position)	54,000 Common shares

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
7	Clemens Miller (21 Feb. 1959)	<p>Jul. 1992    Joined Flachglas AG (currently Pilkington Deutschland AG)</p> <p>Aug. 1997    Managing Director, Building Products Germany</p> <p>Nov. 1998    Operations &amp; Planning Supply Director, Building Products Europe</p> <p>Dec. 2002    Head of Business Planning, Building Products Europe Managing Director, Fire Protection, Building Products Europe</p> <p>Jun. 2005    Managing Director, Building Products Fire Protection &amp; Coatings</p> <p>Apr. 2007    Managing Director, Solar Energy Business Managing Director, Building Products Fire Protection &amp; Coatings</p> <p>Aug. 2007    Managing Director, Building Products Europe Managing Director, Building Products Fire Protection &amp; Coatings</p> <p>Jun. 2008    Senior Executive Officer, NSG Group (Current position) Head of BP Europe</p> <p>Apr. 2010    Vice President of Commercial and Solar Energy Products (Current position)</p>	—
8	George Olcott (7 May. 1955)	<p>Jul. 1986    Joined S.G. Warburg &amp; Co., Ltd</p> <p>Nov. 1991    Director of S.G. Warburg &amp; Co., Ltd</p> <p>Sep 1993    Executive Director, Equity Capital Market Group, S.G. Warburg Securities London</p> <p>Apr. 1997    Head of Tokyo branch, SBC Warburg</p> <p>Apr. 1998    Vice President, LTCB-UBS-Brinson Asset Management</p> <p>Feb. 1999    President, UBS Asset Management (Japan) President, Japan UBS Brinson</p> <p>Jun. 2000    Managing Director, Equity Capital Market, UBS Warburg Tokyo</p> <p>Sep. 2001    Judge Business School, University of Cambridge</p> <p>Mar. 2005    FME Teaching Fellow, Judge Business School, University of Cambridge</p> <p>Mar. 2008    Senior Fellow, Judge Business School, University of Cambridge (Current position)</p> <p>Jun. 2008    Director, NSG Group (Current position)</p> <p>Apr. 2010    Director, NKSJ Holdings, Inc. (Current position)</p> <p>(Material concurrent positions)</p> <ul style="list-style-type: none"> <li>➤ Senior Fellow, Judge Business School, University of Cambridge</li> <li>➤ Director, NKSJ Holdings, Inc</li> </ul>	—

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
9	Sumitaka Fujita (24 Dec. 1942)	<p>Apr. 1965    Joined ITOCHU Corporation</p> <p>Jun. 1995    Executive Director, ITOCHU Corporation</p> <p>Apr. 1997    Senior Executive Director, ITOCHU Corporation</p> <p>Apr. 1998    Senior Executive Director Representative Director, ITOCHU Corporation</p> <p>Apr. 1999    Chief Financial Officer, Chief Executive Director, Representative Director ,ITOCHU Corporation</p> <p>Apr. 2001    Chief Financial Officer, Vice President, Representative Director, ITOCHU Corporation</p> <p>Apr. 2003    Vice President, Representative Director, Chief Financial Officer, Chief Compliance Officer</p> <p>Apr. 2006    Vice Chairman, Representative Director, ITOCHU Corporation</p> <p>Jun. 2006    Vice Chairman, ITOCHU Corporation</p> <p>Jun. 2007    Director, Orient Corporation (Retired in Jun. 2010)</p> <p>Jun. 2008    Senior Advisor, ITOCHU Corporation (Current position) Director, The Furukawa Electric, Co., Ltd. (Current position) Auditor, NIPPONKOA Insurance Company, Limited</p> <p>Jun. 2009    Director, NSG Group (Current position) Auditor, NIPPONKOA Insurance Company, Limited</p> <p>Apr. 2010    Director, NKSJ Holdings, Inc. (Current position)</p> <p>(Material concurrent office)</p> <ul style="list-style-type: none"> <li>➤ Director, The Furukawa Electric, Co., Ltd.</li> <li>➤ Director, NKSJ Holdings, Inc.</li> </ul>	10,000 Common Shares
10	Seiichi Asaka (24 Dec.1942)	<p>Apr. 1965    Joined NSK Ltd.</p> <p>Jun. 1994    Director</p> <p>Jun. 1997    Managing Director</p> <p>Apr. 2000    Representative Director, Senior Managing Officer</p> <p>Jun. 2002    Representative Director, President</p> <p>Jun. 2004    Director, President &amp; Representative Chief Executive Officer</p> <p>Jun. 2009    Director, Chairman (Current position)</p> <p>Apr. 2010    Director, NKSJ Holdings, Inc. (Current position)</p> <p>Jun. 2010    Director, NSG Group (Current position)</p> <p>(Material concurrent office)</p> <ul style="list-style-type: none"> <li>➤ Director, Chairman, NSK Ltd.</li> <li>➤ Director, NKSJ Holdings, Inc.</li> </ul>	—

Candidate ID	Name (Date of Birth)	Brief Career History, Positions, Responsibilities, and Material Concurrent Positions at Other Organizations	Number/Class of the Company's Shares Owned
11	Hiroshi Komiya (7 Apr. 1942)	Apr. 1965    Joined Bridgestone Corporation Apr. 1989    General Manager, North American Business Division Apr. 1991    Director, Bridgestone Firestone Inc. Aug. 1994    Joined Olympus Corporation as General Manager, Corporate Planning Division Jun. 1997    Director Jun. 1999    Managing Director Jun. 2004    Senior Managing Director Jan. 2007    Chairman & CEO, General Imaging Inc. Mar. 2009    Chairman, General Imaging Inc. President & Representative Director, General Imaging Co., Ltd. (Current position) Jun. 2010    Director, NSG Group (Current position) (Material concurrent office) ➤ President & Representative Director, General Imaging Co., Ltd.	—

## (Notes)

1. Messrs. George Olcott, Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya are candidates for the External Directors stipulated in Article 2 Clause 15 of the Companies Act. In addition, all of them have been notified to Tokyo Stock Exchange and Osaka Securities Exchange as Independent Directors.

2. Particulars of the candidates for the External Directors are as follows:

## (1) Reasons for recommendation as the External Directors

Messrs. Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya have rich experience and wide-ranging insight as a manager, which management believes can be utilized for improvement of the Company's operations.

Mr. George Olcott has considerable experience and broad insight as an academic and as a manager, which management believes should contribute to the Company's operations.

## (2) Violation of laws, ordinances or the articles of incorporation, or other unlawful conducts in business execution in the companies where the candidates for the External Directors were Directors, Executive Officers or Auditors over the past five years (those occurred during their term of office)

A. When Mr. Sumitaka Fujita was a Director of ITOCHU Corporation it was found that the former employee of the said company had been engaged in fraudulent accounting with regard to transactions of drinkable ethanol produced overseas. Further, it was also found that in relation to a tripartite transaction where the company imported certain heavy machinery and materials from a foreign state for forwarding (on-transfer of) the same to the ultimate user located in Mongolia, while those transactions were in essence accounted for as sale and purchase transaction, there were effectively transactions of rendering financial assistance without involving any aspect of transfer of goods. Mr. Sumitaka Fujita was not involved in either of those transactions and focused his attention and efforts on strengthened compliance actions and internal control during such time as he retained the office of Director for the company.

B. He was elected as External Director of the Furukawa Electric in June 2008 and in August of the same year it was found that in relation to a part of plate/tube products made from alloy of copper and iron the company in question calculated the performance criteria with regard to product quality by conduct of the test as different from that required by JIS qualification and it was subsequently subject to cancellation of JIS mark certification (qualified on 9 April 2009 again).

In addition, during the period of his office above, on 30 March 2009 The JFTC issued cease and desist order, and surcharge payment order to the Furukawa Electric for the violation of the Anti-Monopoly Act in connection with cross-linked high-foaming polyethylene sheets business during the period to February 2007.

Albeit he had not known the facts above until these were revealed, on a daily basis Mr. Fujita put forward various proposals from the viewpoint of legal compliance and brought to the attention of the management in this regard and particularly from revelation of this occurrence he has been also seeking to ensure (by taking the occasion of the board meetings or otherwise) that the Company should be sufficiently mindful of compliance needs and spirit and should take appropriate measures for

prevention of any such further case.

C. He assumed the office of External Auditor of NIPPONKOA Insurance Company. On 23 October 2009 during his incumbency of such office, Financial Services Agency issued operational improvement order to NIPPONKOA in connection with some cases of delay in insurance payments caused by inadequate and inappropriate activities.

He significantly contributed to business improvement of NIPPONKOA Insurance Company in terms of fact-finding process and appropriate action for prevention of recurrence of the cases like above by giving the Board of Directors and Board of Auditors of the company valuable comments and advice on broad issues based on his experiences and insights as business manager at other major companies in different industries.

(3) Terms of office to date as External Director

A. Mr. George Olcott will have been the External Director for three years as of the end of this General Meeting of Shareholders.

B. Mr. Sumitaka Fujita will have been the External Director for two years as of the end of this General Meeting of Shareholders.

C. Messrs. Seiichi Asaka and Hiroshi Komiya will have been the External Directors for one year as of the end of this General Meeting of Shareholders.

(4) Agreement on liability limitation with External Directors

The Company concluded an agreement with Messrs. George Olcott, Sumitaka Fujita, Seiichi Asaka, and Hiroshi Komiya respectively to the effect that the liability of each of the External Directors in performing their duties in good faith and without gross negligence be limited to the amount permissible by law.