The following English translation of 第151回定時株主総会招集ご通知 and 株主総会参考書類 (the Japanese originals) is prepared for your reference purpose only. If there are any discrepancies between this translation and the Japanese originals, the Japanese originals will prevail. Sumitomo Osaka Cement Co.,Ltd. provides this translation without any warranty as to its accuracy or otherwise.

(Securities code: 5232)
June 5, 2014

NOTICE OF THE 151st ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

We are extremely grateful for your continuing support.
We are pleased to invite you to the 151st Annual General Meeting of Shareholders of Sumitomo Osaka Cement Co., Ltd. (the "Company"), which will be held at 10:00 a.m. on Friday, June 27, 2014, in the 2nd floor conference room of the Company headquarters at 6-28 Rokuban-cho, Chiyoda-ku, Tokyo (the "Meeting").

When arriving at the meeting venue, please submit the Voting Form enclosed herewith at the reception desk.

If you are unable to attend the Meeting in person, you may exercise your voting right by returning the Voting Form or via the Internet. Please review the attached Reference Materials for the Meeting and exercise your voting right by 5:45 p.m. on Thursday, June 26, 2014.

Sincerely,

Fukuichi Sekine
President and Representative Director
Sumitomo Osaka Cement Co.,Ltd.

6-28 Rokuban-cho, Chiyoda-ku, Tokyo

MEETING AGENDA

Items to Be Reported:

Item 1: Business Report and Consolidated Financial Statements for the 151st term (from April 1, 2013 to March 31, 2014) and Audit Reports of Accounting Auditors and the Board of Company Auditors on the Consolidated Financial Statements
Item 2: Non-Consolidated Financial Statements for the 151st term (from April 1, 2013 to March 31, 2014)

Items to Be Resolved:

Item 1: Appropriation of Surplus
Item 2: Election of 7 Directors
Item 3: Election of 1 Company Auditor
Item 4: Renewal of Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)

Notes:
1. Of the materials to be provided with this Notice, the "Notes to the Consolidated Financial Statements" (Japanese only) and the "Notes to the Non-Consolidated Financial Statements" (Japanese only) are not attached herein because these are posted on the Company's website (http://www.soc.co.jp/ir/), in accordance with the relevant laws and regulations and Article 16 of the Articles of Incorporation.
2. Revision to or amendments of the Reference Materials for the Meeting, Business Report, Financial Statements and Consolidated Financial Statements will be posted on the Company's website (http://www.soc.co.jp/ir/).

REFERENCE MATERIALS FOR
THE 151st ANNUAL GENERAL MEETING OF SHAREHOLDERS

Agenda Items and Reference Materials

Item 1: Appropriation of Surplus

Term-End Dividend

The Company proposes the term-end dividend for the 151st term, in consideration of the results for the term and the business outlook, etc., of ¥2.50 per share as shown below. As the Company paid an interim dividend of ¥2.50 per share for the term, the annual dividend will be ¥5.00 per share, which is the same amount as the previous term's annual dividend.

(1) Kind of dividend property
Cash

(2) Matters regarding the assignment of dividend property to shareholders and total amount of dividend property
¥2.50 per common share of the Company, and a total amount of ¥1,040,329,955-

(3) Effective date of the dividend of surplus
June 30, 2014

Item 2: Election of 7 Directors

One of the 7 Directors elected at the 150st Annual General Meeting held on June 27, 2013, Mr. Tomoyuki Katsura, resigned as of March 31, 2014, and at the conclusion of the Meeting, the term of office will expire for all the rest of the 6 Directors. Therefore, 7 Directors are to be elected.

The candidates for the positions are as follows:

Number	Name and date of birth	Brief record, position, principal duties and important concurrent positions	Number of shares of the Company owned by the candidate
1	**Fukuichi Sekine** May 20, 1951 * Reappointment	Apr. 1975 Joined the Company Jun. 2004 Director Jun. 2006 Managing Executive Officer Jan. 2011 Representative Director (to the present) Jan. 2011 President (to the present)	103,000
2	**Masafumi Nakao** Jul. 14, 1949 * Reappointment	Apr. 1975 Joined the Company Jun. 2004 Director Jun. 2006 Executive Officer Jun. 2007 Managing Executive Officer Jan. 2008 General Manager of Ako Production Works Jun. 2008 Director (to the present) Jun. 2012 Senior Managing Executive Officer (to the present) Apr. 2014 Representative Director (to the present) [Responsible for Production and Technical D., Maintenance and Engineering D., International Business D., Intellectual Property D., Environment Div. and Cement/Concrete Research Lab.]	35,000
3	**Akira Fujisue** Aug. 9, 1951 * Reappointment	Apr. 1974 Joined the Company Jun. 2004 Director Jun. 2006 Executive Officer Jun. 2007 Managing Executive Officer Oct. 2007 General Manager of Tokyo Branch Office Jun. 2008 Director (to the present) Jun. 2013 Senior Managing Executive Officer (to the present) Apr. 2014 Representative Director (to the present) [Responsible for General Affairs D., Cement Sales Administration D. and Physical Distribution D.]	28,000

Number	Name and date of birth	Brief record, position, principal duties and important concurrent positions	Number of shares of the Company owned by the candidate
4	**Katsuji Mukai** Nov. 25, 1954 * Reappointment	Apr. 1978 Joined the Company Oct. 2004 General Manager of Optoelectronics Business Div. Jun. 2006 Executive Officer Jun. 2008 General Manager of Optoelectronics Business Div. and New Technology Research Lab. Jun. 2010 Managing Executive Officer (to the present) Jun. 2010 General Manager of New Technology Research Lab. Jun. 2012 Director (to the present) [Responsible for Optoelectronics Business Div., Advanced Materials Div. and New Technology Research Lab.]	25,000
5	**Yushi Suga** Jun. 19, 1952 * Reappointment	Apr. 1976 Joined the Company Jun. 2006 General Manager of Administration D. Jun. 2007 Executive Officer Feb. 2011 General Manager of Corporate Planning D. and Administration D. Jun. 2011 Managing Executive Officer (to the present) Jun. 2012 Director (to the present) [Responsible for Legal D., Personnel D., Corporate Planning D., Administration D. and Purchasing D.]	28,212
6	**Isao Yoshitomi** Jan. 22, 1955 * New Candidate	Apr. 1979 Joined the Company Jun. 2009 General Manager of Mineral Resources and Products Div. Jun. 2011 Executive Officer (to the present) Jun. 2013 General Manager of Battery Materials Business Div. (to the present) [Responsible for Battery Materials Business Div.]	20,000

Number	Name and date of birth	Brief record, position, principal duties and important concurrent positions	Number of shares of the Company owned by the candidate
7	**Kunitaro Saida** May 4, 1943 * Reappointment * Candidate for Outside Director	Apr. 1969 Appointed as Public Prosecutor Feb. 2003 Superintending Prosecutor of the Takamatsu High Public Prosecutors Office Jun. 2004 Superintending Prosecutor of the Hiroshima High Public Prosecutors Office Aug. 2005 Superintending Prosecutor of the Osaka High Public Prosecutors Office May 2006 Registered as Attorney and joined a law firm (to the present) Jun. 2008 Director of the Company (to the present) [Important concurrent positions] Outside Company Auditor of Nichirei Corporation, Outside Director of Heiwa Real Estate Co., Ltd. and Outside Director of Canon Inc.	17,000

(Notes)
1. No conflict of interests exists between the Company and each candidate.
2. The Company introduced the Executive Officer System in June, 2006.
3. Mr. Kunitaro Saida is a candidate for Outside Director.
4. The reason why the Board of Directors of the Company nominated Mr. Kunitaro Saida as a candidate for Outside Director is that it formed a view that he would properly fulfill the duties of Outside Director from an objective standpoint as an Outside Director and by utilizing his long experience and substantial knowledge that he has acquired from his service as Superintending Prosecutor of the High Public Prosecutors Offices (at the Osaka office etc.), and an outside director and an outside company auditor of other companies.
5. Mr. Kunitaro Saida will have served as an Outside Director of the Company for 6 years at the conclusion of the Meeting.
6. Mr. Kunitaro Saida and the Company have concluded an agreement to limit the liability for damages based on Paragraph 1 of Article 423 of the Companies Act. The maximum amount of such liability based on the agreement is the minimum limit provided by relevant laws and regulations.
7. Mr. Kunitaro Saida has been reported to the Tokyo Stock Exchange, Inc. as an Independent Director.

Item 3: Election of 1 Company Auditor

At the conclusion of the Meeting, the term of office will expire for Mr. Shoji Hosaka. Therefore, 1 Company Auditor is to be elected.

The Board of Company Auditors has consented to this proposition.

The candidate for the position is as follows:

Name and date of birth	Brief record, position, principal duties and important concurrent positions		Number of shares of the Company owned by the candidate
Shoji Hosaka May 28, 1946 * Reappointment * Candidate for Outside Company Auditor	Apr. 1969 Jun. 1994 Aug. 1998 Oct. 2002 Jun. 2005 Jun. 2009 Jun. 2010	Joined MITSUI & CO., LTD. President of MITSUI CHILE LTDA. President of K.K. Nichirei (currently PRI Foods Co., Ltd.) Inspector of MITSUI & CO., LTD. Company Auditor of Mitsui Oil Exploration Co., Ltd. Resigned as Company Auditor of Mitsui Oil Exploration Co., Ltd. Company Auditor of the Company (to the present)	5,000

(Notes)

1. No conflict of interests exists between the Company and the candidate.
2. Mr. Shoji Hosaka is a candidate for Outside Company Auditor.
3. The reason why the Board of Directors of the Company nominated Mr. Shoji Hosaka as a candidate for Outside Company Auditor is that it formed a view that he would fulfill the duties of Outside Company Auditor from an objective standpoint as an Outside Company Auditor and by utilizing his long experience and substantial knowledge and experience that he has acquired from his service as a director and a company auditor of other companies.
4. Mr. Shoji Hosaka had previously been employed by MITSUI & CO., LTD., with which the Company has a transactional relationship. The value of said transaction is insignificant relative to the scales of business for both the Company and MITSUI & CO., LTD., and in fiscal year 2013, the ratio of the Company's net sales accounted for to net sales to MITSUI & CO., LTD. and the Company's cost of sales accounted for to purchases made from MITSUI & CO., LTD. were both less than 0.1%. Accordingly, Mr. Shoji Hosaka is sufficiently independent from the Company.
5. Mr. Shoji Hosaka will have served as an Outside Company Auditor of the Company for 4 years at the conclusion of the Meeting.
6. Mr. Shoji Hosaka and the Company have concluded an agreement to limit the liability for damages based on Paragraph 1 of Article 423 of the Companies Act. The maximum amount of such liability based on the agreement is the minimum limit provided by relevant laws and regulations.
7. Mr. Shoji Hosaka has been reported to the Tokyo Stock Exchange, Inc. as an Independent Auditor.

Item 4: Renewal of Countermeasures to Large-Scale Acquisition of the Company's Shares (Takeover Defense Measures)

Upon the approval of the shareholders at the 145th Annual General Meeting of Shareholders held on June 27, 2008, the Company introduced a policy regarding countermeasures to large-scale acquisition of the Company's shares (Takeover Defense Measures) (the "Initial Plan"). Subsequently, at the 148th Annual General Meeting of Shareholders held on June 29, 2011, the renewed Initial Plan with certain revisions were approved (such renewed plan is referred to as the "Current Plan"). The effective period of the Current Plan is until the conclusion of this General Meeting of Shareholders.

Since the introduction of the Current Plan, the Company has reviewed its applicability, including the appropriateness of whether it should be renewed as an initiative to ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders by taking into account changes in social and economic circumstances, as well as various trends and discussions about the takeover defense measures.

As a result, the Company, at its Board of Directors meeting held on May 13, 2014, resolved to partially revise the content of the Current Plan and introduce a revised plan (the introduction is referred to as the "Renewal," and the Current Plan after the revision is referred to as the "Plan") subject to the approval of the shareholders at this General Meeting of Shareholders, in accordance with the basic policy on the parties controlling decisions on the Company's financial and operating policies (those stipulated in Item 3, Article 118 of the Ordinance for Enforcement of the Companies Act, the "Basic Policy"). All members of the Board of Company Auditors have agreed to the Renewal, subject to the specific operation of the Plan being carried out appropriately.

The Company would like to request the shareholders' approval for the Renewal by a majority of the votes of the shareholders present at this General Meeting of Shareholders.

In the course of Renewal, certain minor modifications such as rewording for the purpose of clarification were made to the Current Plan but the purposes and basic structure of the Plan remain the same.

1. Purposes of introducing the Plan

The Company believes that parties controlling decisions on the Company's financial and operating policies should be those who are able to contribute to ensuring and enhancing the Company's corporate value and, in turn, the common interests of its shareholders.

The Company certainly believes that, since free trading of shares of the Company as a publicly listed company is entrusted to the market, the final decision as to the parties controlling the decisions on the Company's financial and operating policies should be made based on the decision of each shareholder, and the final decision of whether or not to accept a large-scale acquisition that would result in a transfer of the control of the Company should also be made based on the intent of all shareholders.

However, there may be large-scale acquisitions of the Company's shares or such proposals as could harm the common interests of the shareholders, including (i) those that threaten, in effect, to force shareholders to sell their shares, (ii) those that do not provide sufficient time and information for shareholders to examine the acquisition conditions, or for the Board of Directors of the Company to offer alternative plans, and (iii) those that require the Company to negotiate with the Acquirer (defined in 2 below) to procure more advantageous terms for shareholders than those presented by the Acquirer.

The Company believes such Acquirer is exceptionally inappropriate to control the decisions on the Company's financial and operating policies.

The Plan is to be implemented continuously to prevent the Company's decisions on financial and operating policies from being controlled by parties regarded as inappropriate in light of the Basic Policy.

The Board of Directors of the Company does not unconditionally believe that Acquirers are inappropriate to be the parties controlling decisions on the Company's financial and operating policies if the purposes of the proposed large-scale acquisitions of the Company's shares contribute to ensuring and enhancing the Company's corporate value and, in turn, the common interests of its shareholders. In addition, the Board of Directors of the Company believes that the final decision of whether or not to accept a large-scale acquisition that would result in a transfer of the control of the Company should be made based on the intent of all shareholders.

Nevertheless, there may be proposed large-scale acquisitions of shares that might not contribute to ensuring and enhancing the corporate value of targeted companies and, in turn, the common interests of shareholders of targeted companies, including (i) those, in view of their purposes of acquisitions, that could clearly harm the corporate value and, in turn, the common interests of shareholders of targeted companies, (ii) those that threaten, in effect, to force shareholders to sell their shares, or (iii) those that do not provide sufficient time and information for the board of directors and the shareholders of targeted companies to examine their proposal for a large-scale acquisition or for the

board of directors of targeted companies to offer alternative plans.

The Company accordingly believes that, if a proposal for a large-scale acquisition of the shares of the Company is made, it should secure necessary information and time for the shareholders to consider whether or not to respond to the acquisition proposal and allow for the Company to negotiate with the Acquirer based on certain reasonable rules. This step will help ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders. The Company has therefore formulated in the Plan certain rules concerning the submission of information and securing time for consideration (the "Large-Scale Acquisition Rules") when a large-scale acquisition is to be conducted, and has determined to proceed with the Renewal, subject to the approval of the shareholders at this General Meeting of Shareholders, concerning takeover defense measures including countermeasures to be taken if a proposal for a large-scale acquisition of the shares of the Company is made by an inappropriate party, in accordance with the Basic Policy.

2. Purchases of the Company's Shares Targeted by the Plan

Purchases of the Company's shares that the Plan is applied will be those in the event of any specified group of shareholders (Note 1) acquiring the share certificates or other securities (Note 3) of the Company with a view to securing a ratio of voting rights (Note 2) of 20% or higher, or those of any acquiring the share certificates or other securities of the Company that would result in a specified group of shareholders securing a ratio of voting rights of 20% or higher (including open market transactions, tender offer and any other actual methods of acquisition, but excluding any acquisition by any party that has obtained the prior consent of the Board of Directors of the Company, such acquisition is referred to as a "Large-Scale Acquisition", and any party carrying out a Large-Scale Acquisition is referred to as the "Acquirer").

(Notes)

1. Specified group of shareholders means: (i) holders (meaning holders as defined in Article 27-23 of the Financial Instruments and Exchange Act, including persons deemed holders under Paragraph 3 of that Article) and joint holders (meaning joint holders as defined in Paragraph 5, Article 27-23 of the Act, including persons deemed joint holders under Paragraph 6 of that Article, the same applies hereinafter) of share certificates or other securities of the Company (meaning share certificates or other securities as defined in Paragraph 1, Article 27-23 of the Act), or (ii) persons making a purchase, etc., (meaning a purchase, etc., as defined in Paragraph 1, Article 27-2 of the Act, including a purchase, etc., made on the stock exchange securities market) of share certificates or other securities of the Company (meaning share certificates or other securities as defined in Paragraph 1, Article 27-2 of the Act), and specific interested parties thereof (meaning specific interested parties as defined in Paragraph 7, Article 27-2 of the Act, the same applies hereinafter).
2. Ratio of voting rights means: (i) if the specified group of shareholders is as defined in Paragraph (i) of Note 1, the holding ratio of share certificates and other securities of those holders (meaning holding ratio

of share certificates and other securities as defined in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Act, in this case the number of share certificates and other securities held by joint shareholders as defined under the said Paragraph – and the same applies hereinafter - is included), or (ii) if the specified group of shareholders is as defined in Paragraph (ii) of Note 1, the total of the holding ratio of share certificates and other securities of the purchasers and specific interested parties of such purchasers (meaning holding ratio of share certificates and other securities as defined under Paragraph 8, Article 27-2 of the Act). In calculating the holding ratio of share certificates and other securities, the Company may use the total number of voting rights (meaning total number of voting rights as defined in Paragraph 8, Article 27-2 of the Act) and the total number of issued shares (meaning total number of issued shares as defined in Paragraph 4, Article 27-23 of the Act) from the report most recently submitted among Securities Report, Quarterly Securities Report, and Share Buy-Back Report.

3. Share certificates or other securities of the Company mean: share certificates or other securities as defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Act, or share certificates or other securities as defined in Paragraph 1, Article 27-2 of the Act.

3. Establishment of a Special Committee

To ensure that a series of procedures are in compliance with the Large-Scale Acquisition Rules and to secure the reasonableness and fairness of any judgment in adopting appropriate measures for protection of the Company's corporate value and the common interests of its shareholders, the Board of Directors of the Company will set up the Special Committee as an organization independent of the Board of Directors of the Company pursuant to the Rules Governing the Special Committee (the outline of which is stated in Appendix 1 hereof), as is the case with the Current Plan.

The Special Committee consists of 3 or more members, and in order to enable fair and impartial judgment, these members will be appointed from among Outside Directors of the Company, Outside Company Auditors of the Company, and outside eminent persons (Note 4). The appointment of the Special Committee members will be made promptly after the Renewal, and the names and brief career summaries of candidates for members of the Special Committee at the commencement of the Plan are as per Appendix 2.

If the Special Committee determines that the Large-Scale Acquisition Information (defined in 4 (2)) submitted by the Acquirer is insufficient, it may require the Acquirer through the Board of Directors of the Company to submit additional information. Upon receipt of an inquiry from the Board of Directors of the Company concerning whether or not countermeasures should be invoked, the Special Committee will assess and examine the Large-Scale Acquisition and make its recommendation on the matters inquired by the Board of Directors of the Company before, in principle, the expiration of a period of 30 days from such receipt (which is a period established within the "Board of Directors' Assessment Period" (defined in 4 (3)) and is referred to as the

"Special Committee's Examination Period"). If the Special Committee is unable to make a recommendation concerning whether or not countermeasures should be invoked before the Special Committee's Examination Period expires, the Special Committee may extend such Period within the scope reasonably necessary (up to 30 days) for the assessment and examination of the Large-Scale Acquisition, negotiation with the Acquirer and examination of an alternative plan. (If such Period is extended, the Board of Directors' Assessment Period may also be extended to the maximum for the equal to such period extended, as set forth in 4 (3) .)

In order that the Special Committee makes the recommendation for the benefit of the Company's corporate value and, in turn, the common interests of its shareholders, the Special Committee may seek advice from third parties independent of the management of the Company, including financial advisors, Certified Public Accountants, lawyers, consultants and other experts, at the expense of the Company.

The summary of recommendations given by the Special Committee will be disclosed at such time as deemed appropriate.

(Note)

4. "Outside eminent persons" may be corporate executives with a wealth of management experience, individuals with a profound knowledge of investment banking, lawyers, Certified Public Accountants, academics specializing in the Corporate Law or the like, or persons of equivalent standing.

4. Outline of the Large-Scale Acquisition Rules

An outline of the Large-Scale Acquisition Rules formulated by the Company is as stated below.

An outline of the Plan is shown in the flow chart in Appendix 3. (The terms used in the flow chart are defined at such time as deemed appropriate in this Item of the agenda.)

(1) Prior submission of a letter of intent by the Acquirer to the Company

First, prior to a Large-Scale Acquisition or submitting a proposal thereof, an Acquirer intending to conduct the Large-Scale Acquisition must submit to the Board of Directors of the Company a letter of intent containing a pledge to comply with the Large-Scale Acquisition Rules, along with the following information:

(a) name and address of the Acquirer,
(b) law under which it was established,
(c) name of the person who represents it,

(d) contact information in Japan, and

(e) outline of the proposed Large-Scale Acquisition.

The Board of Directors of the Company will promptly disclose the fact that the letter of intent has been received from the Acquirer and disclose its contents at such time as it deems appropriate.

(2) Submission of necessary information by the Acquirer

Within 10 business days of receipt of the letter of intent as required in 4 (1), the Company will provide the Acquirer with a list of necessary and sufficient information that the Acquirer must submit to the Board of Directors of the Company in order to enable the shareholders to examine the proposal and the Board of Directors of the Company to form its opinion regarding the proposal (such information hereinafter referred to as the "Large-Scale Acquisition Information"). The Acquirer must produce the Large-Scale Acquisition Information requested in the list on the Large-Scale Acquisition Information in the form of writing in Japanese, to the Board of Directors of the Company. The information (a)-(e) below will be included in the list. The specific content of the Large-Scale Acquisition Information requested may differ depending on the attributes of the Acquirer and the characteristics of the intended Large-Scale Acquisition. In every case, the list on the Large-Scale Acquisition Information will be, however, limited to within the scope that is necessary and sufficient to allow the shareholders to make an informed decision and the Board of Directors of the Company to form its opinion regarding the proposal.

(a) Details about the Acquirer and the Acquirer's group (including joint holders, specific interested parties, and, in the case of a fund, association members, as well as any other constituent members), including its name, type of business, background or history, capital structure, financial position, and information on whether or not it has experience in business areas similar to the Company and subsidiaries of the Company (as a group, "Companies"),

(b) The purpose and details of the Large-Scale Acquisition (including the amount of acquisition price, form of payment, timing and methods of acquisition, other terms and conditions of the acquisition and their legality, related transaction structures, and feasibility of the acquisition and related transactions),

(c) The basis for calculation of the acquisition price and any supporting information of funds for the intended acquisition (including the outline of the financier including name, financing methods and related transactions),

(d) The Company's management policy, business plan, capital policy, dividend policy and candidates for corporate officers, all of which the Acquirer intends to follow, subsequent to the completion of the Large-Scale Acquisition, as well as measures for the sustainable and stable improvement of the Company's corporate value and the grounds that such measures enhance the Company's corporate value, and

(e) Whether the Acquirer plans to alter relationships between the Companies and their stakeholders

including employees, business partners and customers following the completion of the Large-Scale Acquisition, and if so, detail of intended alteration.

For the prompt operation of the Large-Scale Acquisition Rules, the Board of Directors of the Company sets 60 days (not including the first day) after the Company's request with the list of the Large-Scale Acquisition Information being provided as a period during which the Board of Directors of the Company will request the Acquirer to submit the Large-Scale Acquisition Information and the Acquirer, in turn, must submit the requested Large-Scale Acquisition Information (such period is hereinafter referred to as the "Information Submission Request Period"). In case of the expiry of the Information Submission Request Period, even if the Large-Scale Acquisition Information submitted is insufficient, the Board of Directors of the Company will finish communications with the Acquirer relating to the Large-Scale Acquisition Information and immediately commence the Board of Directors' Assessment Period. Provided, however, that the Information Submission Request Period may be extended for a maximum of 30 days (not including the first day), if the Acquirer requests such an extension based on any rational reasons. On the other hand, in case the Board of Directors of the Company determines objectively and reasonably that the information submitted by the Acquirer is sufficient as the Large-Scale Acquisition Information and therefore the requested submission of information has been completed, it will end the Information Submission Request Period and commence the Board of Directors' Assessment Period before the expiry of the Information Submission Request Period. Meanwhile, the Board of Directors of the Company may set a deadline for information submission by the Acquirer when it requests the Acquirer to submit the Large-Scale Acquisition Information, if necessary.

The Large-Scale Acquisition Information submitted to the Board of Directors of the Company will be immediately forwarded to the Special Committee. At the same time, if it is deemed necessary for the reasonable judgment of shareholders, the Company will disclose the Large-Scale Acquisition Information submitted in whole or in part to its shareholders at such time as it deems appropriate.

(3) Period for assessment by the Board of Directors of the Company

The Board of Directors of the Company will, after the Acquirer has completed submission of the Large-Scale Acquisition Information to the Board of Directors of the Company, set an assessment period as a period for assessment, examination, negotiation, formation of its opinion, and compilation of its alternative plan by the Board of Directors of the Company (the "Board of Directors' Assessment Period") of no longer than 60 days (if all shares of the Company are to be acquired via a cash tender offer in Japanese yen) or 90 days (in the case of any other type of Large-Scale Acquisition), depending on the difficulty of assessing the proposed Large-Scale Acquisition, provided, however, that if the Special Committee's Examination Period is extended, the Board of Directors' Assessment Period may be extended to the maximum for the equal to such period

extended, if the Special Committee recommends to so extend. During the Board of Directors' Assessment Period, the Board of Directors of the Company will conduct a thorough assessment and examination of the Large-Scale Acquisition Information submitted while obtaining recommendations from the Special Committee and if necessary seeking advice from independent outside experts (financial advisors, Certified Public Accountants, lawyers, consultants, and other experts), carefully form its own opinion on the proposal, and make that opinion public.

In addition, the Board of Directors of the Company may, if necessary, negotiate with the Acquirer with the aim of improving the terms of the Large-Scale Acquisition, and offer shareholders its own alternative plan.

5. Policy for taking measures in the event of a Large-Scale Acquisition

(1) In case the Acquirer complies with the Large-Scale Acquisition Rules

As long as the Acquirer complies with the Large-Scale Acquisition Rules, the Board of Directors of the Company will, even if it opposes the proposed Large-Scale Acquisition, implement no countermeasures in principle, in such case, actions to be taken at most by the Board of Directors of the Company would seek to convince shareholders by expressing publicly opposition to the Acquirer's proposal and formulating and disseminating an alternative proposal of its own. It will be up to the shareholders to decide whether or not to accept the proposal of the Acquirer, upon examination of such proposal made by the Acquirer and of the opinions on such proposal and alternative plans offered by the Company.

Notwithstanding the Acquirer's compliance with the Large-Scale Acquisition Rules, however, if the Board of Directors of the Company judges that the Large-Scale Acquisition significantly harms the Company's corporate value and, in turn, the common interests of its shareholders, i.e. such Large-Scale Acquisition falls under any of the following categories (a) - (f) below, and causes irreparable damage to the Company as a result, the Board of Directors of the Company may in accordance with the Directors' duty of due care and diligence, take countermeasures permitted by the Companies Act or other applicable laws including allotment of Stock Acquisition Rights without contribution on an exceptional basis within the necessary and appropriate range for the purpose of protecting the Company's corporate value and, in turn, the common interests of its shareholders.

(a) If the Acquirer is a party that acquires or plans to acquire shares of the Company in order to resell the shares at an inflated stock price to parties related to the Company without any real intention of participating in corporate management (a so-called "greenmailer"),

(b) If the purpose of the Acquirer is to temporarily control the Company's management and transfer assets of the Company such as intellectual property rights, know-how, trade secrets, major

business partners or customers necessary for the business management of the Company, to the Acquirer, its group companies or others (so-called "scorched-earth management"),

(c) If the intention of the Acquirer is to divert assets of the Companies as security for liabilities or source of repayment of debt of the Acquirer, its group companies or others after the Acquirer has control over the Company's management,

(d) If the purpose of the Acquirer is to temporarily control the Company's management and cause the Company to dispose of, by selling or otherwise, their high value assets such as real estate, securities and the like that are currently unrelated to the business of the Companies, and temporarily declare high dividends with such disposal gains or sell the shares of the Company at a higher price, exploiting the opportunity afforded by the appreciation in stock price due to temporarily high dividends,

(e) If the method of acquisition of the Company's shares proposed by the Acquirer could threaten to limit opportunities or freedom of shareholders to make decisions and has the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers that do not offer to purchase all shares in the initial acquisition and set acquisition terms for the second stage that are unfavorable, or do not set clear terms for the second stage) (provided, however, that a partial tender offer is not always considered to be such two-tier takeover attempt), or

(f) If, under the applicable laws and regulations effective at the time when the acquisition proposal is conducted, it is clearly deemed that the acquisition proposal could significantly harm the Company's corporate value and, in turn, the common interests of its shareholders.

(2) In case the Acquirer fails to comply with the Large-Scale Acquisition Rules

If the Acquirer fails to comply with the Large-Scale Acquisition Rules and it is considered necessary to protect the Company's corporate value and, in turn, the common interests of its shareholders, the Board of Directors of the Company will, regardless of the specific acquisition methods involved, invoke countermeasures against the Large-Scale Acquisition by implementing allotment of Stock Acquisition Rights without contribution or taking any other countermeasures as permitted by the Companies Act or other applicable laws. More specifically, the Board of Directors of the Company will determine what type of countermeasure to the Large-Scale Acquisition is most appropriate at that time and resolve accordingly. In case the Board of Directors of the Company decides to implement allotment of Stock Acquisition Rights without contribution as a specific countermeasure, the outline of which is given in Appendix 4, the Board of Directors of the Company may determine the exercise period, exercise conditions and acquirement clause of the Stock Acquisition Rights in consideration of the effectiveness thereof as a countermeasure, including such exercise conditions as not allowing the exercise of Stock Acquisition Rights held by a person or a company belonging to a specified group of shareholders holding in excess of a specific ratio of voting rights. In addition,

the Company will not make any payment to the Acquirer.

(3) Procedures for the implementation of countermeasures

Under the Plan, in principle, the Board of Directors of the Company will not implement countermeasures to the Large-Scale Acquisition if the Acquirer complies with the Large-Scale Acquisition Rules as set forth in 5 (1). However, if exceptional circumstances warrant the implementation of countermeasures as set forth in 5 (1) or in accordance with 5 (2), in order to secure the reasonableness and fairness of its determination, the Board of Directors of the Company will seek recommendations of the Special Committee on whether or not countermeasures should be implemented. After carefully considering issues such as whether the Large-Scale Acquisition Rules are complied, the Special Committee will make a recommendation to the Board of Directors of the Company on whether or not countermeasures should be implemented. The Special Committee may add to the recommendations a reservation that the intent of all shareholders on the implementation of countermeasures should be confirmed in advance.

In determining whether or not to implement countermeasures, the Board of Directors of the Company will take into full consideration the recommendations given by the Special Committee.

(4) Holding of a General Meeting of Shareholders to confirm the intent of the shareholders

The Board of Directors of the Company will comply with the procedures in 5 (3) with regard to the implementation of countermeasures. In case the Special Committee makes recommendations with the reservation that the shareholders' intent should be confirmed in advance regarding such implementation of countermeasures and if the Board of Directors of the Company determines that it is appropriate in light of various factors such as the time required for its holding to confirm the intent of the shareholders with the Directors' duty of due care and diligence, the Board of Directors of the Company may hold a Meeting of Shareholders (the "General Meeting of Shareholders for Confirming Shareholders' Intent") as soon as practicable to confirm the shareholders' intent on the implementation of countermeasures.

If the General Meeting of Shareholders for Confirming Shareholders' Intent is held, the Board of Directors of the Company will comply with the resolution adopted by the General Meeting of Shareholders for Confirming Shareholders' Intent.

In case the Board of Directors of the Company decides to convene the General Meeting of Shareholders for Confirming Shareholders' Intent, the Acquirer must not commence the Large-Scale Acquisition until the Board of Directors of the Company adopts a resolution on the implementation of countermeasures in accordance with the resolution of the General Meeting of Shareholders for Confirming Shareholders' Intent. In case the General Meeting of Shareholders for Confirming Shareholders' Intent is not held, the

Acquirer may commence the Large-Scale Acquisition only after the Board of Directors' Assessment Period has lapsed.

(5) Suspension of the implementation of countermeasures

Even after the Board of Directors of the Company determines to implement specific countermeasures in accordance with 5 (3), the Board of Directors of the Company may suspend or change the implementation of countermeasures, after taking into full consideration the Special Committee's advice, opinions or recommendations, if the Board of Directors of the Company determines that the implementation of such countermeasures would be inappropriate in view of the facts that the Acquirer has withdrawn or altered its acquisition proposal. For example, in case where the Board of Directors of the Company determines to implement or implements allotment of Stock Acquisition Rights without contribution as a countermeasure, if the Acquirer has withdrawn or altered its acquisition proposal, and resultantly if the Board of Directors of the Company determines that it would be inappropriate to implement countermeasures, then, taking into account the recommendation from the Special Committee, the Board of Directors of the Company may cancel the allotment of Stock Acquisition Rights without contribution by the day prior to the effective date, or suspend the implementation of countermeasures through gratis acquisition of the Stock Acquisition Rights by the Company by the day prior to the commencement date of the exercise period even after the Stock Acquisition Rights has already been allotted without contribution.

When the implementation of countermeasures as described above is suspended, that fact will be disclosed at a suitable time in accordance with applicable laws and regulations and the listing rules of Tokyo Stock Exchange, Inc., on which the Company is listed, along with such other information as is deemed necessary by the Special Committee.

6. Impact on shareholders and investors

(1) Impact of the Large-Scale Acquisition Rules on shareholders and investors

The Large-Scale Acquisition Rules are designed to provide the Company's shareholders with the information they need to decide whether or not to accept the proposed Large-Scale Acquisition and the opinions of the Board of Directors of the Company, which is responsible for the actual running of the Company, and ensure shareholders the opportunity of being presented with its alternative plan. With sufficient information, shareholders will thus be able to reach an appropriate decision on whether or not to accept the proposed Large-Scale Acquisition, that, in turn, will help protect the Company's corporate value and, in turn, the common interests of its shareholders. The establishment of the Large-Scale Acquisition Rules, therefore, is a prerequisite for the making of appropriate investment decisions by shareholders and investors, and contributes to their interests.

We hereby advises shareholders and investors of the Company to observe carefully any actions taken by an Acquirer, because steps and actions to be taken by the Company will be different depending on whether or not the Acquirer complies with the Large-Scale Acquisition Rules as described in 5.

(2) Impact on shareholders and investors when countermeasures are invoked

As mentioned above, the Board of Directors of the Company may implement the countermeasures described in 5 above in order to protect the Company's corporate value and, in turn, the common interests of its shareholders. If the Board of Directors of the Company decides to implement specific countermeasures, it will make appropriate disclosure of that decision at a suitable time in accordance with applicable laws and regulations and the listing rules of Tokyo Stock Exchange, Inc., on which the Company is listed.

When countermeasures are implemented, the Company does not foresee particular damages being occurred to shareholders, other than the Acquirer, legally and/or economically. In case where Stock Acquisition Rights are allotted without contribution as a countermeasure, since the Company takes procedures to acquire the issued Stock Acquisition Rights in exchange for the Company's shares, the holders of such Rights other than the Acquirer will receive the Company's shares in exchange of the Rights without paying money equivalent to the exercise price, and as a result will not be adversely affected. However, in the case of shareholders who have, by the date when the Company acquires the Stock Acquisition Rights, not submitted a written pledge, in a format prescribed by the Company, stating, among other matters, that they are not an Acquirer (only if the Company requests submission of such a pledge), they may eventually suffer disadvantages legally and/or economically compared to other shareholders, to whom the Stock Acquisition Rights are allotted without contribution and who receive the Company's shares in exchange for them. When the Board of Directors of the Company suspends to issue Stock Acquisition Rights or acquire all the issued Stock Acquisition Rights without contribution (the shareholders lose their Stock Acquisition Rights as a result of such acquisition by the Company) taking into account the Special Committee's recommendation, shareholders or investors who made buying or selling transactions on the assumption of dilution may be unexpectedly damaged due to change of the share price.

As for the Acquirers, if they fail to comply with the Large-Scale Acquisition Rules, or if the Board of Directors of the Company determines that, although they have complied with those Rules, their intended Large-Scale Acquisition would significantly harm the Company's corporate value and the common interests of its shareholders, they may, as a result of the countermeasures taken, be adversely affected legally and/or economically. Disclosure of the Plan is designed to forewarn Acquirers against violating the Large-Scale Acquisition Rules.

(3) Procedures to be taken by the Shareholders along with the implementation of countermeasures

If the Stock Acquisition Rights are allotted without contribution, for example, as one of the countermeasures, shareholders will be allotted the Stock Acquisition Rights without making an application for subscription to the Company. Also, since the Company takes procedures to acquire the issued Stock Acquisition Rights in exchange for the Company's shares, the holders of such Rights other than the Acquirer will receive the Company's shares in exchange of the Rights without paying money equivalent to the exercise price, and, as a result, shareholders are not required to make an application or payment. In such case, however, the shareholders who are entitled to the allotment of the Stock Acquisition Rights without contribution might be separately requested by the Company to submit a document in a format specified by the Company pledging that they are not the Acquirers.

The Company will disclose separately about the details of these procedures in accordance with the applicable laws and regulations and the listing rules of Tokyo Stock Exchange, Inc., on which the Company is listed, in case the Company actually allots the Stock Acquisition Rights without contribution.

7. Commencement of the Application, Effective Period and Abolition of the Plan

The Plan will become effective upon the approval at this General Meeting of Shareholders. The effective period of the Plan is from the conclusion of this General Meeting of Shareholders to the conclusion of the 154th Annual General Meeting of Shareholders to be held in June 2017.

If, even after the approval is obtained at this General Meeting of Shareholders, (a) a resolution for abolishing the Plan is adopted at a General Meeting of Shareholders or (b) a resolution for abolishing the Plan is adopted by the Board of Directors meeting comprised of the directors chosen at a General Meeting of Shareholders, the Plan will be abolished at that point in time. In addition, even during the effective period of the Plan, the Board of Directors of the Company may review it from time to time from the viewpoint of ensuring and enhancing the Company's corporate value and, in turn, the common interests of its shareholders and may modify the Plan upon approval of a General Meeting of Shareholders. Consequently, in case the Board of Directors of the Company makes decisions on the renewal, revision and/or abolishment of the Plan as described above, the content will be promptly disclosed.

Furthermore, even during the effective period of the Plan, when the intended changes to the Plan are not detrimental to shareholders, including the cases where any applicable law/regulation or any

provision of the listing rules of Tokyo Stock Exchange, Inc., concerning the Plan has been newly established, revised or abolished and such new establishment, revision or abolishment is deemed appropriate to be incorporated in the Plan, or the wording in the text of the Plan should be appropriately changed by reason of typographical errors, the Board of Directors of the Company may revise or modify the Plan upon the approval of the Special Committee.

Appendix 1

Outline of the Rules Governing the Special Committee

1. Establishment

The Special Committee is established by resolution of the Board of Directors of the Company.

2. Member

The Special Committee consists of three or more members entrusted by the Board of Directors of the Company from among Outside Directors, Outside Company Auditors or outside eminent persons (i.e., corporate executives with a wealth of management experience, individuals with a profound knowledge of investment banking, lawyers, Certified Public Accountants and academics specializing in the Corporate Law or the like, or persons of equivalent standing).

3. Term of Office

The term of office of a member of the Special Committee (a "Special Committee Member") is the same as the effective period of the Plan. Provided, however, this clause will not apply in case the Board of Directors of the Company determines otherwise by resolution thereof.

4. Committee Chief and Chairperson

The committee chief of the Special Committee is elected via mutual voting of the Special Committee Members. The committee chief presides over the Special Committee meetings as Chairperson.

5. Requirements for Resolution

Resolutions by the Special Committee are adopted by a majority vote of all Special Committee Members present, in principle. However, if any Committeeperson is unable to attend, resolutions may be adopted by a two-thirds vote when a majority of the Special Committee Members is present.

6. Matters to Be Resolved

In principle, when the Board of Directors of the Company consults the Special Committee, it in response to such consultation makes decisions regarding the matters listed below and makes its recommendation to the Board of Directors of the Company, disclosing the details of the resolution, including the reason for the resolution. Each Special Committee Member must make decisions of the Special Committee from the viewpoint of whether or not the Company's corporate value and, in turn, the common interests of its shareholders are enhanced, and Special Committee Members must not serve for the sole purpose of their own interests and/or personal interests of the Directors of the Company:

(a) determination of the information to be submitted to the Special Committee by the Acquirer and the Board of Directors of the Company, and the submitting deadline,

(b) extension of the Board of Directors' Assessment Period and the Special Committee's Examination Period,

(c) recommendation on whether or not it is appropriate to implement countermeasures relating to the Plan (including the judgment whether or not it is clear that the Large-Scale Acquisition could irreparably harm the Company or significantly damage the corporate value and, in turn, the common interests of the shareholders, or the recommendation on the need of convening a General Meeting of Shareholders for Confirming Shareholders' Intent),

(d) suspension or withdrawal of countermeasures relating to the Plan,

(e) change, amendment and abolition of the Plan, and

(d) other matters on which the Board of Directors of the Company consults the Special Committee relating to the Plan.

7. Advice from Outside Experts

When the Special Committee makes decisions or recommendations stated in 6, it makes efforts to collect necessary and sufficient information to ensure the appropriateness of such decisions or recommendations. For that purpose, the Special Committee may seek advice from third parties independent of the management of the Company, including financial advisors, Certified Public Accountants, lawyers, consultants and other experts, at the expense of the Company.

Appendix 2

Names and Brief Career Summaries of Candidates for Member of the Special Committee at the Renewal of the Plan

1. Name: **Kunitaro Saida**

   Date of Birth: May 4, 1943

   Brief career summary:

February	2003	Superintending Public Prosecutor, Takamatsu High Public Prosecutors Office
June	2004	Superintending Public Prosecutor, Hiroshima High Public Prosecutors Office
August	2005	Superintending Public Prosecutor, Osaka High Public Prosecutors Office
May	2006	Registered as a practicing attorney and entered Law Firm (to the present)
June	2008	Outside Director of the Company (to the present)

   * Mr. Kunitaro Saida is an outside director as set forth in Item 15, Article 2 of the Companies Act.
   * Mr. Kunitaro Saida has been reported as an independent director, as is stipulated by Tokyo Stock Exchange, Inc.
   * Mr. Kunitaro Saida has no special interest in the Company.

2. Name: **Akira Watanabe**

   Date of Birth: January 17, 1931

   Brief career summary:

July	1994	Professor Emeritus, Kyushu Institute of Technology (to the present)
July	2001	President, Kyushu Kyoritsu University
July	2005	Retired President, Kyushu Kyoritsu University
June	2007	Outside Company Auditor of the Company
June	2011	Retired Outside Company Auditor of the Company

   * Mr. Akira Watanabe has no special interest in the Company.

3. Name: **Toshiaki Kakimoto**

   Date of Birth: April 9, 1941

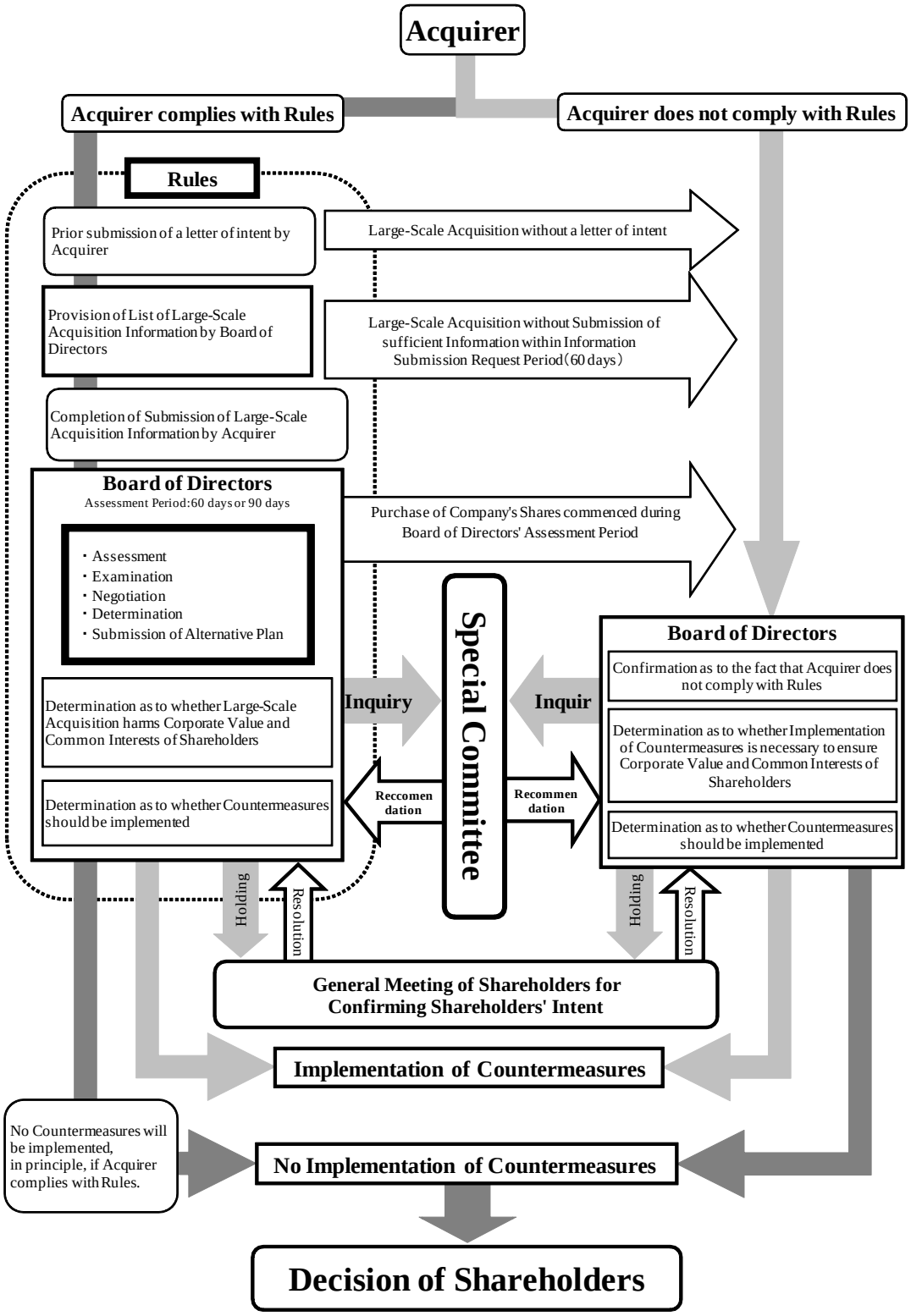
   Brief career summary:

January	1998	Vice President, The Japan Research Institute, Limited
June	2000	Chairman of the Institute, The Japan Research Institute, Limited
June	2004	Senior Fellow, The Japan Research Institute, Limited (to the present)

   * Mr. Toshiaki Kakimoto has no special interest in the Company.

Flow Chart of the Plan (Reference)

Appendix 3



Note 1: This Flow Chart shows a schematic flow of typical procedures under the Plan for facilitating readers' understanding as to the Plan. This Flow Chart is not to present all the procedures under the Plan. For the details of the Plan, please refer to the text.

Note 2: In this Flow Chart ,"Rules" means the Large-Scale Acquisition Rules.

Outline of Allotment of Stock Acquisition Rights without Contribution

1. Shareholders Eligible for Allotment of the Stock Acquisition Rights without Contributions

Stock Acquisition Rights will be allotted to all shareholders registered or recorded in the last shareholders register on such an allotment date as is determined by the Board of Directors of the Company according to a ratio of one right for one common share owned by such shareholder (excluding any common shares held by the Company at that time) without any contribution.

2. Class and number of shares to be delivered upon exercise of the Stock Acquisition Rights

The class of shares to be delivered upon exercise of the Stock Acquisition Rights will be common shares of the Company. The number of shares of the Company to be delivered upon exercise of each Stock Acquisition Right will be one share. However, if the Company makes a share split or share consolidation, the number of shares to be delivered will be adjusted accordingly.

3. Total number of the Stock Acquisition Rights to be allotted

The total number of the Stock Acquisition Rights to be allotted will be determined by the Board of Directors of the Company within the number of shares obtained by deducting the total number of common shares issued (excluding those held by the Company) from the total number of common shares authorized as of the allotment date determined by the Board of Directors of the Company. The Board of Directors of the Company may implement the allotment of the Stock Acquisition Rights more than once within the said upper limit of the total number of the Stock Acquisition Rights to be allotted.

4. The amount to be contributed upon exercise of the Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in money, and the amount to be contributed upon exercise of one Stock Acquisition Right will be one Japanese yen or more to be determined by the Board of Directors of the Company.

5. Assignment

Any acquisition of the Stock Acquisition Rights by assignment requires approval of the Board of Directors of the Company.

6. Conditions and acquirement clause of exercise of the Stock Acquisition Rights

The Board of Directors of the Company may establish conditions for exercise of the Stock Acquisition Rights where persons or companies (including an Acquirer) belonging to a specified

group of shareholders (excluding cases where the acquiring or holding of the Company's share certificates or other securities by persons or companies is recognized by the Board of Directors of the Company not to be detrimental to the common interests of the shareholders, is referred to as "those who are prohibited from exercising the Stock Acquisition Rights") are not approved to exercise the Stock Acquisition Rights. Detailed conditions of exercise of the Stock Acquisition Rights will be established separately by the Board of Directors of the Company. In addition, the Board of Directors of the Company may establish a clause where the Company may acquire the Stock Acquisition Rights held by persons or companies other than those who are prohibited from exercising the Stock Acquisition Rights due to these conditions and, in exchange thereof, may deliver the Company's shares at a rate of one share of the Company per one Stock Acquisition Right. Any other details of the clause concerning the acquisition by the Company will be determined separately by the Board of Directors of the Company. The Company will not make any payment to the Acquirer with regard to the acquisition conditions of the Stock Acquisition Rights.

7. Exercise period of the Stock Acquisition Rights

Any other details including the exercise period of the Stock Acquisition Rights will be determined separately by the Board of Directors of the Company.