

[Translation]

Please note that the following is an English translation of the original Japanese version, prepared only for the convenience of shareholders residing outside Japan. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain portions relating to domestic voting procedures that are not applicable to the shareholders residing outside Japan have been translated solely as reference to avoid confusion.

Securities Code No. 9062  
June 13, 2011

## To Our Shareholders

9-3, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo  
**NIPPON EXPRESS CO., LTD.**  
Masanori Kawai  
President and Representative Director

### **NOTICE OF THE 105TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 105th Ordinary General Meeting of Shareholders of NIPPON EXPRESS CO., LTD. (the "Company").

If you are unable to attend the aforesaid meeting, you can exercise your votes through either of the methods stated below. The Company respectfully requests you to study the "Reference Material Concerning the General Meeting of Shareholders" below and exercise your voting right on or before 6:00 p.m. (JST) June 28, 2011 (Tuesday):

[By mail]

Please indicate on the Voting Right Exercise Form enclosed herewith your consent or dissent to the proposals on the agenda, and return the form to the Company by mail on or before the time limit stated above.

[Via the Internet]

When exercising your right via the Internet, please carefully read section (5) Guidance regarding the exercise of voting rights via the Internet in the "Procedures for Exercising Voting Rights via the Internet" stated in page 3 of the Japanese original version (p.\*-p.\* *note: intentionally omitted as Internet voting service is only available in Japan with the Japanese language*).

*(Note: The Company participates in the ICJ platform for institutional investors to vote from ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s). Voting via Internet other than ICJ platform is only available for registered shareholders in Japan with Japanese language only.)*

*(Note to shareholders residing outside Japan)  
Your vote is important. We will appreciate your participation in the meeting of this Ordinary General Meeting of Shareholders of the Company through providing instruction to your custodians, brokers, nominees, voting agents or other authorized intermediaries to process your vote as soon as possible. We look forward to receiving your vote.*

◎ When you attend the meeting, please submit the enclosed document for the exercise of voting rights to the receptionist at the meeting place.

## Particulars

- 1. Date and Time:** 10:00 a.m. on June 29, 2011 (Wednesday)
- 2. Place:** Large Conference Room, on the 2nd floor of Nippon Express Co., Ltd.  
9-3, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo

### 3. Objectives of the Meeting

#### Matters to be reported:

Report on Business, the Consolidated Accounting Documents, the Non-Consolidated Accounting Documents for the 105th Business Term (from April 1, 2010 to March 31, 2011), and the Report on the Results of Audit of Consolidated Accounting Documents by Accounting Auditor and the Board of Corporate Auditors.

#### Matters to be resolved:

**Proposal 1:** Proposed Disposal of Surplus

**Proposal 2:** Election of Fourteen (14) Directors

**Proposal 3:** Presentation of Bonuses to Directors

**Proposal 4:** Continuation of Defense Policy against Large Purchase Action of Shares of the Company (Takeover Defense Measure)

### 4. Guidance for Exercising Voting Rights:

(Please refer to the [Guidance for Exercising Voting Rights] in the next page.)

*(Note: intentionally omitted as the Internet voting service is only available in Japan with the Japanese language)*

- End -

## Reference Material Concerning General Meeting of Shareholders

### Proposals and References Materials

#### Proposal 1: Proposed Disposal of Surplus

The Company's fundamental dividend policy is to declare a stabilized dividend as a distribution of the results, taking into consideration internal reserves to prepare for future business development. The Company proposes that the year-end dividend for the business year under review be made as follows:

Matters related to year-end dividend

- (1) Kind of dividend property: Cash.
- (2) Matter related to distribution of cash and total amount:  
Yen 5 per share of common stock of the Company.  
The total amount: Yen 5,213,700,710
- (3) Effective date for distribution of surplus: June 30, 2011

#### Proposal 2: Election of Fourteen (14) Directors

The terms of office of all the 14 Directors will expire at the closing of this Ordinary General Meeting of Shareholders. It is proposed that fourteen (14) Directors be elected.

The candidates for Directors are listed below.

Candidate Number	Name (Date of Birth)	Profile (Position and Duties in charge, and Important Position of Other Organizations Concurrently Assumed (if any))	Number of Company's Shares Held by Candidate
1	Masanori Kawai (September 30, 1943)	April 1966    Joined the Company June 2001    Director and Officer June 2003    Executive Vice President and Representative Director, Executive Officer May 2005    President and Representative Director, Chief Executive Officer (Incumbent)	173,000
2	Kenji Watanabe (February 3, 1950)	April 1972    Joined the Company June 2005    Director and Officer, Regional General Manager, No. 9 Region, and General Manager, Osaka Branch May 2007    Director and Senior Managing Officer, Regional General Manager, Tokyo Metropolitan Region, and General Manager, Tokyo Branch May 2009    Executive Vice President and Representative Director, Executive Officer (Incumbent)  (Duties in charge) Chief Managing Officer of Domestic Business Headquarters, Administrative Headquarters and Small Package Business Promotion Headquarters	94,030

Candidate Number	Name (Date of Birth)	Profile (Position and Duties in charge, and Important Position of Other Organizations Concurrently Assumed (if any))	Number of Company's Shares Held by Candidate
3	Jiro Nakamura (January 22, 1950)	<p>April 1973    Joined the Company  May 2006    Officer, Regional General Manager, Asia &amp; Oceania and President and Director of Nippon Express (H.K.) Co., Ltd.</p> <p>May 2008    Managing Officer of the Company  June 2008    Director and Managing Officer (Incumbent)</p> <p>(Duties in charge)  In charge of Marine Transport Business Division and Fine Arts Business Division</p>	62,000
4	Keiji Hagio (August 1, 1948)	<p>April 1972    Joined the Company  June 2007    Director and Officer, Regional General Manager, Kansai Region and General Manager, Osaka Branch</p> <p>May 2008    Director and Managing Officer, Regional General Manager, Kansai Region and General Manager, Osaka Branch</p> <p>May 2009    Director and Managing Officer (Incumbent)</p> <p>(Duties in charge)  In charge of Information Technology Promotion Division, Public Relations &amp; Advertising Division, General Affairs &amp; Labor Division, Business Division, NITTSU Group University, Compliance Division, Personal Data Protection Division and Environment &amp; Social Contributions Division</p>	68,000
5	Masao Hosokoshi (May 22, 1949)	<p>April 1972    Joined the Company  May 2006    Officer  June 2007    Director and Officer  May 2008    Director and Managing Officer (Incumbent)</p> <p>(Duties in charge)  In charge of Sales Planning Division, Customer Service Center, Global Logistics Solution Division, Removals Sales Division and Eco-Business Division</p>	68,000
6	Yoichiro Tsuru (June 16, 1949)	<p>April 1972    Joined the Company  May 2006    Associate Director  May 2007    Officer  May 2009    Managing Officer, Regional General Manager, Tokyo Metropolitan Region, and General Manager, Tokyo Branch</p> <p>June 2009    Director and Managing Officer, Regional General Manager, Tokyo Metropolitan Region, and General Manager, Tokyo Branch (Incumbent)</p> <p>(Duties in charge)  Regional General Manager, Tokyo Metropolitan Region and General Manager, Tokyo Branch</p>	60,000

Candidate Number	Name (Date of Birth)	Profile (Position and Duties in charge, and Important Position of Other Organizations Concurrently Assumed (if any))	Number of Company's Shares Held by Candidate
7	Minoru Miida (November 13, 1950)	<p>April 1973    Joined the Company</p> <p>May 2007    Officer</p> <p>June 2007    Director and Officer</p> <p>May 2009    Director and Managing Officer (Incumbent)</p> <p>(Duties in charge)</p> <p>In charge of Finance &amp; Accounting Division</p>	58,030
8	Sakae Uematsu (June 12, 1950)	<p>April 1973    Joined the Company</p> <p>May 2007    Officer, Regional General Manager, Yokohama &amp; Shizuoka Region and General Manager, Yokohama Branch</p> <p>Oct. 2008    Officer</p> <p>May 2009    Managing Officer</p> <p>June 2009    Director and Managing Officer (Incumbent)</p> <p>(Duties in charge)</p> <p>In charge of Air Cargo Business Division, Travel Business Division and Overseas Planning Division</p>	54,032
9	Masatoshi Nakano (December 16, 1947)	<p>April 1971    Joined the Company</p> <p>March 2002    General Manager, Kanto Heavy Haulage and Construction Branch</p> <p>May 2006    General Manager, Heavy Haulage &amp; Construction Business Division</p> <p>May 2007    Associate Director and General Manager, Heavy Haulage &amp; Construction Business Division</p> <p>May 2008    Officer and General Manager, Heavy Haulage &amp; Construction Business Division</p> <p>May 2010    Managing Officer (Incumbent)</p> <p>(Duties in charge)</p> <p>In charge of Heavy Haulage &amp; Construction Business Division</p>	47,000
10	Akira Ohinata (October 27, 1953)	<p>April 1976    Joined the Company</p> <p>Nov. 2007    Associate Director and General Manager, Small Package Business Strategy Headquarters</p> <p>May 2009    Officer</p> <p>June 2009    Director and Officer (Incumbent)</p> <p>(Duties in charge)</p> <p>In charge of Corporate Planning Division and Real Estate Development Division</p>	37,000

Candidate Number	Name (Date of Birth)	Profile (Position and Duties in charge, and Important Position of Other Organizations Concurrently Assumed (if any))	Number of Company's Shares Held by Candidate
11	Noboru Shibusawa (September 12, 1951)	<p>April 1975      Joined the Company</p> <p>Sept. 2006     General Manager, Aoyama Air Service Branch</p> <p>June 2007      General Manager, Import Sales Division, Tokyo Air Service Branch</p> <p>May 2008       General Manager, Sales Promotion Division II</p> <p>May 2009       Officer, and General Manager, Sales Promotion Division II</p> <p>Oct. 2009       Officer (Incumbent)</p> <p>(Duties in charge) In charge of Sales Promotion Division I and Sales Promotion Division II</p>	27,000
12	Kiyofumi Miyachika (October 21, 1954)	<p>April 1977      Joined the Company</p> <p>June 2004      General Manager, General Affairs, Tokyo Branch</p> <p>May 2005      General Manager, Akita Branch</p> <p>May 2007      General Manager, General Affairs &amp; Labor Division</p> <p>May 2009      Officer, Regional General Manager, North Kanto &amp; Shin-Etsu Region, and General Manager, Gunma Branch (Incumbent)</p> <p>(Duties in charge) Regional General Manager, North Kanto &amp; Shin-Etsu Region and General Manager, Gunma Branch</p>	30,000
13	Takahiro Ideno (June 10, 1953)	<p>April 1978      Joined the Company</p> <p>Oct. 2006      General Manager, Gunma Branch</p> <p>May 2007      General Manager, Chiba Branch</p> <p>May 2009      Officer, Regional General Manager, Chubu Region and General Manager, Nagoya Branch</p> <p>June 2010     Director and Officer, Regional General Manager, Chubu Region and General Manager, Nagoya Branch (Incumbent)</p> <p>(Duties in charge) Regional General Manager, Chubu Region and General Manager, Nagoya Branch</p>	30,000
14	Yasuaki Nii (August 20, 1956)	<p>April 1980      Joined the Company</p> <p>Feb. 2005      General Manager, Otake Branch</p> <p>May 2007      General Manager, Shizuoka Branch</p> <p>May 2009      General Manager, General Affairs &amp; Labor Division</p> <p>April 2010     General Manager, General Affairs &amp; Labor Division and NITTSU Group University (Incumbent)</p>	10,000

- (Notes) 1. There is no special interest between the Company and each of the candidates.  
2. Messrs. Masatoshi Nakano, Noboru Shibusawa, Kiyofumi Miyachika and Yasuaki Nii are new candidates for Directors.

**Proposal 3:** Presentation of Bonuses to Directors

Taking into account the amounts provided as bonuses in the past and the results of operation for the business year under review, it is proposed that a total amount of Yen 80,000,000 for bonuses be paid to a total of fourteen (14) Directors as a group.

**Proposal 4:** Continuation of Defense Policy against Large Purchase Action of Shares and the like of the Company (Takeover Defense Measure)

At the meeting of the Board of Directors of the Company held on May 20, 2011 the Company adopted a resolution with respect to the continuation of “the defense policy against large purchase action of shares and the like of the Company” (hereinafter referred to as “Current Plan”) which was approved by shareholders at the Ordinary General Meeting of Shareholders of the Company held on June 27, 2008.

Since Current Plan terminates at the close of this Ordinary General Meeting of Shareholders, the Company examined what Company policy should be, including whether or not Current Plan should be continued in the light of securing and enhancing the corporate value and in turn common interest of shareholders of the Company. As a result, taking into consideration changes of the circumstances and the contents and the like of the “Takeover Defense Measures in Light of Recent Environmental Changes” published by the Corporate Value Study Group on June 30, 2008, the Company determined to continue Current Plan with amendments subject to approval of shareholders of the Company (Current Plan with amendments hereinafter being referred to as “this Plan”).

Furthermore, all the four Corporate Auditors of the Company including three outside Corporate Auditors made a statement to the effect that this Plan is judged reasonable defense policy against large purchase action of shares and the like of the Company.

Accordingly, the Company takes liberty to ask shareholders to approve the introduction of this Plan.

1. Purpose of this Plan

The Board of Directors of the Company determined to introduce this Plan for the purpose of making clear rules for any person conducting a large purchase action of shares and the like of the Company to comply with, securing necessary and sufficient time and information required for shareholders to make an appropriate judgment and securing an opportunity to negotiate with the persons conducting the large purchase action.

This Plan designs the rules with which any persons conducting a large purchase action of shares and the like of the Company should comply, makes it clear that any persons conducting a large purchase action might incur damages if and when the Company takes a defense measure in the specified case. By disclosing these cases appropriately, a warning is hereby given to any persons conducting a large purchase action which will not facilitate corporate value and in turn common interest of shareholders of the Company.

In connection with triggering the counter measure, for the purpose of eliminating any arbitrary judgment from the Board of Directors of the Company, this Plan secures transparency by respecting to the full extent the recommendation to be made by the independent committee (hereinafter referred to as “Independent Committee”) consisting of such persons only as independent from the management executing business of the Company, including outside Director, outside Corporate Auditor or outside experts (well performed company executive, ex-government officer, lawyer, certified public accountant or person of learning and experience or other person equivalent thereto) pursuant to the Regulations for Independent Committee and by disclosing timely information to shareholders. For the members of Independent Committee, Messrs. Masahiro Sugiyama, Naoto Nakamura and Zenjiro Watanabe as stated in the Attachment 1 are expected to assume the offices.

The conditions of large shareholders of the Company as at March 31, 2011 are stated on “Conditions of shareholding of large shareholders of the Company” in the Attachment 2. As at

March 31, 2011, the Company has not received any proposal for a large purchase action of shares and the like of the Company.

2. Details of this Plan (Measures to prevent an inappropriate person, in the light of the Basic Policy, from controlling in determining the Company's policy toward its finance and business)

- (1) Procedure for this Plan:

- ① Large Purchase Action of Shares and the like:

This Plan will apply to a purchase action of shares and the like of the Company falling under item (i) or (ii) below or other action equivalent thereto (other than those actions approved by the Board of Directors of the Company: such action to be referred to as "Large Purchase and the Like"). Any persons conducting Large Purchase and the Like (hereinafter referred to as "Purchaser and the Like") shall comply with the procedure provided for in this Plan in advance.

- (i) Any purchase of shares<sup>1</sup> and the like of the Company, as a result of which a holding ratio<sup>2</sup> of the holder<sup>3</sup> is 20% or more.
- (ii) With respect to shares and the like<sup>4</sup> of the Company, a tender offer bid<sup>5</sup> as a result of which the ratio of holding shares and the like<sup>6</sup> together with the holding ratio by specially related persons<sup>7</sup> is 20% or more.

- ② Prior Submission of "Letter of Intent" to the Company:

Purchaser and the Like shall submit to the Board of Directors of the Company a statement in Japanese language in the form designated by the Company describing covenants to comply with the procedure provided for in this Plan (hereinafter referred to as "Letter of Intent") in connection with a Large Purchase and the Like prior to contemplation of Large Purchase and the Like.

Specifically, the following will be stated in Letter of Intent.

- (i) Summary of Purchaser and the Like:
  - (a) Name and address or location
  - (b) Position and name of the representative
  - (c) Purpose and details of the business of company and the like
  - (d) Summary of large shareholders or large investors (top ten shareholders or investors)
  - (e) Address of contact in Japan
  - (f) Laws under which a company is incorporated
- (ii) Number of shares and the like of the Company held by Purchaser and the Like and the status of transactions of the Company's shares and the like by Purchaser and the Like for 60 days prior to the date on which Letter of Intent was submitted.
- (iii) Summary of Large Purchase and the Like proposed by Purchaser and the Like (including the type and number of shares and the like of the Company scheduled to be

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<sup>1</sup> This is defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act. Unless otherwise defined below, the same will apply. Furthermore, in case of any amendment to the provisions of the laws and regulations cited in this Plan, each provision of the laws and regulations cited in this Plan, unless otherwise determined by the Board of Directors of the Company, will read such each provision as succeeding substantially provisions of the laws and regulations after the amendments.

<sup>2</sup> This is defined in Article 27-23, paragraph 4, and the same hereafter.

<sup>3</sup> This means the holder as defined in Article 27-23, paragraph 1, including person deemed the holder pursuant to the same Article, paragraph 3.

<sup>4</sup> This is defined in Article 27-2, paragraph 1, and the same is applied to (ii).

<sup>5</sup> This is defined in Article 27-2, paragraph 6, and the same hereafter.

<sup>6</sup> This is defined in Article 27-2, paragraph 8, and the same hereafter.

<sup>7</sup> This means the specially related person(s) defined in Article 27-2, paragraph 7; provided, however, that the person stated in the same paragraph, item 1 is excluded from the person stated in Article 3, paragraph 2 of the Cabinet Order relating to Disclosure of Tender offer for Share Certificates, etc. by Person Other than Issuer and the same hereafter.

acquired by Large Purchase and the Like and the purpose of Large Purchase and the Like (in the case of acquisition of controlling power or participation in management, portfolio investment or strategic investment, planned transfer of shares and the like of the Company following Large Purchase and the Like or other purpose such as important proposing action<sup>8</sup>, the situation and the details thereof. In case of more than one purpose, all should be stated.)

③ Provision of “Necessary Information”:

In the event that Letter of Intent stated in paragraph ② above has been submitted, Purchaser and the Like shall be required to provide to the Company information in Japanese language necessary and sufficient for shareholders to make judgment on Large Purchase and the Like (hereinafter referred to as “Necessary Information”) pursuant to the procedure stated below.

First, since the Company will dispatch to the address of contact in Japan in paragraph ② (i)(e) above “List of Information” stating a list of information to initially be provided within 10 business days<sup>9</sup> (the commencement day not inclusive) after the day on which Letter of Intent was submitted, Purchaser and the Like shall provide to the Company sufficient information in accordance with “List of Information”.

Secondly, in the event that the Board of Directors of the Company and the Independent Committee reasonably deemed information Purchaser and the Like provided in accordance with “List of Information” insufficient for shareholders and the Board of Directors of the Company to make judgment in the light of the details and manner of Large Purchase and the Like, Purchaser and the Like shall be required to provide additional information that the Board of Directors of the Company separately requested.

However, from a viewpoint of prompt provision of information from Purchaser and the Like and also from a viewpoint of avoiding arbitrarily to manage to prolong the period during which Purchaser and the Like should provide information by the Board of Directors requesting repeatedly to provide additional information, the number of days during which information should be provided, is limited to 60 days following the receipt of Letter of Intent, and in the event that sufficient information has not been provided, if the information providing period has terminated, at that moment “Board Evaluation Period” (which is explained in paragraph ④ below) shall be set forth. (Provided, however, that if Purchaser and the Like asks to extend the period with reasonable cause, the period may be extended as the necessity arises.)

Thirdly, regardless of the details and manner of Large Purchase and the Like, information relating to each of the following items shall in principle be included in part of List of Information.

- (i) Details of Purchaser and the Like and its group (joint holder<sup>10</sup>, specially related person and in the case of investment partnership, including each partner and other constituents), including history, specified names, capital structure, details of business, details of finance, names and career and the like of officers.
- (ii) Purpose of Large Purchase and the Like (details of the purpose disclosed in Letter of Intent), the manner and details (including whether or not it intends to participate in management, kind of consideration for Large Purchase and the Like and an amount thereof, timing of Large Purchase and the Like, structure of transactions related thereto,

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<sup>8</sup> This means important proposing actions provided for in the Financial Instruments and Exchange Act, Article 27-26, paragraph 1, the Order for Enforcement of the Financial Instruments and Exchange Act, Article 14-8-2, paragraph 1, and Article 16 of Cabinet Order relating to Disclosure of Large Volume Holding of Share Certificates, etc. The same shall be hereinafter applicable unless otherwise provided for.

<sup>9</sup> Business day means a day other than the day listed in each item of paragraph 1 of Article 1 of the Act on the Holidays of Administrative Organs. The same shall be applicable hereafter.

<sup>10</sup> This means joint holder defined in the Financial Instruments and Exchange Act, Article 27-23, paragraph 5, including that deemed as joint holder by the Board of Directors of the Company under the same Article, paragraph 6.

the number of shares and the like scheduled to be purchased, the ratio of holding shares and the like after Purchase and the Like is completed, and legality of the manner in which Large Purchase and the Like is conducted).

- (iii) Basis on which consideration for Large Purchase and the Like is calculated (including the conditions on which it is calculated, method of calculation, numerical information used for the calculation and details of synergy expected to accrue from a series of transactions relating to Large Purchase and the Like, in case of collecting a third party's opinion in connection with the calculation, the name of the third party and the summary thereof and process to determine the amount of consideration based on the opinion).
- (iv) How to finance the funds for Large Purchase and the Like (specified name of fund provider (including any substantial provider), method of finance and details of the related transaction).
- (v) Whether or not it communicates with any third party in connection with Large Purchase and the Like and in case of communication made with any third party, details thereof and the summary of the third party.
- (vi) In the event that Purchaser and the Like have already entered into a lease agreement, pledge agreement, buy-back agreement, engagement agreement for purchase and sale or other important agreement or arrangement (hereinafter referred to as "Pledge Agreement and the Like"), the specified terms and conditions of the Pledge Agreement and the Like such as the type of the agreement, party to the agreement and the number and quantity of shares and the like subject to the agreement.
- (vii) In the event that Purchaser and the Like is scheduled to agree with any third party or agree to enter into Pledge Agreement and the Like relating to shares and the like planned to be purchased by Large Purchaser and the Like, specified details of the agreement such as type of scheduled agreement, the opponent party to the agreement and the number and quantity of shares and the like subject to the agreement.
- (viii) Management policy, business plan, capital policy and dividend policy of the Company and the Company group following Large Purchase and the Like.
- (ix) Policy on how to treat employees of the Company, the labor union, business partners, customers and local community and other stakeholders with the Company following Large Purchase and the Like.
- (x) Any specified measure to avoid any conflict of interest with other shareholders of the Company.

The Board of Directors of the Company will disclose to shareholders the fact that Purchaser and the Like made proposal to the Company for Large Purchase and the Like, the summary thereof and the summary of Necessary Information and other information deemed necessary by the Company for making judgment at the time deemed appropriate by the Company.

In the event that the Board of Directors of the Company acknowledges that Purchaser and the Like provided sufficiently Necessary Information to the Company or 60 days elapsed following the receipt of Letter of Intent, it will inform the Purchaser and the Like thereof (hereinafter referred to "Completion Notice of Information Provision") and promptly disclose the situation.

④ Establishment and the Like of Board Evaluation Period:

After Completion Notice of Information Provision, the Board of Directors of the Company will establish a period stated in item (i) or (ii) (in each case the commencement day not inclusive) for evaluating, considering, negotiating, forming opinions and designing an alternative plan (hereinafter referred to as "Board Evaluation Period").

- (i) a sixty (60) day period in the case of a tender offer bid the consideration of which is cash in Japanese yen only; or
- (ii) a ninety (90) day period in other Large Purchase and the Like.

However, in each of item (i) or (ii) above, in the event that the Board of Directors and the Independent Committee deems it rationally necessary to extend the period, it may be extended with notification to Purchaser and the Like of the specified extended period and reason why the period be extended and the disclosure to be made to shareholders. The extended period shall be a maximum of a 30 day period.

The Board of Directors of the Company will fully evaluate and examine Necessary Information provided by Purchaser and the Like with the advices from external professionals from time to time as the necessity arises during Board Evaluation Period, and consider details of Large Purchase and the Like proposed by Purchaser and the Like from the viewpoint of securing and enhancing the corporate value and common interest of shareholders of the Company. The Board of Directors of the Company will carefully investigate and summarize opinions of the Board of Directors of the Company for Large Purchase and the Like and inform Purchaser and the Like thereof and a timely and appropriate disclosure will be made to shareholders. If necessary, the Board of Directors of the Company may negotiate the conditions and manner of Large Purchase and the Like with Purchaser and the Like and furthermore the Board of Directors of the Company may propose an alternative plan to shareholders.

⑤ Recommendation of Independent Committee relating to Triggering Defense Measure:

Within Board Evaluation Period, Independent Committee, in parallel with the Company's Board of Directors' evaluation, examination, negotiation, forming opinions and design of an alternative plan as stated in paragraph ④ above, shall make recommendations to the Board of Directors of the Company whether or not the defense measure be triggered on the following procedure. In that connection, for the purpose of securing that Independent Committee will make judgment to facilitate to procure and enhance the corporate value and common interest of shareholders of the Company, Independent Committee may obtain advices of third parties independent from management of the Company engaged in executing business of the Company at the Company's cost (including investment bank, securities company, financial advisers, certified public accountant, lawyer, consultant or other professionals). In the event that Independent Committee made recommendation of item (i) or (ii) below to the Board of Directors of the Company, the Board of Directors of the Company will promptly disclose the fact that recommendations issued and the summary thereof and any other matters deemed appropriate by the Board of Directors of the Company.

(i) In the event that Purchaser and the Like did not comply with the procedure provided for in this Plan:

In the event that Purchaser and the Like did not comply with the procedure provided in this Plan, Independent Committee will in principle make recommendations to the Board of Directors of the Company to trigger Defense Measure.

(ii) In the event that Purchaser and the Like complied with the procedure provided for in this Plan:

In the event that Purchaser and the Like complied with the procedure provided in this Plan, Independent Committee will in principle make recommendation not to trigger Defense Measure.

Provided, however, that in the event that the procedure provided for in this Plan was complied with, Purchase Action is deemed to fall under any of the patterns in which Purchase and the Like would substantially prejudice materially the corporate value and common interest of shareholders of the Company as stated in Attachment 3, recommendation to trigger the Defense Measure might be made as exception hereto.

⑥ Resolution of the Board of Directors:

The Board of Directors of the Company will to the fullest extent respect the

recommendation made by the Independent Committee provided in paragraph ⑤, and adopt a resolution of whether or not to trigger Defense Measure speedily on the basis of the recommendation from the viewpoint of securing and enhancing the corporate value and common interest of shareholders of the Company. In the event that the Board of Directors of the Company adopts a resolution, regardless of whether or not triggering a Defense Measure is recommended, it will promptly disclose the summary of the resolution and other matters deemed appropriate by the Company's Board of Directors.

⑦ Cessation of Defense Measure or Withdrawal of Triggering:

After resolving upon triggering Defense Measure, or triggering Defense Measure pursuant to the procedure aforementioned in paragraph ⑥, in the event that (i) Purchaser and the Like cease Large Purchase and the Like, or (ii) the factual situation resulting in the judgment of triggering the Defense Measure or not deviated and then deemed reasonable to discontinue the Defense Measure from the viewpoint of securing and enhancing the corporate value and common interest of shareholders of the Company, the Board of Directors of the Company will cease Defense Measure or withdraw triggering Defense Measure in accordance with recommendation of Independent Committee or regardless of recommendation or the details of recommendation.

In the event that the Board of Directors of the Company adopts the aforementioned resolution, the Board of Directors of the Company will promptly disclose the summary of the resolution and the other matters deemed appropriate by the Board of Directors of the Company.

⑧ Commencement of Large Purchase and the Like:

Purchaser and the Like shall comply with the procedure provided for in this Plan, and shall not commence to conduct Large Purchase and the Like prior to resolution for triggering or not triggering Defense Measure adopted by the Board of Directors.

(2) Details of Defense Measure of this Plan:

If and when Defense Measure pursuant to resolution stated in paragraph (1)⑥ above is triggered, the Board of Directors of the Company will in principle make a *gratis* allotment of a stock acquisition right to shareholders of the Company (hereinafter referred to as "Stock Acquisition Rights").

The summary of *gratis* allotment of Stock Acquisition Rights is stated in Attachment 4, "Summary of *Gratis* Allotment of Stock Acquisition Rights".

The Board of Directors of the Company may determine to cease Defense Measure or withdraw triggering Defense Measure as stated in paragraph (1)⑦ above even if it resolved upon triggering Defense Measure or it triggered Defense Measure. For example, after the Board of Directors of the Company resolved upon *gratis* allotment of Stock Acquisition Rights upon triggering Defense Measure, if Purchaser and the Like ceased Large Purchase and the Like and the Board of Directors of the Company adopted resolution stated in paragraph (1)⑦, it may nullify the *gratis* allotment of Stock Acquisition Rights prior to the ex-right day (not inclusive) relating to the allotment date fixed for the *gratis* allotment of Stock Acquisition Rights or the Company may acquire Stock Acquisition Rights free of charge from shareholders during the period from the effective date for the *gratis* allotment of Stock Acquisition Rights to the date prior to the commencement date of the exercise period of Stock Acquisition Rights.

(3) Effective Period, Abolishment and Amendment of this Plan:

In the event that shareholders approve this Plan at this General Meeting of Shareholders of the Company, the effective period of this Plan will expire at the closing of the Ordinary General Meeting of Shareholders scheduled to be held in June 2014.

However, in the event that resolution amending or abolishing this Plan is adopted at the General Meeting of Shareholders of the Company prior to the end of such effective period,

this Plan will be amended or abolished pursuant to such resolution at the time the resolution is adopted. If the Board of Directors consisting of Directors elected at the General Meeting of Shareholders of the Company adopts resolution to abolish this Plan, it will be abolished at the time of such resolution.

The Board of Directors of the Company may amend or change this Plan upon approval of Independent Committee to the extent necessary for formal changes to reflect the changes made to the Companies Act, Financial Instruments and Exchange Act, other laws and ordinances or the rules of the Financial Instrument Exchanges or changes in interpretation or operation of the aforesaid or changes in the taxation system or court cases.

In the event that this Plan is abolished or amended, the Company will disclose fact of the abolishment or amendments and details of changes (in case of changes) and other matters deemed appropriate by the Board of Directors of the Company.

### 3. Reasonableness of this Plan

#### (1) Satisfying Requirements of Guidelines relating to Takeover Defense Policy:

This Plan satisfies all of the three principles provided in the “Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders’ Common Interests” released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely, securing and enhancing the corporate value and shareholders’ common interests, prior disclosure and the principle of upholding the shareholders’ intent, and necessity and suitability principle. Also, this Plan is in accordance with the idea shown in the “Takeover Defense Measures in Light of Recent Environmental Changes” published by the Corporate Value Study Group on June 30, 2008.

#### (2) This Plan being introduced for the purpose of securing and enhancing the corporate value and common interest of the shareholders of the Company:

As stated in paragraph 1 above, this Plan is introduced for the purpose of securing and enhancing the corporate value and in turn common interest of its shareholders, when Large Purchase and the Like is conducted, through securing information and time period necessary for the shareholders to decide whether or not Large Purchase and the Like is appropriate and through enabling the Board of Directors of the Company to present an alternative plan or negotiate with Purchaser and the Like on behalf of the shareholders.

#### (3) Placing emphasis on the shareholders intent:

This Plan will be effective upon approval of shareholders at this Ordinary General Meeting of Shareholders and as stated in paragraph 2(3) above, the effective period of this Plan will expire at the closing of the Ordinary General Meeting of Shareholders scheduled to be held in June 2014.

Furthermore, after approval of shareholders at this Ordinary General Meeting of Shareholders, if a resolution is adopted to amend or abolish this Plan at the General Meetings of Shareholders of the Company thereafter, it will be amended or abolished pursuant to such resolution. Accordingly, with respect to the introduction and abolishment of this Plan, the intent of shareholders will fully be upheld.

#### (4) Placing emphasis on judgment of independent external persons and disclosure of information:

For the purpose of excluding arbitrary judgment by the Board of Directors of the Company and enabling resolution and recommendation duly to be made on implementing this Plan, including triggering Defense Measure and the like, Independent Committee is established as an advisory body to the Board of Directors of the Company.

Independent Committee is composed of three or more members, among outside Director of the Company, outside Corporate Auditor of the Company, or experts outside the Company (well performed company executive, ex-government officer, lawyer, certified public

accountant or person of learning and experience or other person equivalent thereto).

The Company shall, when necessary, disclose to the shareholders the summary of the judgment made by Independent Committee so that the Company will secure a system under which this Plan will be operated with transparency so that it may facilitate the corporate value and common interest of shareholders of the Company.

(5) Reasonable and objective requirements being set forth:

As stated in paragraph 2(1) above, this Plan is designed so as not to allow Defense Measure to be triggered against Large Purchase and the Like unless the reasonable and specified objective requirements have been satisfied. Accordingly, it is ensured that the Board of Directors of the Company is prevented from arbitrarily triggering Defense Measure.

(6) Defense Measure not falling under dead-hand type or slow-hand type take-over defense policy:

As stated in paragraph 2(3) above, since the Board of Directors composed of Directors elected at the General Meeting of Shareholders of the Company may abolish at any time Defense Measure, it is not a dead-hand type take-over defense policy (a defense measure which cannot be prevented from triggering even if the majority of members of the board are changed).

Since the Company does not adopt different terms of offices of Directors, it is not a slow-hand type take-over defense policy (a defense measure which takes a prolonged time to prevent triggering because all Directors cannot be changed at once).

4. Influence affecting Shareholders

(1) Influence affecting Shareholders and Investors when this Plan is Introduced:

When this Plan is introduced, any *gratis* allotment of stock acquisition rights has not been made. Accordingly, the rights and economic value of the shareholders and investors are not directly affected in any respect.

As stated in paragraph 2(1) above, since the Company's responding policy to Purchase and the Like will deviate according to whether or not Purchaser and the Like complies with this Plan, shareholders and investors are requested to keep watching what Purchaser and the Like's conducts.

(2) Influence affecting shareholders if *Gratis* Allotment of Stock Acquisition Rights is Made:

In the event that the Board of Directors of the Company determines to trigger Defense Measure and the *gratis* allotment of Stock Acquisition Rights is made, Stock Acquisition Rights will be allotted to shareholders who entered into or recorded in the shareholders' register on the allotment date for allotment separately designated in the rate of a maximum of two Stock Acquisition Rights per share of common stock held. The Board of Directors will not assume that the shareholders would be affected in terms of their legal rights or economic value since the overall economic value of shares of the Company has not been diluted nor voting rights per share have been changed although the economic value per share was diluted.

However, as a result, Purchaser and the Like may be affected adversely on their legal rights or economic value by triggering Defense Measure.

In the event that the Board of Directors of the Company resolves upon the *gratis* allotment of Stock Acquisition Rights, when it is determined that Defense Measure which the Board of Directors of the Company triggered cease or be withdrawn in accordance with the procedure stated in paragraph 2(1)⑦ above, the market price of shares of the Company would be affected accordingly. For example, in the event that after the allotment date for the Stock Acquisition Rights, the Company determined to cease Defense Measure, once determined to trigger, and acquired Stock Acquisition Rights free of charge without delivering new shares in exchange for Stock Acquisition Rights, the economic value per share held by shareholders will not be diluted ultimately. It is noted that investors who consummated to purchase and/or sell shares of the Company on the assumption that the economic value per share of the

Company would be diluted, would incur losses and damages arising from fluctuation of the stock price.

In the event that discriminating terms and conditions are attached to the exercise or acquisition of Stock Acquisition Rights, it is assumed that the legal rights and economic value of Purchaser and the Like would be affected in connection with the exercise or acquisition, however, it is not assumed that the legal rights and economic value of shareholders and investors other than Purchaser and the Like would be affected in any direct specified aspect.

(3) Procedure requiring shareholders to follow in connection with *gratis* allotment of Stock Acquisition Rights:

Shareholders might be required to exercise Stock Acquisition Rights during the specified period to acquire new shares (in which case, a certain specified amount of money has to be paid).

Provided, however, that in connection with triggering Defense Measure, the Company anticipates that Stock Acquisition Rights will be issued to shareholders on buyback condition, accordingly the Company will deliver to shareholders shares of the Company in exchange for Stock Acquisition Rights as consideration for Stock Acquisition Rights. In this case, since shareholders other than Purchaser and the Like will receive from the Company shares of the Company for consideration of delivering Stock Acquisition Rights to the Company from shareholders without paying cash equivalent to exercise price of Stock Acquisition Rights, no procedure will be required to be followed by shareholders such as subscription procedure for Stock Acquisition Rights and payment procedure.

In addition, the Company will make a timely and appropriate disclosure or notice in details with respect to a method of allotment, manner of exercise and a method of acquisition of Stock Acquisition Rights by the Company based on applicable laws and ordinances and rules of the Financial Instruments Exchange upon resolution adopted at the Board of Directors of the Company relating to the *gratis* allotment of Stock Acquisition Rights. Accordingly, shareholders are requested to confirm the details of the disclosure and notice.

### Profile of Independent Committee Members

#### Masahiro Sugiyama

Emeritus Professor, Waseda University

(Date of Birth: February 25, 1941)

(Profile)

April 1971	Research Assistant, Waseda University School of Commerce
April 1974	Lecturer, Waseda University School of Commerce
April 1976	Associate Professor, Waseda University School of Commerce
April 1977	Guest Researcher, Faculty of Law and Economics, University of Bonn
April 1981	Professor, Waseda University School of Commerce and Graduate School of Commerce
(April 2004	Professor, Waseda University Faculty of Commerce (due to the organization's name change)
March 2011	Retired
May 2011	Emeritus Professor, Waseda University (Incumbent)

#### Naoto Nakamura

Lawyer and Partner, Law Firm of Nakamura, Tsunoda and Matsumoto

(Date of Birth: January 25, 1960)

(Profile)

April 1985	Member of Daini Tokyo Bar Association
April 1998	Founder and Partner, Hibiya Park Law Office
February 2003	Founder and Partner, Law Firm of Naoto Nakamura (presently Law Firm of Nakamura, Tsunoda and Matsumoto) (Incumbent)

#### Zenjiro Watanabe

Full-Time Corporate Auditor, the Company (Outside Corporate Auditor)

(Date of Birth: January 13, 1952)

(Profile)

April 1976	Joined Japan Tobacco and Salt Public Corporation (Currently Japan Tobacco Inc.)
June 2007	Executive Vice President, Deputy President, Tobacco Business, Japan Tobacco Inc.
June 2008	Full-Time Corporate Auditor, the Company (Incumbent)

(Note) Mr. Zenjiro Watanabe is the Outside Corporate Auditor and the Company submitted Notifications of Independent Directors/Corporate Auditors to the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. that the Company designated him as an Independent Corporate Auditor.

## Conditions of Shareholding of large Shareholders of the Company

(as of March 31, 2011)

Name of the shareholder	Shareholding Status	
	Number of shareholding	Ratio of shareholding
	(thousand shares)	(%)
The Master Trust Bank of Japan, Ltd. (Account in Trust)	99,936	9.6
Asahi Mutual Life Insurance Company	65,464	6.3
Japan Trustee Services Bank, Ltd. (Account in Trust)	52,682	5.1
Nipponkoa Insurance Co., Ltd.	50,294	4.8
Mizuho Corporate Bank, Ltd.	41,477	4.0
Nippon Express Employees' Shareholding Association	32,434	3.1
Japan Trustee Services Bank, Ltd. (Account in Trust No.4)	22,897	2.2
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20,554	2.0
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	18,012	1.7
Japan Trustee Services Bank, Ltd. (Account in Trust No.9)	17,031	1.6

- (Notes) 1. The Company holds 19,559 thousand treasury shares, which are not included in the list above.  
2. The shareholding ratio is calculated by excluding the treasury shares stated above.

**The patterns in which Purchase and the Like would substantially prejudice materially the corporate value and common interest of shareholders of the Company**

1. It is judged that Purchaser and the Like have no true intention to participate in the management of the Company, and Purchaser and the Like engages in Purchase and the Like for the purpose of selling shares at high prices to the Company or parties related to the Company by unduly raising the price of the shares of the Company (also known as “Green Mailer”).
2. It is judged that after a temporary control of management of the Company, Purchaser and the Like engages in Large Purchase and the Like for the purpose of enabling Purchaser and the Like to transfer intellectual proprietary rights, know-how, trade secret, principal business partners, and customers, etc. of the Company or the group companies, all of which are necessary for the operation of the Company and the group companies, to Purchaser and the Like and/or its affiliated companies.
3. It is judged that Purchaser and the Like engages in Purchase and the Like of shares with a view to diverting assets of the Company or group companies through mortgages and/or repayments of liabilities incurred by the Purchaser and its group companies, etc. after Purchaser and the Like has control of the management of the Company.
4. It is judged that Purchaser and the Like engages in Purchase and the Like for the purpose of enabling the Purchaser to cause the Company to temporarily pay high returns to the shareholders with proceeds from sales of the Company’s or the group’s expensive assets, etc. such as real estate and securities which are currently not directly related to the Company’s or the Company’s group’s current business or to sell the Company’s shares at such high prices arising from the temporary rise of the Company’s shares due to a temporary high return, etc.
5. It is judged that the shareholders of the Company may be effectively coerced to sell shares of the Company because purchase proposal restricts opportunities and freedom for the shareholders to decide, including but not limited to a two-tier coercive purchase proposal (i.e., at the first stage the entire Company’s shares are not solicited for purchase, but at the second stage, purchase will be consummated at less favorable or unspecified conditions to shareholders, including a tender offer bid).

### Summary of the *Gratis* Allotment of Stock Acquisition Rights

1. Total Number of Stock Acquisition Rights Allotted:

The total number of Stock Acquisition Rights will be determined by resolution of the Board of Directors of the Company relating to the *gratis* allotment of Stock Acquisition Rights (hereinafter referred to as “Stock Acquisition Rights *Gratis* Allotment Resolution”), but not more than the total number of shares in issue multiplied by two (2) at the close of the date separately designated by resolution of the Board of Directors of the Company (hereinafter referred to as the “allotment date”) (excluding shares held by the Company at the time thereof).

2. Shareholders to whom *Gratis* Allotment is made:

The Company will make a *gratis* allotment of the maximum two (2) Stock Acquisition Rights per share of common stock of the Company (other than treasury stock at the time thereof) to the shareholders who have been stated or recorded in the last register of shareholders or the last register of substantial shareholders on the allotment date. The Board of Directors of the Company will separately determine a specified ratio of Stock Acquisition Right per share through Stock Acquisition Rights *Gratis* Allotment Resolution.

3. Effective date for *Gratis* Allotment of Stock Acquisition Right:

The date will be separately determined by the Board of Directors of the Company through Stock Acquisition Rights *Gratis* Allotment Resolution.

4. Type and Number of Shares to be issued upon the Exercise of Stock Acquisition Rights:

The type of shares to be issued upon the exercise of Stock Acquisition Rights is the share of common stock and the number of shares issued upon exercise of a Stock Acquisition Right will be determined by the Board of Directors of the Company through Stock Acquisition Rights *Gratis* Allotment Resolution but not more than one (1); however, provided that if the Company makes any stock split or stock consolidation, the necessary adjustments shall be made.

5. Details of assets or amount required to be paid upon exercise of Stock Acquisition Rights:

Not less than Yen 1.00 per Stock Acquisition Right, will be separately determined by the Board of Directors of the Company through Stock Acquisition Rights *Gratis* Allotment Resolution.

6. Transfer of Stock Acquisition Rights:

Any transfer of Stock Acquisition Rights shall be subject to approval of the Board of Directors of the Company.

7. Conditions on Exercise of Stock Acquisition Rights:

(1) The specified large holder<sup>11</sup>; (2) joint holder of the specified large holder; (3) the

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<sup>11</sup> A holder of shares and the like of the Company, whose holding ratio of shares and the like is 20% or more or such person as deemed the equivalent thereto by the Board of Directors of the Company; provided, however, that such person whose holding shares and the like of the Company is deemed by the Board of Directors of the Company not to prejudice the corporate value and common interest of shareholders of the Company and person designated by the Board of Directors of the Company through Stock Acquisition Rights *Gratis* Allotment Resolution shall be excluded.

specified large purchaser<sup>12</sup>; (4) other specially related person of the specified large purchaser; (5) without approval of the Board of Directors of the Company, any transferee or successor of Stock Acquisition Rights from the persons described in (1) to (4) above; or (6) any related person<sup>13</sup> of the person described in (1) to (5) above (these holder or purchaser or transferee and successor being collectively referred to as “unqualified person”), shall not exercise the Stock Acquisition Rights. Details of the conditions on the exercise of Stock Acquisition Rights shall be provided separately through Stock Acquisition Rights *Gratis* Allotment Resolution. The person determined by the Board of Directors of the Company as someone who substantially controls, or is controlled by, or is under common control with, a person described in (i) to (iv) above, or person determined by the Board of Directors of the Company to act in concert with a person described in (i) to (iv) above) may not exercise the Stock Acquisition Rights. The details of the conditions to exercise the Stock Acquisition Rights shall be separately determined through Stock Acquisition Rights *Gratis* Allotment Resolution.

8. Acquisition of Stock Acquisition Rights by the Company:

The Company may deliver the number of shares of common stock of the Company, determined by the Company per Stock Acquisition Right in exchange for Stock Acquisition Rights held by person other than unqualified person on the date separately designated by the Board of Directors of the Company. Details of the conditions on acquisition of Stock Acquisition Rights shall be separately determined through Stock Acquisition Rights *Gratis* Allotment Resolution.

9. Acquisition of Stock Acquisition Rights is free of charge in case of cessation of Defense Measure triggered:

The Company may acquire all Stock Acquisition Rights free of charge in the event that the Board of Directors of the Company ceases to apply Defense Measure triggered or otherwise provided for in Stock Acquisition Rights *Gratis* Allotment Resolution.

10. Exercise period and the like of Stock Acquisition Rights:

The exercise period and other necessary matters of Stock Acquisition Rights shall be determined separately by the Board of Directors of the Company through Stock Acquisition Rights *Gratis* Allotment Resolution.

End

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<sup>12</sup> A purchaser who made a public notice to conduct purchase and the like (meaning the “purchase and the like” as defined in the Financial Instruments and Exchange Act, Article 27-2, paragraph 1, the same applicable in this footnote ) of shares and the like (meaning “shares and the like” as defined in the Financial Instruments and Exchange Act, Article 27-2, paragraph 1, the same applicable in this footnote) of the Company through a tender offer bid and his/her holding (including that provided for in the Ordinance for Enforcement of the Financial Instruments and Exchange Act, Article 7, paragraph 1 as an equivalent thereto) ratio of shares and the like after the purchase and like is 20% or more together with the ratio of the specially related person, or such person as deemed the equivalent thereto by the Board of Directors of the Company; provided, however, that such person whose holding shares and the like of the Company is deemed by the Board of Directors of the Company not to prejudice the corporate value and common interest of shareholders of the Company and person designated by the Board of Directors of the Company through Stock Acquisition Rights *Gratis* Allotment Resolution shall be excluded.

<sup>13</sup> “Related person” of the person means a person who substantially control the person, is controlled by the person or under the common control with the person (including a person deemed equivalent thereto by the Board of Directors of the Company). “Control” means the case in which a person controls to determine the policy of finance and business of the company and the like (which is defined in the Ordinance for Enforcement of the Companies Act, Article 3, paragraph 3).