

Securities Code: 6444
June 3, 2014

Notice of the 88th Ordinary General Meeting of Shareholders

Dear Shareholders:

It is our pleasure to invite you to the 88th Ordinary General Meeting of Shareholders of Sanden Corporation (“Sanden” or the “Company”). The details of the meeting are provided below.

If you are unable to attend the Ordinary General Meeting of Shareholders in person, you may vote either by mailing the enclosed Voting Rights Exercise Form or by the Internet. Please refer to the Reference Materials for the Ordinary General Meeting of Shareholders and vote by 5:00 p.m. on Thursday, June 19, 2014.

[Vote by mailing the Voting Rights Exercise Form]

Please complete and return the enclosed Voting Rights Exercise Form. To be effective, your form must be received at the printed address by 5:00 p.m. on Thursday, June 19, 2014.

[Vote by the Internet]

Please vote online at <http://www.web54.net> following the instruction on the screen. To be effective, your vote must be submitted by 5:00 p.m. on Thursday, June 19, 2014.

Sincerely,

Masayoshi Ushikubo
Representative Director and Chairman,
Sanden Corporation
20, Kotobuki-cho, Isesaki City,
Gunma Prefecture

Details of the Meeting

1. Date and time: Friday, June 20, 2014, 10:00 a.m.

2. Venue: Conference room, Sanden Communication Plaza
961, Numawada, Honjo City, Saitama Prefecture

3. Meeting agenda:
Items to be reported
 1. Business Report and Consolidated Financial Statements for the 88th Fiscal Year (from April 1, 2013 to March 31, 2014), and Reports of the Independent Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements
 2. Non-Consolidated Financial Statements for the 88th Fiscal Year (from April 1, 2013 to March 31, 2014)

Agenda items to be resolved

- Item 1:** Proposal for Appropriation of Surplus
- Item 2:** Approval of Agreement for Absorption-Type Company Split of Company Subsidiaries
Accompanying the Transition to a Holding Company Structure
- Item 3:** Partial Amendment to Articles of Incorporation Accompanying the Transition to a Holding
Company Structure
- Item 4:** Election of Eight (8) Directors
- Item 5:** Continuation of Countermeasures to Large-Scale Acquisitions of the Company's Shares
(Takeover Defense Measures)

4. About your vote
 1. If you vote both by mailing the Voting Rights Exercise Form and by the Internet, the vote submitted by the Internet will prevail.
 2. If you submit your vote multiple times by the Internet, only the last vote submitted will be effective.

When you attend the Ordinary General Meeting of Shareholders in person, please submit the enclosed Voting Rights Exercise Form at the reception.

Any revision to the Reference Materials for the Ordinary General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements or Consolidated Financial Statements will be posted on our website (<http://www.sanden.co.jp>).

**This English translation is an abridged version of the original notice in Japanese. In the event of any discrepancy, the Japanese version shall prevail.*

Consolidated Balance Sheet

(As of March 31, 2014)

(In millions of yen)

Item	Amount	Item	Amount
[Assets]		[Liabilities]	
Current assets:	160,122	Current liabilities:	136,563
Cash and deposits	19,087	Notes and accounts payable – trade	54,714
Notes and accounts receivable – trade	76,530	Short-term loans payable	42,953
Merchandise and finished goods	22,833	Current portion of long-term loans payable	13,527
Work in process	7,514	Accounts payable – other	10,635
Raw materials	12,524	Lease obligations	1,213
Other inventories	3,769	Income taxes payable	639
Deferred tax assets	3,167	Provision for bonuses	3,620
Accounts receivable – other	3,849	Provision for sales rebates	519
Consumption taxes receivable	4,260	Provision for product warranties	1,582
Other	7,532	Deferred tax liabilities	16
Allowance for doubtful accounts	(948)	Other	7,141
Noncurrent assets:	117,798	Noncurrent liabilities:	75,705
Property, plant and equipment	88,681	Long-term loans payable	62,567
Buildings and structures	23,242	Lease obligations	4,118
Machinery, equipment and vehicles	27,579	Deferred tax liabilities	1,018
Tools, furniture and fixtures	5,150	Net defined benefit liability	2,545
Land	19,152	Provision for directors' retirement benefits	179
Lease assets	5,196	Provision for environmental measures	518
Construction in progress	8,360	Other	4,757
Intangible assets	4,250		
Goodwill	677	Total Liabilities	212,269
Lease assets	140	[Net assets]	
Other	3,431	Shareholders' equity	58,553
Investments and other assets	24,866	Capital stock	11,037
Investment securities	21,388	Capital surplus	4,453
Deferred tax assets	2,005	Retained earnings	44,239
Other	1,684	Treasury stock	(1,178)
Allowance for doubtful accounts	(212)	Accumulated other comprehensive income	2,738
		Valuation difference on available-for-sale securities	2,532
		Deferred gains or losses on hedges	(22)
		Foreign currency translation adjustment	807
		Remeasurements of defined benefit plans	(579)
		Minority interests	4,359
		Total net assets	65,651
Total assets	277,920	Total liabilities and net assets	277,920

Consolidated Statement of Income
(From April 1, 2013 to March 31, 2014)

(In millions of yen)

Item	Amount
Net sales	274,786
Cost of sales	226,685
Gross profit	48,101
Selling, general and administrative expenses	43,242
Operating income	4,858
Non-operating income	3,217
Interest income	71
Dividends income	173
Equity in earnings of affiliates	1,996
Other	975
Non-operating expenses	3,098
Interest expenses	2,459
Foreign exchange losses	106
Other	533
Ordinary income	4,976
Extraordinary income	2,109
Gain on sales of noncurrent assets	131
Gain on sales of investment securities	2
Gain on shift to defined contribution pension plan	1,953
Other	21
Extraordinary loss	1,298
Loss on disposal of noncurrent assets	138
Impairment loss	235
Market expenses	923
Other	0
Income before income taxes and minority interests	5,787
Income taxes – current	1,037
Income taxes – deferred	(928)
Income before minority interests	5,678
Minority interests in loss	(165)
Net income	5,843

Consolidated Statements of Changes in Net Assets

(From April 1, 2013 to March 31, 2014)

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2013	11,037	4,453	39,855	(2,197)	53,149
Changes of items during the period					
Dividends from surplus			(1,361)		(1,361)
Net income			5,843		5,843
Purchase of treasury stock				(11)	(11)
Disposal of treasury stock			(7)	38	31
Changes by share exchanges			(89)	991	901
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	4,384	1,019	5,403
Balance as of March 31, 2014	11,037	4,453	44,239	(1,178)	58,553

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2013	1,821	113	(5,433)	-	(3,498)	3,309	52,961
Changes of items during the period							
Dividends from surplus							(1,361)
Net income							5,843
Purchase of treasury stock							(11)
Disposal of treasury stock							31
Changes by share exchanges							901
Net changes of items other than shareholders' equity	710	(135)	6,241	(579)	6,236	1,050	7,286
Total changes of items during the period	710	(135)	6,241	(579)	6,236	1,050	12,689
Balance as of March 31, 2014	2,532	(22)	807	(579)	2,738	4,359	65,651

Non-Consolidated Balance Sheet

(As of March 31, 2014)

(In millions of yen)

Item	Amount	Item	Amount
[Assets]		[Liabilities]	
Current assets:	77,372	Current liabilities:	74,511
Cash and deposits	7,760	Notes payable – trade	5,992
Notes receivable – trade	2,068	Accounts payable – trade	27,281
Accounts receivable – trade	42,011	Short-term loans payable	19,490
Merchandise	715	Current portion of long-term loans payable	8,982
Finished goods	8,308	Lease obligations	573
Work in process	3,455	Accounts payable – other	7,727
Supplies	740	Accrued expenses	913
Deferred tax assets	2,006	Provision for bonuses	2,096
Short-term loan receivable from subsidiaries and affiliates	3,931	Provision for sales rebates	55
Accounts receivable – other	6,359	Provision for product warranties	1,004
Consumption taxes receivable	360	Other	393
Other	722		
Allowance for doubtful accounts	(1,068)		
Noncurrent assets:	77,051	Noncurrent liabilities:	47,231
Property, plant and equipment	35,396	Long-term loans payable	41,047
Buildings	9,729	Provision for retirement benefits	2
Structures	1,502	Provision for directors' retirement benefits	179
Machinery and equipment	4,094	Lease obligations	2,729
Vehicles	6	Guarantee deposits received	35
Tools, furniture and fixtures	1,718	Guarantee deposits received	377
Land	14,554	Deferred tax liabilities	2,859
Lease assets	3,019	Long-term accounts payable-other	
Construction in progress	770		
Intangible assets	2,461	Total liabilities	121,743
Patent right	15	[Net assets]	
Leasehold right	104	Shareholders' equity	30,157
Software	2,298	Capital stock	11,037
Lease assets	39	Capital surplus	4,453
Other	3	Legal capital surplus	4,453
Investments and other assets	39,192	Retained earnings	15,538
Investment securities	9,411	Legal retained earnings	-
Stocks of subsidiaries and affiliates	20,608	Other retained earnings	15,538
Investments in capital of subsidiaries and affiliates	8,078	Retained earnings brought forward	15,538
Long-term loans receivable	254	Treasury stock	(872)
Other	1,059	Valuation and translation adjustments	2,522
Allowance for doubtful accounts	(220)	Valuation difference on available-for-sale securities	2,522
		Total net assets	32,680
Total assets	154,423	Total liabilities and net assets	154,423

Non-Consolidated Statement of Income
(From April 1, 2013 to March 31, 2014)

(In millions of yen)

Item	Amount
Net sales	145,814
Cost of sales	120,856
Gross profit	24,958
Selling, general and administrative expenses	24,025
Operating profit	933
Non-operating income	3,313
Interest income	67
Dividends income	2,660
Rent income	67
Foreign exchange gains	386
Miscellaneous income	131
Non-operating expenses	1,267
Interest expenses	901
Taxes and dues	139
Miscellaneous loss	226
Ordinary income	2,978
Extraordinary income	1,991
Gain on sales of noncurrent assets	34
Gain on sales of investment securities	2
Gain on shift to defined contribution pension plan	1,953
Extraordinary loss	1,206
Loss on disposal of noncurrent assets	81
Impairment loss	200
Market expenses	923
Income before income taxes	3,763
Income taxes – current	(122)
Income taxes – deferred	457
Net income	3,428

Statement of Changes in Net Assets
(From April 1, 2013 to March 31, 2014)

(In millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus		Retained earnings			Treasury stock	Total share-holders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance as of April 1, 2013	11,037	4,453	4,453	-	13,566	13,566	(1,989)	27,068
Changes of items during the period								
Dividends from surplus					(1,366)	(1,366)		(1,366)
Net income					3,428	3,428		3,428
Purchase of treasury stock							(11)	(11)
Disposal of treasury stock					(0)	(0)	0	0
Changes by share exchanges					(89)	(89)	1,128	1,038
Net changes of items other than share-holders' equity								
Total changes of items during the period	-	-	-	-	1,971	1,971	1,117	3,089
Balance as of March 31, 2014	11,037	4,453	4,453	-	15,538	15,538	(872)	30,157

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance as of April 1, 2013	1,817	130	1,947	29,016
Changes of items during the period				
Dividends from surplus				(1,366)
Net income				3,428
Purchase of treasury stock				(11)
Disposal of treasury stock				0
Changes by share exchanges				1,038
Net changes of items other than share-holders' equity	705	(130)	574	574
Total changes of items during the period	705	(130)	574	3,664
Balance as of March 31, 2014	2,522	-	2,522	32,680

Item 1: Proposal for Appropriation of Surplus

We propose to appropriate surplus as follows:

Year-end dividends

In due consideration of our business results for the fiscal year and future business developments, we propose making year-end dividends for the 88th fiscal year as described below:

(1) Type of dividend property

Money

(2) Allotment and total amount of dividends

We propose making a dividend of ¥10 per share of common stock of the Company, with the total amount of dividends being ¥1,387,230,730.

(3) Effective date for dividends from surplus

We propose a relevant effective date of June 23, 2014.

Item 2: Approval of Agreement for Absorption-Type Company Split of Company Subsidiaries Accompanying the Transition to a Holding Company Structure

1. Reason for the Absorption-Type Company Split

The Sanden Group has put in place a framework with the aim of developing “Global Excellent Companies.” At the same time, the Group is working actively to create new corporate value. Sanden has recognized the critical need to rebuild its management structure so as to maximize the overall corporate value of the Group. In transitioning to a holding company structure, the Company is, therefore, looking to realize further growth on a global-scale.

In order to transition to a holding company structure, the Company will implement an absorption-type company split (“Absorption-Type Company Split”) that transfers its businesses to seven wholly owned subsidiaries (Sanden Automotive Air Conditioning Systems Company Split Preparatory Corporation, Sanden Automotive Device Company Split Preparatory Corporation, Sanden Retail Systems Company Split Preparatory Corporation, Sanden Living & Environment Systems Company Split Preparatory Corporation, Sanden ES Core Device Company Split Preparatory Corporation, Sanden Advanced Technology Development Company Split Preparatory Corporation, Sanden Executive Service Company Split Preparatory Corporation (“Succeeding Company” or “Each Succeeding Company”)) conditional upon the approval of Proposal No. 3 “Partial Amendment to Articles of Incorporation Accompanying the Transition to a Holding Company Structure” and an absorption-type company split agreement entering into effect on April 1, 2015 (planned). To this end, the Company executed an absorption-type company split agreement (“Absorption-Type Company Split Agreement”) with Each Succeeding Company on May 22, 2014.

2. Overview of the Absorption-Type Company Split Agreement

Details of the Absorption-Type Company Split Agreement executed with Each Succeeding Company are as follows

(1) Articles of Absorption-Type Company Split Agreement (Copy) (Sanden Automotive Air Conditioning Systems Company Split Preparatory Corporation)

Articles of Absorption-Type Company Split Agreement (Copy)

Sanden Corporation (“A”) and Sanden Automotive Air Conditioning Systems Company Split Preparatory Corporation (“B”) will execute the following absorption-type company split agreement (“Agreement”) pertaining to an absorption-type company split (“Absorption-Type Company Split”) that transfers the rights and obligations held by A for automotive air conditioning systems business (“Business”) to B.

Article 1 (Corporate Name and Address of Parties Concerned)

With respect to the Agreement, the corporate names and addresses of the split-off company and the succeeding company are as follows.

(A) The Split-Off Company

Corporate Name: Sanden Corporation

Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden Automotive Air Conditioning Systems Company Split Preparatory Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 2 (Assets, Liabilities, Employment Contracts, and Other Rights and Obligations to Be Transferred)

1. Assets, liabilities, employment contracts, and other rights and obligations (“Rights and Obligations of Transfer”) to be transferred from A to B by means of the company split are listed separately in the Itemized Statement of Rights and Obligations to Be Transferred.
2. Notwithstanding the previous item, (i) items that cannot be transferred through the company split for legal, regulatory, or other reasons or (ii) items that will or could potentially have a significant adverse impact in accordance with the transfer by means of the stock split agreement included in Rights and Obligations of Transfer may be excluded from the transfer through mutual consultation between A and B.
3. As stipulated in Item 1, the transfer of all obligations from A to B shall be based on the cumulative obligation taking method. However, in this case final obligations between A and B shall be borne by B, and A may claim compensation from B when other burdens are borne by A resulting from the execution of the transfer of obligations.

Article 3 (Monies, etc. Granted upon Absorption-Type Company Split)

B shall issue 9,800 shares of common stock, all of which shall be granted in allotments to A upon the Absorption-Type Company Split in exchange for all of the Rights and Obligations of Transfer.

Article 4 (Amount of Paid-in Capital, etc. of B)

The amounts of paid-in capital, capital reserves, and other capital surplus of B, which will increase by way of the Absorption-Type Company Split, are as follows. However, these amounts may be changed through mutual consultation between A and B depending on the status of the assets and liabilities of the Business on the date the Absorption-Type Company Split goes into effect.

- (1) Paid-in capital: 490 million yen
- (2) Capital reserves: 125 million yen
- (3) The amount obtained by subtracting the amounts in (1) and (2) from other capital surplus and changes in shareholders’ equity

Article 5 (Approval of the Board of Directors)

1. Until the day prior to the effectuation date, a resolution must be sought at the Ordinary General Meeting of Shareholders for approval of the Agreement and pursuant to necessary items for the Absorption-Type Company Split. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.
2. Until the day prior to the effectuation date, B shall seek a resolution at the Ordinary General Meeting of Shareholders pursuant to necessary items for the Absorption-Type Company Split.

Article 6 (Effectuation Date)

The date upon which the Absorption-Type Company Split goes into effect (“Effectuation Date”) is April 1, 2015. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.

Article 7 (Obligation to Refrain from Competition)

A has no obligation whatsoever to refrain from any and all competition regarding the Business following the Absorption-Type Company Split regardless of whether or not legal regulations apply.

Article 8 (Management of Corporate Assets, etc.)

Until the Agreement Effectuation Date, A and B shall undertake their respective businesses and asset management with due care of a prudent manager and in cases where actions are taken that significantly impact said assets and/or Rights and Obligations, mutual consultation between A and B shall be undertaken in advance.

Article 9 (Cancellation and/or Modification of Conditions of the Agreement)

Until the Agreement Effectuation Date, conditions of the Absorption-Type Company Split may be modified or the Agreement canceled through mutual consultation between A and B in cases where the status of assets or operations of either A or B are significantly changed due to natural disaster or other reasons; in cases where approval is not granted by relevant government agencies, etc. in accordance with legal regulations; or in cases where circumstances arise that seriously impair implementation of the Absorption-Type Company Split, or achieving other objectives of the Absorption-Type Company Split become difficult.

Article 10 (Other)

In addition to items stipulated in the Agreement, items necessary for the Absorption-Type Company Split shall be decided through mutual consultation between A and B in accordance with the provisions of the Agreement.

In witness of the execution of the Agreement, two copies of the Articles of Absorption-Type Company Split Agreement shall be drafted, and A and B shall retain one copy each upon affixing of the names and seals of each party on said document.

May 22, 2014

(A) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Corporation
Director & President Mitsuya Yamamoto Seal

(B) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Automotive Air Conditioning Systems Company Split Preparatory Corporation
Director & President Mitsuya Yamamoto Seal

(Attached document)

Itemized Statement of Rights and Obligations to Be Transferred

B shall accept the below-listed assets, liabilities, agreements, and other Rights and Obligations belonging to the Business of A by means of the Absorption-Type Company Split. Assets, and liabilities included in Rights and Obligations to be transferred shall be settled by the day prior to the Absorption-Type Company Split Effectuation Date upon the insertion or deletion of changes based on balance sheets and/or other calculations as of March 31, 2014.

1. Assets to Be Transferred

(1) Current Assets

On the Absorption-Type Company Split Effectuation Date, among current assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all relevant company short-term loans receivable, corporate tax receivables and consumption tax receivables, and certain cash and time deposits, notes receivable, accounts receivable, and accrued revenues.

(2) Fixed assets

On the Absorption-Type Company Split Effectuation Date, among fixed assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all buildings, structures, land, patents, land leaseholds, investment securities, investments in capital, investments in capital of relevant companies, relevant company long-term loans, provable bankruptcy rehabilitation claims, long-term prepaid expenses, security deposits and memberships, and certain software and relevant company stocks.

2. Liabilities to Be Transferred

(1) Current Liabilities

On the Absorption-Type Company Split Effectuation Date, among current liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all income taxes payable, business office taxes payable, consumption taxes payable, advances received and deposits payable, and certain trade accounts and notes payable, accounts payable, accounts payable—other, short-term bank loans, relevant company short-term bank loans, long-term debt due within one year, and accrued expenses.

(2) Long-Term Liabilities

On the Absorption-Type Company Split Effectuation Date, among fixed liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all long-term accounts payable and deposits on contract, and certain long-term debt.

3. Employment Contracts, etc. to Be Transferred

(1) Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts between all employees (including contract employees) belonging to the Business on the Absorption-Type Company Split Effectuation Date.

(2) Labor Agreements

Included in labor agreements concluded between A and J.A.M. Sanden Labor Union, labor agreements that are subject to transfer shall be agreed to separately between A and said union immediately prior to the Absorption-Type Company Split Effectuation Date.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Contracts Other than Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts related to purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts and other contracts concluded by A related to the Business. However, this shall exclude contracts for which

transfer is not recognized as it would change corporate legal status; nontransferable contracts; permits, licenses, and other items requiring reacquisition for which necessary actions were not completed by the Absorption-Type Company Split Effectuation Date; and contracts that must continue to be held by A.

(2) Permits and Licenses, etc.

Included in permits, licenses, approvals, registrations, notifications, and other items are those items that can be legally transferred. However, this excludes items that must continue to be held by A.

(3) Intellectual Property Rights

Intellectual property rights related to the Business held by A are not transferrable, and B must receive permission from A for the use of said rights with regard to the Business.

End

(2) Articles of Absorption-Type Company Split Agreement (Copy) (Sanden Automotive Device Company Split Preparatory Corporation)

Articles of Absorption-Type Company Split Agreement (Copy)

Sanden Corporation (“A”) and Sanden Automotive Device Company Split Preparatory Corporation (“B”) will execute the following absorption-type company split agreement (“Agreement”) pertaining to an absorption-type company split (“Absorption-Type Company Split”) that transfers the rights and obligations held by A for automotive air conditioning compressors business (“Business”) to B.

Article 1 (Corporate Name and Address of Parties Concerned)

With respect to the Agreement, the corporate names and addresses of the split-off company and the succeeding company are as follows.

(A) The Split-Off Company

Corporate Name: Sanden Corporation

Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden Automotive Device Company Split Preparatory Corporation

Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 2 (Assets, Liabilities, Employment Contracts, and Other Rights and Obligations to Be Transferred)

1. Assets, liabilities, employment contracts, and other rights and obligations (“Rights and Obligations of Transfer”) to be transferred from A to B by means of the company split are listed separately in the Itemized Statement of Rights and Obligations to Be Transferred.
2. Notwithstanding the previous item, (i) items that cannot be transferred through the company split for legal, regulatory, or other reasons or (ii) items that will or could potentially have a significant adverse impact in accordance with the transfer by means of the stock split agreement included in Rights and Obligations of Transfer may be excluded from the transfer through mutual consultation between A and B.
3. As stipulated in Item 1, the transfer of all obligations from A to B shall be based on the cumulative obligation taking method. However, in this case final obligations between A and B shall be borne by B, and A may claim compensation from B when other burdens are borne by A resulting from the execution of the transfer of obligations.

Article 3 (Monies, etc. Granted upon Absorption-Type Company Split)

B shall issue 9,800 shares of common stock, all of which shall be granted in allotments to A upon the Absorption-Type Company Split in exchange for all of the Rights and Obligations of Transfer.

Article 4 (Amount of Paid-in Capital, etc. of B)

The amounts of paid-in capital, capital reserves, and other capital surplus of B, which will increase by way of the Absorption-Type Company Split, are as follows. However, these amounts may be changed through mutual consultation between A and B depending on the status of the assets and liabilities of the Business on the date the Absorption-Type Company Split goes into effect.

(1) Paid-in capital: 490 million yen

(2) Capital reserves: 125 million yen

(3) The amount obtained by subtracting the amounts in (1) and (2) from other capital surplus and changes in shareholders’ equity

Article 5 (Approval of the Board of Directors)

1. Until the day prior to the effectuation date, a resolution must be sought at the Ordinary General Meeting of Shareholders for approval of the Agreement and pursuant to necessary items for the Absorption-Type Company Split. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.
2. Until the day prior to the effectuation date, B shall seek a resolution at the Ordinary General Meeting of Shareholders pursuant to necessary items for the Absorption-Type Company Split.

Article 6 (Effectuation Date)

The date upon which the Absorption-Type Company Split goes into effect (“Effectuation Date”) is April 1, 2015. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.

Article 7 (Obligation to Refrain from Competition)

A has no obligation whatsoever to refrain from any and all competition regarding the Business following the Absorption-Type Company Split regardless of whether or not legal regulations apply.

Article 8 (Management of Corporate Assets, etc.)

Until the Agreement Effectuation Date, A and B shall undertake their respective businesses and asset management with due care of a prudent manager and in cases where actions are taken that significantly impact said assets and/or Rights and Obligations, mutual consultation between A and B shall be undertaken in advance.

Article 9 (Cancellation and/or Modification of Conditions of the Agreement)

Until the Agreement Effectuation Date, conditions of the Absorption-Type Company Split may be modified or the Agreement canceled through mutual consultation between A and B in cases where the status of assets or operations of either A or B are significantly changed due to natural disaster or other reasons; in cases where approval is not granted by relevant government agencies, etc. in accordance with legal regulations; or in cases where circumstances arise that seriously impair implementation of the Absorption-Type Company Split, or achieving other objectives of the Absorption-Type Company Split become difficult.

Article 10 (Other)

In addition to items stipulated in the Agreement, items necessary for the Absorption-Type Company Split shall be decided through mutual consultation between A and B in accordance with the provisions of the Agreement.

In witness of the execution of the Agreement, two copies of the Articles of Absorption-Type Company Split Agreement shall be drafted, and A and B shall retain one copy each upon affixing of the names and seals of each party on said document.

May 22, 2014

(A) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Corporation
Director & President Mitsuya Yamamoto Seal

(B) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Automotive Device Company Split Preparatory Corporation
Director & President Mitsuya Yamamoto Seal

(Attached document)

Itemized Statement of Rights and Obligations to Be Transferred

B shall accept the below-listed assets, liabilities, agreements, and other Rights and Obligations belonging to the Business of A by means of the Absorption-Type Company Split. Assets, and liabilities included in Rights and Obligations to be transferred shall be settled by the day prior to the Absorption-Type Company Split Effectuation Date upon the insertion or deletion of changes based on balance sheets and/or other calculations as of March 31, 2014.

1. Assets to Be Transferred

(1) Current Assets

On the Absorption-Type Company Split Effectuation Date, among current assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all relevant company short-term loans receivable, corporate tax receivables and consumption tax receivables, and certain cash and time deposits, notes receivable, accounts receivable, and accrued revenues.

(2) Fixed assets

On the Absorption-Type Company Split Effectuation Date, among fixed assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all buildings, structures, land, patents, land leaseholds, investment securities, investments in capital, investments in capital of relevant companies, relevant company long-term loans, provable bankruptcy rehabilitation claims, long-term prepaid expenses, security deposits and memberships, and certain software and relevant company stocks.

2. Liabilities to Be Transferred

(1) Current Liabilities

On the Absorption-Type Company Split Effectuation Date, among current liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all income taxes payable, business office taxes payable, consumption taxes payable, advances received and deposits payable, and certain trade accounts and notes payable, accounts payable, accounts payable—other, short-term bank loans, relevant company short-term bank loans, long-term debt due within one year, and accrued expenses.

(2) Long-Term Liabilities

On the Absorption-Type Company Split Effectuation Date, among fixed liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all long-term accounts payable and deposits on contract, and certain long-term debt.

3. Employment Contracts, etc. to Be Transferred

(1) Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts between all employees (including contract employees) belonging to the Business on the Absorption-Type Company Split Effectuation Date.

(2) Labor Agreements

Included in labor agreements concluded between A and J.A.M. Sanden Labor Union, labor agreements that are subject to transfer shall be agreed to separately between A and said union immediately prior to the Absorption-Type Company Split Effectuation Date.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Contracts Other than Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts related to purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts and other contracts concluded by A related to the Business. However, this shall exclude contracts for which transfer is not recognized as it would change corporate legal status; nontransferable contracts; permits, licenses, and other items requiring reacquisition for which necessary actions were not completed by the Absorption-Type Company Split Effectuation Date; and contracts that must continue to be held by A.

(2) Permits and Licenses, etc.

Included in permits, licenses, approvals, registrations, notifications, and other items are those items that can be legally transferred. However, this excludes items that must continue to be held by A.

(3) Intellectual Property Rights

Intellectual property rights related to the Business held by A are not transferrable, and B must receive permission from A for the use of said rights with regard to the Business.

End

(3) Articles of Absorption-Type Company Split Agreement (Copy) (Sanden Retail Systems Company Split Preparatory Corporation)

Articles of Absorption-Type Company Split Agreement (Copy)

Sanden Corporation (“A”) and Sanden Retail Systems Company Split Preparatory Corporation (“B”) will execute the following absorption-type company split agreement (“Agreement”) pertaining to an absorption-type company split (“Absorption-Type Company Split”) that transfers the rights and obligations held by A for retail systems business (“Business”) to B.

Article 1 (Corporate Name and Address of Parties Concerned)

With respect to the Agreement, the corporate names and addresses of the split-off company and the succeeding company are as follows.

(A) The Split-Off Company

Corporate Name: Sanden Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden Retail Systems Company Split Preparatory Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 2 (Assets, Liabilities, Employment Contracts, and Other Rights and Obligations to Be Transferred)

1. Assets, liabilities, employment contracts, and other rights and obligations (“Rights and Obligations of Transfer”) to be transferred from A to B by means of the company split are listed separately in the Itemized Statement of Rights and Obligations to Be Transferred.
2. Notwithstanding the previous item, (i) items that cannot be transferred through the company split for legal, regulatory, or other reasons or (ii) items that will or could potentially have a significant adverse impact in accordance with the transfer by means of the stock split agreement included in Rights and Obligations of Transfer may be excluded from the transfer through mutual consultation between A and B.

3. As stipulated in Item 1, the transfer of all obligations from A to B shall be based on the cumulative obligation taking method. However, in this case final obligations between A and B shall be borne by B, and A may claim compensation from B when other burdens are borne by A resulting from the execution of the transfer of obligations.

Article 3 (Monies, etc. Granted upon Absorption-Type Company Split)

B shall issue 9,600 shares of common stock, all of which shall be granted in allotments to A upon the Absorption-Type Company Split in exchange for all of the Rights and Obligations of Transfer.

Article 4 (Amount of Paid-in Capital, etc. of B)

The amounts of paid-in capital, capital reserves, and other capital surplus of B, which will increase by way of the Absorption-Type Company Split, are as follows. However, these amounts may be changed through mutual consultation between A and B depending on the status of the assets and liabilities of the Business on the date the Absorption-Type Company Split goes into effect.

- (1) Paid-in capital: 480 million yen
- (2) Capital reserves: 125 million yen
- (3) The amount obtained by subtracting the amounts in (1) and (2) from other capital surplus and changes in shareholders' equity

Article 5 (Approval of the Board of Directors)

1. Until the day prior to the effectuation date, a resolution must be sought at the Ordinary General Meeting of Shareholders for approval of the Agreement and pursuant to necessary items for the Absorption-Type Company Split. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.
2. Until the day prior to the effectuation date, B shall seek a resolution at the Ordinary General Meeting of Shareholders pursuant to necessary items for the Absorption-Type Company Split.

Article 6 (Effectuation Date)

The date upon which the Absorption-Type Company Split goes into effect ("Effectuation Date") is April 1, 2015. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.

Article 7 (Obligation to Refrain from Competition)

A has no obligation whatsoever to refrain from any and all competition regarding the Business following the Absorption-Type Company Split regardless of whether or not legal regulations apply.

Article 8 (Management of Corporate Assets, etc.)

Until the Agreement Effectuation Date, A and B shall undertake their respective businesses and asset management with due care of a prudent manager and in cases where actions are taken that significantly impact said assets and/or Rights and Obligations, mutual consultation between A and B shall be undertaken in advance.

Article 9 (Cancellation and/or Modification of Conditions of the Agreement)

Until the Agreement Effectuation Date, conditions of the Absorption-Type Company Split may be modified or the Agreement canceled through mutual consultation between A and B in cases where the status of assets or operations of either A or B are significantly changed due to natural disaster or other reasons; in cases where approval is not granted by relevant government agencies, etc. in accordance with legal regulations; or in cases where circumstances arise that seriously impair implementation of the Absorption-Type Company Split, or achieving other objectives of the Absorption-Type Company Split become difficult.

Article 10 (Other)

In addition to items stipulated in the Agreement, items necessary for the Absorption-Type Company Split shall be decided through mutual consultation between A and B in accordance with the provisions of the Agreement.

In witness of the execution of the Agreement, two copies of the Articles of Absorption-Type Company Split Agreement shall be drafted, and A and B shall retain one copy each upon affixing of the names and seals of each party on said document.

May 22, 2014

(A) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Corporation
Director & President Mitsuya Yamamoto Seal

(B) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Itemized Statement of Rights and Obligations to Be Transferred

B shall accept the below-listed assets, liabilities, agreements, and other Rights and Obligations belonging to the Business of A by means of the Absorption-Type Company Split. Assets, and liabilities included in Rights and Obligations to be transferred shall be settled by the day prior to the Absorption-Type Company Split Effectuation Date upon the insertion or deletion of changes based on balance sheets and/or other calculations as of March 31, 2014.

1. Assets to Be Transferred

(1) Current Assets

On the Absorption-Type Company Split Effectuation Date, among current assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all relevant company short-term loans receivable, corporate tax receivables and consumption tax receivables, and certain cash and time deposits, notes receivable, accounts receivable, and accrued revenues.

(2) Fixed assets

On the Absorption-Type Company Split Effectuation Date, among fixed assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all buildings, structures, land, patents, land leaseholds, investment securities, investments in capital, investments in capital of relevant companies, relevant company long-term loans, provable bankruptcy rehabilitation claims, long-term prepaid expenses, security deposits and memberships, and certain software and relevant company stocks.

2. Liabilities to Be Transferred

(1) Current Liabilities

On the Absorption-Type Company Split Effectuation Date, among current liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all income taxes payable, business office taxes payable, consumption taxes payable, advances received and deposits payable, and certain trade accounts and notes payable, accounts payable, accounts payable—other, short-term bank loans, relevant company short-term bank loans, long-term debt due within one year, and accrued expenses.

(2) Long-Term Liabilities

On the Absorption-Type Company Split Effectuation Date, among fixed liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all long-term accounts payable and deposits on contract, and certain long-term debt.

3. Employment Contracts, etc. to Be Transferred

(1) Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts between all employees (including contract employees) belonging to the Business on the Absorption-Type Company Split Effectuation Date.

(2) Labor Agreements

Included in labor agreements concluded between A and J.A.M. Sanden Labor Union, labor agreements that are subject to transfer shall be agreed to separately between A and said union immediately prior to the Absorption-Type Company Split Effectuation Date.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Contracts Other than Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts related to purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts and other contracts concluded by A related to the Business. However, this shall exclude contracts for which transfer is not recognized as it would change corporate legal status; nontransferable contracts; permits, licenses, and other items requiring reacquisition for which necessary actions were not completed by the Absorption-Type Company Split Effectuation Date; and contracts that must continue to be held by A.

(2) Permits and Licenses, etc.

Included in permits, licenses, approvals, registrations, notifications, and other items are those items that can be legally transferred. However, this excludes items that must continue to be held by A.

(3) Intellectual Property Rights

Intellectual property rights related to the Business held by A are not transferrable, and B must receive permission from A for the use of said rights with regard to the Business.

End

(4) Articles of Absorption-Type Company Split Agreement (Copy) (Sanden Living & Environment

Systems Company Split Preparatory Corporation)

Articles of Absorption-Type Company Split Agreement (Copy)

Sanden Corporation (“A”) and Sanden Living & Environment Systems Company Split Preparatory Corporation (“B”) will execute the following absorption-type company split agreement (“Agreement”) pertaining to an absorption-type company split (“Absorption-Type Company Split”) that transfers the rights and obligations held by A for living and environment systems business (“Business”) to B.

(A) The Split-Off Company

Corporate Name: Sanden Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden Living & Environment Systems Company Split Preparatory Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 1 (Corporate Name and Address of Parties Concerned)

With respect to the Agreement, the corporate names and addresses of the split-off company and the succeeding company are as follows.

(A) The Split-Off Company

Corporate Name: Sanden Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden Retail Systems Company Split Preparatory Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 2 (Assets, Liabilities, Employment Contracts, and Other Rights and Obligations to Be Transferred)

1. Assets, liabilities, employment contracts, and other rights and obligations (“Rights and Obligations of Transfer”) to be transferred from A to B by means of the company split are listed separately in the Itemized Statement of Rights and Obligations to Be Transferred.
2. Notwithstanding the previous item, (i) items that cannot be transferred through the company split for legal, regulatory, or other reasons or (ii) items that will or could potentially have a significant adverse impact in accordance with the transfer by means of the stock split agreement included in Rights and Obligations of Transfer may be excluded from the transfer through mutual consultation between A and B.
3. As stipulated in Item 1, the transfer of all obligations from A to B shall be based on the cumulative obligation taking method. However, in this case final obligations between A and B shall be borne by B, and A may claim compensation from B when other burdens are borne by A resulting from the execution of the transfer of obligations.

Article 3 (Monies, etc. Granted upon Absorption-Type Company Split)

B shall issue 1,800 shares of common stock, all of which shall be granted in allotments to A upon the Absorption-Type Company Split in exchange for all of the Rights and Obligations of Transfer.

Article 4 (Amount of Paid-in Capital, etc. of B)

The amounts of paid-in capital, capital reserves, and other capital surplus of B, which will increase by way of the Absorption-Type Company Split, are as follows. However, these amounts may be changed through mutual consultation between A and B depending on the status of the assets and liabilities of the Business on the date the Absorption-Type Company Split goes into effect.

- (1) Paid-in capital: 90 million yen
- (2) Capital reserves: 25 million yen
- (3) The amount obtained by subtracting the amounts in (1) and (2) from other capital surplus and changes in shareholders’ equity

Article 5 (Approval of the Board of Directors)

1. Until the day prior to the effectuation date, a resolution must be sought at the Ordinary General Meeting of Shareholders for approval of the Agreement and pursuant to necessary items for the Absorption-Type Company Split. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.
2. Until the day prior to the effectuation date, B shall seek a resolution at the Ordinary General Meeting of Shareholders pursuant to necessary items for the Absorption-Type Company Split.

Article 6 (Effectuation Date)

The date upon which the Absorption-Type Company Split goes into effect (“Effectuation Date”) is April 1, 2015. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.

Article 7 (Obligation to Refrain from Competition)

A has no obligation whatsoever to refrain from any and all competition regarding the Business following the Absorption-Type Company Split regardless of whether or not legal regulations apply.

Article 8 (Management of Corporate Assets, etc.)

Until the Agreement Effectuation Date, A and B shall undertake their respective businesses and asset management with due care of a prudent manager and in cases where actions are taken that significantly impact said assets and/or Rights and Obligations, mutual consultation between A and B shall be undertaken in advance.

Article 9 (Cancellation and/or Modification of Conditions of the Agreement)

Until the Agreement Effectuation Date, conditions of the Absorption-Type Company Split may be modified or the Agreement canceled through mutual consultation between A and B in cases where the status of assets or operations of either A or B are significantly changed due to natural disaster or other reasons; in cases where approval is not granted by relevant government agencies, etc. in accordance with legal regulations; or in cases where circumstances arise that seriously impair implementation of the Absorption-Type Company Split, or achieving other objectives of the Absorption-Type Company Split become difficult.

Article 10 (Other)

In addition to items stipulated in the Agreement, items necessary for the Absorption-Type Company Split shall be decided through mutual consultation between A and B in accordance with the provisions of the Agreement.

In witness of the execution of the Agreement, two copies of the Articles of Absorption-Type Company Split Agreement shall be drafted, and A and B shall retain one copy each upon affixing of the names and seals of each party on said document.

May 22, 2014

(A) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Corporation
Director & President Mitsuya Yamamoto Seal

(B) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Living & Environment Systems Company Split Preparatory Corporation
Director & President Mitsuya Yamamoto Seal

(Attached document)

Itemized Statement of Rights and Obligations to Be Transferred

B shall accept the below-listed assets, liabilities, agreements, and other Rights and Obligations belonging to the Business of A by means of the Absorption-Type Company Split. Assets, and liabilities included in Rights and Obligations to be transferred shall be settled by the day prior to the Absorption-Type Company Split Effectuation Date upon the insertion or deletion of changes based on balance sheets and/or other calculations as of March 31, 2014.

1. Assets to Be Transferred

(1) Current Assets

On the Absorption-Type Company Split Effectuation Date, among current assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all relevant company short-term loans receivable, corporate tax receivables and consumption tax receivables, and certain cash and time deposits, notes receivable, accounts receivable, and accrued revenues.

(2) Fixed assets

On the Absorption-Type Company Split Effectuation Date, among fixed assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all buildings, structures, land, patents, land leaseholds, investment securities, investments in capital, investments in capital of relevant companies, relevant company long-term loans, provable bankruptcy rehabilitation claims, long-term prepaid expenses, security deposits and memberships, and certain software and relevant company stocks.

2. Liabilities to Be Transferred

(1) Current Liabilities

On the Absorption-Type Company Split Effectuation Date, among current liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all income taxes payable, business office taxes payable, consumption taxes payable, advances received and deposits payable, and certain trade accounts and notes payable, accounts payable, accounts payable—other, short-term bank loans, relevant company short-term bank loans, long-term debt due within one year, and accrued expenses.

(2) Long-Term Liabilities

On the Absorption-Type Company Split Effectuation Date, among fixed liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all long-term accounts payable and deposits on contract, and certain long-term debt.

3. Employment Contracts, etc. to Be Transferred

(1) Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts between all employees (including contract employees) belonging to the Business on the Absorption-Type Company Split Effectuation Date.

(2) Labor Agreements

Included in labor agreements concluded between A and J.A.M. Sanden Labor Union, labor agreements that are subject to transfer shall be agreed to separately between A and said union immediately prior to the Absorption-Type Company Split Effectuation Date.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Contracts Other than Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts related to purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts and other contracts concluded by A related to the Business. However, this shall exclude contracts for which transfer is not recognized as it would change corporate legal status; nontransferable contracts; permits, licenses, and other items requiring reacquisition for which necessary actions were not completed by the Absorption-Type Company Split Effectuation Date; and contracts that must continue to be held by A.

(2) Permits and Licenses, etc.

Included in permits, licenses, approvals, registrations, notifications, and other items are those items that can be legally transferred. However, this excludes items that must continue to be held by A.

(3) Intellectual Property Rights

Intellectual property rights related to the Business held by A are not transferrable, and B must receive permission from A for the use of said rights with regard to the Business.

End

(5) Articles of Absorption-Type Company Split Agreement (Copy) (Sanden ES Core Device Company Split Preparatory Corporation)

Articles of Absorption-Type Company Split Agreement (Copy)

Sanden Corporation (“A”) and Sanden ES Core Device Company Split Preparatory Corporation (“B”) will execute the following absorption-type company split agreement (“Agreement”) pertaining to an absorption-type company split (“Absorption-Type Company Split”) that transfers the rights and obligations held by A for natural refrigerant compressors business (“Business”) to B.

Article 1 (Corporate Name and Address of Parties Concerned)

With respect to the Agreement, the corporate names and addresses of the split-off company and the succeeding company are as follows.

(A) The Split-Off Company

Corporate Name: Sanden Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden ES Core Device Company Split Preparatory Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 2 (Assets, Liabilities, Employment Contracts, and Other Rights and Obligations to Be Transferred)

1. Assets, liabilities, employment contracts, and other rights and obligations (“Rights and Obligations of Transfer”) to be transferred from A to B by means of the company split are listed separately in the Itemized Statement of Rights and Obligations to Be Transferred.
2. Notwithstanding the previous item, (i) items that cannot be transferred through the company split for legal, regulatory, or other reasons or (ii) items that will or could potentially have a significant adverse impact in accordance with the transfer by means of the stock split agreement included in Rights and Obligations of Transfer may be excluded from the transfer through mutual consultation between A and B.
3. As stipulated in Item 1, the transfer of all obligations from A to B shall be based on the cumulative obligation taking method. However, in this case final obligations between A and B shall be borne by B, and A may claim compensation from B when other burdens are borne by A resulting from the execution of the transfer of obligations.

Article 3 (Monies, etc. Granted upon Absorption-Type Company Split)

B shall issue 1,800 shares of common stock, all of which shall be granted in allotments to A upon the Absorption-Type Company Split in exchange for all of the Rights and Obligations of Transfer.

Article 4 (Amount of Paid-in Capital, etc. of B)

The amounts of paid-in capital, capital reserves, and other capital surplus of B, which will increase by way of the Absorption-Type Company Split, are as follows. However, these amounts may be changed through mutual consultation between A and B depending on the status of the assets and liabilities of the Business on the date the Absorption-Type Company Split goes into effect.

- (1) Paid-in capital: 90 million yen
- (2) Capital reserves: 25 million yen
- (3) The amount obtained by subtracting the amounts in (1) and (2) from other capital surplus and changes in shareholders' equity

Article 5 (Approval of the Board of Directors)

1. Until the day prior to the effectuation date, a resolution must be sought at the Ordinary General Meeting of Shareholders for approval of the Agreement and pursuant to necessary items for the Absorption-Type Company Split. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.
2. Until the day prior to the effectuation date, B shall seek a resolution at the Ordinary General Meeting of Shareholders pursuant to necessary items for the Absorption-Type Company Split.

Article 6 (Effectuation Date)

The date upon which the Absorption-Type Company Split goes into effect ("Effectuation Date") is April 1, 2015. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.

Article 7 (Obligation to Refrain from Competition)

A has no obligation whatsoever to refrain from any and all competition regarding the Business following the Absorption-Type Company Split regardless of whether or not legal regulations apply.

Article 8 (Management of Corporate Assets, etc.)

Until the Agreement Effectuation Date, A and B shall undertake their respective businesses and asset management with due care of a prudent manager and in cases where actions are taken that significantly impact said assets and/or Rights and Obligations, mutual consultation between A and B shall be undertaken in advance.

Article 9 (Cancellation and/or Modification of Conditions of the Agreement)

Until the Agreement Effectuation Date, conditions of the Absorption-Type Company Split may be modified or the Agreement canceled through mutual consultation between A and B in cases where the status of assets or operations of either A or B are significantly changed due to natural disaster or other reasons; in cases where approval is not granted by relevant government agencies, etc. in accordance with legal regulations; or in cases where circumstances arise that seriously impair implementation of the Absorption-Type Company Split, or achieving other objectives of the Absorption-Type Company Split become difficult.

Article 10 (Other)

In addition to items stipulated in the Agreement, items necessary for the Absorption-Type Company Split shall be decided through mutual consultation between A and B in accordance with the provisions of the Agreement.

In witness of the execution of the Agreement, two copies of the Articles of Absorption-Type Company Split Agreement shall be drafted, and A and B shall retain one copy each upon affixing of the names and seals of each party on said document.

May 22, 2014

(A) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Corporation
Director & President Mitsuya Yamamoto Seal

(B) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden ES Core Device Company Split Preparatory Corporation
Director & President Mitsuya Yamamoto Seal

(Attached document)

Itemized Statement of Rights and Obligations to Be Transferred

B shall accept the below-listed assets, liabilities, agreements, and other Rights and Obligations belonging to the Business of A by means of the Absorption-Type Company Split. Assets, and liabilities included in Rights and Obligations to be transferred shall be settled by the day prior to the Absorption-Type Company Split Effectuation Date upon the insertion or deletion of changes based on balance sheets and/or other calculations as of March 31, 2014.

1. Assets to Be Transferred

(1) Current Assets

On the Absorption-Type Company Split Effectuation Date, among current assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all relevant company short-term loans receivable, corporate tax receivables and consumption tax receivables, and certain cash and time deposits, notes receivable, accounts receivable, and accrued revenues.

(2) Fixed assets

On the Absorption-Type Company Split Effectuation Date, among fixed assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all buildings, structures, land, patents, land leaseholds, investment securities, investments in capital, investments in capital of relevant companies, relevant company long-term loans, provable bankruptcy rehabilitation claims, long-term prepaid expenses, security deposits and memberships, and certain software and relevant company stocks.

2. Liabilities to Be Transferred

(1) Current Liabilities

On the Absorption-Type Company Split Effectuation Date, among current liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all income taxes payable, business office taxes payable, consumption taxes payable, advances received and deposits payable, and certain trade accounts and notes payable, accounts payable, accounts payable—other, short-term bank loans, relevant company short-term bank loans, long-term debt due within one year, and accrued expenses.

(2) Long-Term Liabilities

On the Absorption-Type Company Split Effectuation Date, among fixed liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all long-term accounts payable and deposits on contract, and certain long-term debt.

3. Employment Contracts, etc. to Be Transferred

(1) Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts between all employees (including contract employees) belonging to the Business on the Absorption-Type Company Split Effectuation Date.

(2) Labor Agreements

Included in labor agreements concluded between A and J.A.M. Sanden Labor Union, labor agreements that are subject to transfer shall be agreed to separately between A and said union immediately prior to the Absorption-Type Company Split Effectuation Date.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Contracts Other than Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts related to purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts and other contracts concluded by A related to the Business. However, this shall exclude contracts for which transfer is not recognized as it would change corporate legal status; nontransferable contracts; permits, licenses, and other items requiring reacquisition for which necessary actions were not completed by the Absorption-Type Company Split Effectuation Date; and contracts that must continue to be held by A.

(2) Permits and Licenses, etc.

Included in permits, licenses, approvals, registrations, notifications, and other items are those items that can be legally transferred. However, this excludes items that must continue to be held by A.

(3) Intellectual Property Rights

Intellectual property rights related to the Business held by A are not transferrable, and B must receive permission from A for the use of said rights with regard to the Business.

End

(6) Articles of Absorption-Type Company Split Agreement (Copy) (Sanden Advanced Technology Development Company Split Preparatory Corporation)

Articles of Absorption-Type Company Split Agreement (Copy)

Sanden Corporation (“A”) and Sanden Advanced Technology Development Company Split Preparatory Corporation (“B”) will execute the following absorption-type company split agreement (“Agreement”) pertaining to an absorption-type company split (“Absorption-Type Company Split”) that transfers the rights and obligations held by A

for business pertaining to technology development function (“Business”) to B.

Article 1 (Corporate Name and Address of Parties Concerned)

With respect to the Agreement, the corporate names and addresses of the split-off company and the succeeding company are as follows.

(A) The Split-Off Company

Corporate Name: Sanden Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden Advanced Technology Development Company Split Preparatory Corporation
Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 2 (Assets, Liabilities, Employment Contracts, and Other Rights and Obligations to Be Transferred)

1. Assets, liabilities, employment contracts, and other rights and obligations (“Rights and Obligations of Transfer”) to be transferred from A to B by means of the company split are listed separately in the Itemized Statement of Rights and Obligations to Be Transferred.
2. Notwithstanding the previous item, (i) items that cannot be transferred through the company split for legal, regulatory, or other reasons or (ii) items that will or could potentially have a significant adverse impact in accordance with the transfer by means of the stock split agreement included in Rights and Obligations of Transfer may be excluded from the transfer through mutual consultation between A and B.
3. As stipulated in Item 1, the transfer of all obligations from A to B shall be based on the cumulative obligation taking method. However, in this case final obligations between A and B shall be borne by B, and A may claim compensation from B when other burdens are borne by A resulting from the execution of the transfer of obligations.

Article 3 (Monies, etc. Granted upon Absorption-Type Company Split)

Upon the Absorption-Type Company Split, B shall not grant A monies, etc. (compensation for the Absorption-Type Company Split) in exchange for all of the Rights and Obligations of Transfer stipulated in the previous article.

Article 4 (Amount of Paid-in Capital, etc. of B)

The amounts of paid-in capital, capital reserves, and other capital surplus of B shall not increase by way of the Absorption-Type Company Split.

Article 5 (Approval of the Board of Directors)

1. Until the day prior to the effectuation date, a resolution must be sought at the Ordinary General Meeting of Shareholders for approval of the Agreement and pursuant to necessary items for the Absorption-Type Company Split. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.
2. Until the day prior to the effectuation date, B shall seek a resolution at the Ordinary General Meeting of Shareholders pursuant to necessary items for the Absorption-Type Company Split.

Article 6 (Effectuation Date)

The date upon which the Absorption-Type Company Split goes into effect (“Effectuation Date”) is April 1, 2015. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.

Article 7 (Obligation to Refrain from Competition)

A has no obligation whatsoever to refrain from any and all competition regarding the Business following the Absorption-Type Company Split regardless of whether or not legal regulations apply.

Article 8 (Management of Corporate Assets, etc.)

Until the Agreement Effectuation Date, A and B shall undertake their respective businesses and asset management with due care of a prudent manager and in cases where actions are taken that significantly impact said assets and/or Rights and Obligations, mutual consultation between A and B shall be undertaken in advance.

Article 9 (Cancellation and/or Modification of Conditions of the Agreement)

Until the Agreement Effectuation Date, conditions of the Absorption-Type Company Split may be modified or the Agreement canceled through mutual consultation between A and B in cases where the status of assets or operations of either A or B are significantly changed due to natural disaster or other reasons; in cases where approval is not granted by relevant government agencies, etc. in accordance with legal regulations; or in cases where circumstances arise that seriously impair implementation of the Absorption-Type Company Split, or achieving other objectives of the Absorption-Type Company Split become difficult.

Article 10 (Other)

In addition to items stipulated in the Agreement, items necessary for the Absorption-Type Company Split shall be decided through mutual consultation between A and B in accordance with the provisions of the Agreement.

In witness of the execution of the Agreement, two copies of the Articles of Absorption-Type Company Split Agreement shall be drafted, and A and B shall retain one copy each upon affixing of the names and seals of each party on said document.

May 22, 2014

(A) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Corporation
Director & President Mitsuya Yamamoto Seal

(B) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Advanced Technology Development Company Split Preparatory Corporation
Director & President Mitsuya Yamamoto Seal

(Attached document)

Itemized Statement of Rights and Obligations to Be Transferred

B shall accept the below-listed assets, liabilities, agreements, and other Rights and Obligations belonging to the Business of A by means of the Absorption-Type Company Split. Assets, and liabilities included in Rights and Obligations to be transferred shall be settled by the day prior to the Absorption-Type Company Split Effectuation Date upon the insertion or deletion of changes based on balance sheets and/or other calculations as of March 31, 2014.

1. Assets to Be Transferred

(1) Current Assets

On the Absorption-Type Company Split Effectuation Date, among current assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all relevant company short-term loans receivable, corporate tax receivables and consumption tax receivables, and certain cash and time deposits, notes receivable, accounts receivable, and accrued revenues.

(2) Fixed assets

On the Absorption-Type Company Split Effectuation Date, among fixed assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all buildings, structures, land, patents, land leaseholds, investment securities, investments in capital, investments in capital of relevant companies, relevant company long-term loans, provable bankruptcy rehabilitation claims, long-term prepaid expenses, security deposits and memberships, and certain software and relevant company stocks.

2. Liabilities to Be Transferred

(1) Current Liabilities

On the Absorption-Type Company Split Effectuation Date, among current liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all income taxes payable, business office taxes payable, consumption taxes payable, advances received and deposits payable, and certain trade accounts and notes payable, accounts payable, accounts payable—other, short-term bank loans, relevant company short-term bank loans, long-term debt due within one year, and accrued expenses.

(2) Long-Term Liabilities

On the Absorption-Type Company Split Effectuation Date, among fixed liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all long-term accounts payable and deposits on contract, and certain long-term debt.

3. Employment Contracts, etc. to Be Transferred

(1) Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts between all employees (including contract employees) belonging to the Business on the Absorption-Type Company Split Effectuation Date.

(2) Labor Agreements

Included in labor agreements concluded between A and J.A.M. Sanden Labor Union, labor agreements that are subject to transfer shall be agreed to separately between A and said union immediately prior to the Absorption-Type Company Split Effectuation Date.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Contracts Other than Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts related to

purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts and other contracts concluded by A related to the Business. However, this shall exclude contracts for which transfer is not recognized as it would change corporate legal status; nontransferable contracts; permits, licenses, and other items requiring reacquisition for which necessary actions were not completed by the Absorption-Type Company Split Effectuation Date; and contracts that must continue to be held by A.

(2) Permits and Licenses, etc.

Included in permits, licenses, approvals, registrations, notifications, and other items are those items that can be legally transferred. However, this excludes items that must continue to be held by A.

(3) Intellectual Property Rights

Intellectual property rights related to the Business held by A are not transferrable, and B must receive permission from A for the use of said rights with regard to the Business.

End

(7) Articles of Absorption-Type Company Split Agreement (Copy) (Sanden Executive Service Company Split Preparatory Corporation)

Articles of Absorption-Type Company Split Agreement (Copy)

Sanden Corporation (“A”) and Sanden Executive Service Company Split Preparatory Corporation (“B”) will execute the following absorption-type company split agreement (“Agreement”) pertaining to an absorption-type company split (“Absorption-Type Company Split”) that transfers the rights and obligations held by A for business pertaining to Administrative, accounting, personnel, logistics, and other operations (“Business”) to B.

Article 1 (Corporate Name and Address of Parties Concerned)

With respect to the Agreement, the corporate names and addresses of the split-off company and the succeeding company are as follows.

(A) The Split-Off Company

Corporate Name: Sanden Corporation

Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

(B) The Succeeding Company

Corporate Name: Sanden Executive Service Company Split Preparatory Corporation

Address: 20 Kotobuki-cho, Isesaki City, Gunma Prefecture

Article 2 (Assets, Liabilities, Employment Contracts, and Other Rights and Obligations to Be Transferred)

1. Assets, liabilities, employment contracts, and other rights and obligations (“Rights and Obligations of Transfer”) to be transferred from A to B by means of the company split are listed separately in the Itemized Statement of Rights and Obligations to Be Transferred.
2. Notwithstanding the previous item, (i) items that cannot be transferred through the company split for legal, regulatory, or other reasons or (ii) items that will or could potentially have a significant adverse impact in accordance with the transfer by means of the stock split agreement included in Rights and Obligations of Transfer may be excluded from the transfer through mutual consultation between A and B.
3. As stipulated in Item 1, the transfer of all obligations from A to B shall be based on the cumulative obligation taking method. However, in this case final obligations between A and B shall be borne by B, and A may claim compensation from B when other burdens are borne by A resulting from the execution of the transfer of obligations.

Article 3 (Monies, etc. Granted upon Absorption-Type Company Split)

Upon the Absorption-Type Company Split, B shall not grant A monies, etc. (compensation for the Absorption-Type Company Split) in exchange for all of the Rights and Obligations of Transfer stipulated in the previous article.

Article 4 (Amount of Paid-in Capital, etc. of B)

The amounts of paid-in capital, capital reserves, and other capital surplus of B shall not increase by way of the Absorption-Type Company Split.

Article 5 (Approval of the Board of Directors)

1. Until the day prior to the effectuation date, a resolution must be sought at the Ordinary General Meeting of Shareholders for approval of the Agreement and pursuant to necessary items for the Absorption-Type Company Split. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed through mutual consultation between A and B.
2. Until the day prior to the effectuation date, B shall seek a resolution at the Ordinary General Meeting of Shareholders pursuant to necessary items for the Absorption-Type Company Split.

Article 6 (Effectuation Date)

The date upon which the Absorption-Type Company Split goes into effect (“Effectuation Date”) is April 1, 2015. However, in cases pertaining to the necessity of procedural progress or other reasons, this date may be changed

through mutual consultation between A and B.

Article 7 (Obligation to Refrain from Competition)

A has no obligation whatsoever to refrain from any and all competition regarding the Business following the Absorption-Type Company Split regardless of whether or not legal regulations apply.

Article 8 (Management of Corporate Assets, etc.)

Until the Agreement Effectuation Date, A and B shall undertake their respective businesses and asset management with due care of a prudent manager and in cases where actions are taken that significantly impact said assets and/or Rights and Obligations, mutual consultation between A and B shall be undertaken in advance.

Article 9 (Cancellation and/or Modification of Conditions of the Agreement)

Until the Agreement Effectuation Date, conditions of the Absorption-Type Company Split may be modified or the Agreement canceled through mutual consultation between A and B in cases where the status of assets or operations of either A or B are significantly changed due to natural disaster or other reasons; in cases where approval is not granted by relevant government agencies, etc. in accordance with legal regulations; or in cases where circumstances arise that seriously impair implementation of the Absorption-Type Company Split, or achieving other objectives of the Absorption-Type Company Split become difficult.

Article 10 (Other)

In addition to items stipulated in the Agreement, items necessary for the Absorption-Type Company Split shall be decided through mutual consultation between A and B in accordance with the provisions of the Agreement.

In witness of the execution of the Agreement, two copies of the Articles of Absorption-Type Company Split Agreement shall be drafted, and A and B shall retain one copy each upon affixing of the names and seals of each party on said document.

May 22, 2014

(A) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Corporation
Director & President Mitsuya Yamamoto Seal

(B) 20 Kotobuki-cho, Isesaki City, Gunma Prefecture
Sanden Executive Service Company Split Preparatory Corporation
Director & President Mitsuya Yamamoto Seal

(Attached document)

Itemized Statement of Rights and Obligations to Be Transferred

B shall accept the below-listed assets, liabilities, agreements, and other Rights and Obligations belonging to the Business of A by means of the Absorption-Type Company Split. Assets, and liabilities included in Rights and Obligations to be transferred shall be settled by the day prior to the Absorption-Type Company Split Effectuation Date upon the insertion or deletion of changes based on balance sheets and/or other calculations as of March 31, 2014.

1. Assets to Be Transferred

(1) Current Assets

On the Absorption-Type Company Split Effectuation Date, among current assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all relevant company short-term loans receivable, corporate tax receivables and consumption tax receivables, and certain cash and time deposits, notes receivable, accounts receivable, and accrued revenues.

(2) Fixed assets

On the Absorption-Type Company Split Effectuation Date, among fixed assets belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all buildings, structures, land, patents, land leaseholds, investment securities, investments in capital, investments in capital of relevant companies, relevant company long-term loans, provable bankruptcy rehabilitation claims, long-term prepaid expenses, security deposits and memberships, and certain software and relevant company stocks.

2. Liabilities to Be Transferred

(1) Current Liabilities

On the Absorption-Type Company Split Effectuation Date, among current liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all income taxes payable, business office taxes payable, consumption taxes payable, advances received and deposits payable, and

certain trade accounts and notes payable, accounts payable, accounts payable—other, short-term bank loans, relevant company short-term bank loans, long-term debt due within one year, and accrued expenses.

(2) Long-Term Liabilities

On the Absorption-Type Company Split Effectuation Date, among fixed liabilities belonging to the Business, A shall transfer all items to B to the extent permitted by legal regulations. However, this shall exclude all long-term accounts payable and deposits on contract, and certain long-term debt.

3. Employment Contracts, etc. to Be Transferred

(1) Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts between all employees (including contract employees) belonging to the Business on the Absorption-Type Company Split Effectuation Date.

(2) Labor Agreements

Included in labor agreements concluded between A and J.A.M. Sanden Labor Union, labor agreements that are subject to transfer shall be agreed to separately between A and said union immediately prior to the Absorption-Type Company Split Effectuation Date.

4. Other Rights and Obligations to Be Transferred, etc.

(1) Contracts Other than Employment Contracts

All Rights and Obligations that occurred based on the status of employment contracts and contracts related to purchasing contracts, basic transaction contracts, outsourcing contracts, service contracts, rental contracts, lease contracts and other contracts concluded by A related to the Business. However, this shall exclude contracts for which transfer is not recognized as it would change corporate legal status; nontransferable contracts; permits, licenses, and other items requiring reacquisition for which necessary actions were not completed by the Absorption-Type Company Split Effectuation Date; and contracts that must continue to be held by A.

(2) Permits and Licenses, etc.

Included in permits, licenses, approvals, registrations, notifications, and other items are those items that can be legally transferred. However, this excludes items that must continue to be held by A.

(3) Intellectual Property Rights

Intellectual property rights related to the Business held by A are not transferrable, and B must receive permission from A for the use of said rights with regard to the Business.

End

3. Overview of Items Prescribed in Article 183 of the Ordinance of Enforcement of the Companies Act

(1) Items Pertaining to the Appropriateness of Compensation for the Absorption-Type Company Split

The Company and Each Succeeding Company executed the Absorption-Type Company Split Agreement, which shall go into effect on April 1, 2015. Accompanying the Agreement, items pertaining to the number of shares issued by Each Succeeding Company and the amounts of paid-in capital and capital reserves are as follows.

(a) Number of Shares Issued

Included in Each Succeeding Company, five Succeeding Companies (excluding Sanden Advanced Technology Development Company Split Preparatory Corporation and Sanden Executive Service Company Split Preparatory Corporation) shall newly issue common stock as follows, all of which shall be granted in allotments to the Company upon the Absorption-Type Company Split. Said five Succeeding Companies, all of which are wholly owned subsidiaries of the Company, and the number of share issued by said five Succeeding Companies shall be decided based on consultations between the Company and each company, and shall be deemed appropriate. Sanden Advanced Technology Development Company Split Preparatory Corporation and Sanden Executive Service Company Split Preparatory Corporation shall not grant to the Company other shares or other monies upon the Absorption-Type Company Split, which is deemed appropriate as no changes have occurred to the asset amount or shareholder rights of the Company.

Name of the Succeeding Company	No. of Shares Issued upon the Absorption-Type Company Split
Sanden Automotive Air Conditioning Systems Company Split Preparatory Corporation	9,800 shares
Sanden Automotive Device Company Split Preparatory Corporation	9,800 shares
Sanden Retail Systems Company Split Preparatory Corporation	9,600 shares
Sanden Living & Environment Systems Company Split Preparatory Corporation	1,800 shares
Sanden ES Core Device Company Split Preparatory Corporation	1,800 shares

(b) Amounts of Paid-In Capital and Capital Surplus to Be Increased

The amounts of paid-in capital and capital surplus of Each Succeeding Company to be increased upon the Absorption-Type Company Split are as follows, and amounts are deemed appropriate according to business content following the Absorption-Type Company Split, and the Rights and Obligations to be transferred from the Company. The amounts of paid-in capital and capital surplus of Sanden Advanced Technology Development Company Split Preparatory Corporation and Sanden Executive Service Company Split Preparatory Corporation shall not increase.

Name of the Succeeding Company	Paid-in Capital	Capital Surplus	Earned Reserves
Sanden Automotive Air Conditioning Systems Company Split Preparatory Corporation	490 million yen	125 million yen	0 yen
Sanden Automotive Device Company Split Preparatory Corporation	490 million yen	125 million yen	0 yen
Sanden Retail Systems Company Split Preparatory Corporation	480 million yen	125 million yen	0 yen
Sanden Living & Environment Systems Company Split Preparatory Corporation	90 million yen	25 million yen	0 yen
Sanden ES Core Device Company Split Preparatory Corporation	90 million yen	25 million yen	0 yen

(2) Balance Sheets on the Day Succeeding Companies Are Established (as of May 13, 2014)

Each Succeeding Companies are companies established on May 13, 2014 and, therefore, and do not have a fixed final fiscal year. Balance sheets on the day Succeeding Companies are established are as follows.

Account items	Millions of yen	Account items	Millions of yen
Assets		Net assets	
Cash and deposits	10	Capital stock	10
Total assets	10	Total liabilities and net assets	10

Account items	Millions of yen	Account items	Millions of yen
Assets		Net assets	
Cash and deposits	10	Capital stock	10
Total assets	10	Total liabilities and net assets	10

Account items	Millions of yen	Account items	Millions of yen
Assets		Net assets	
Cash and deposits	20	Capital stock	20
Total assets	20	Total liabilities and net assets	20

Account items	Millions of yen	Account items	Millions of yen
Assets		Net assets	
Cash and deposits	10	Capital stock	10
Total assets	10	Total liabilities and net assets	10

(e) Sanden ES Core Device Company Split Preparatory Corporation			
Account items	Millions of yen	Account items	Millions of yen
Assets		Net assets	
Cash and deposits	10	Capital stock	10
Total assets	10	Total liabilities and net assets	10

(f) Sanden Advanced Technology Development Company Split Preparatory Corporation			
Account items	Millions of yen	Account items	Millions of yen
Assets		Net assets	
Cash and deposits	10	Capital stock	10
Total assets	10	Total liabilities and net assets	10

(g) Sanden Executive Service Company Split Preparatory Corporation			
Account items	Millions of yen	Account items	Millions of yen
Assets		Net assets	
Cash and deposits	10	Capital stock	10
Total assets	10	Total liabilities and net assets	10

(3) Events that significantly impact the status of company assets occurring after the day Succeeding Companies are established.

Not applicable

(4) Events that significantly impact the status of company assets occurring after the Company's final fiscal year-end date.

Not applicable

Item 3: Partial Amendment to Articles of Incorporation Accompanying the Transition to a Holding Company Structure

1. Reason for the Amendments

The Company is scheduled to transition to a holding company structure in accordance with the submission of Item 2: "Approval of Agreement for Absorption-Type Company Split of Company Subsidiaries Accompanying the Transition to a Holding Company Structure." Accompanying this, the Article 1 (Corporate Name) and Article 3 (Purposes) of the existing Articles of Incorporation must be amended and partial additions made due to changes in the corporate name and business purposes.

2. Details of the Amendments

Details of the amendments are as follows. The amendments shall become effective conditional on approval of the absorption-type company split outlined in Item 2 and the absorption-type company split becoming effective.

(Amended sections are underlined.)

Existing Articles of Incorporation	Amended Article
(Corporate Name)	(Corporate Name)
Article 1 The name of the Company is <u>Sanden Kabushiki Kaisha</u> and is expressed in English as <u>Sanden Corporation</u> .	Article 1 The name of the Company is <u>Sanden Holdings Kabushiki Kaisha</u> and is expressed in English as <u>Sanden Holdings Corporation</u> .
Articles 2 (omitted)	Articles 2 (no change)
(Purposes)	(Purposes)

Existing Articles of Incorporation	Amended Article
<p>Article 3 <u>The purposes of the Company shall be to engage in the following businesses:</u></p>	<p>Article 3 <u>The purpose of the Company shall be to control or manage the business activities set forth in the following items executed by companies (including overseas companies), associations (including corresponding overseas associations) and other equivalent business entities by holding the shares or equity interests of said companies, associations, and business entities.</u></p>
<ol style="list-style-type: none"> 1. Manufacture and sale of electrical machinery and apparatus; 2. Manufacture and sale of bicycle parts; 3. Manufacture and sale of combustion appliances and apparatus; 4. Manufacture and sale of measuring apparatus; 5. Manufacture and sale of auto parts; 6. Manufacture and sale of telecommunication apparatus and parts thereof; 7. Manufacture and sale of air conditioning, sanitary and other household equipment; 8. Manufacture and sale of metal molds; 9. Manufacture and sale of medical equipment and appliances; 10. Foreign investment for import, export, manufacture and sale of products and parts mentioned above and consulting regarding overseas technical assistance for products and parts mentioned above; 11. Development and sale of computer software and information processing services; 12. Comprehensive leasing and money lending; 13. Contract, design and supervision of construction work such as civil engineering construction work and conduit work; 14. Non-life insurance agency business and life insurance agency business; 15. Sale of soft drinks and food; 16. Purchase, sale, lease, brokerage and administration of real estate; 17. Freight transport and warehousing business; 18. Labor dispatch service; 19. Fee-charging employment agency; 20. Auto sales business; 21. Merchandising business of recycled products; 22. Any and all businesses incidental to and related to any of the aforementioned businesses. 	<p>(no change)</p>
<p style="text-align: center;"><u>(New)</u></p>	<p><u>The Company may engage in businesses set forth in the previous items.</u></p>
<p>Articles 4-35 (omitted)</p>	<p>Articles 4-35 (no change)</p>
<p style="text-align: center;"><u>(New)</u></p>	<p style="text-align: center;"><u>Supplementary Provision</u></p>
	<p><u>Amendments to Article 1 and Article 3 shall become effective on April 1, 2015. This supplementary provision shall be removed after said amendments become effective.</u></p>

Item 4: Election of Eight (8) Directors

The term of office of all 11 directors shall expire upon the conclusion of this Ordinary General Meeting of Shareholders. In this regard, the reduction of three directors and election of eight directors is requested to enhance business execution functions. At the time of the transition to a holding company structure based on the approval of Item 2 and 3, directors elected at the Ordinary General Meeting of Shareholders are scheduled to continue serving as directors of Sanden Holdings Corporation (the holding company) until the expiry of said term.

The relevant candidates are as follows:

No.	Name (Date of birth)	Resume, with Positions and Areas of Responsibility in the Company and Major Concurrent Positions	No. of Sanden shares held
1	Masayoshi Ushikubo (January 16, 1935)	Apr. 1968 Joined Sanden June 1989 Representative Director & President June 2001 Representative Director & Chairman (present)	1,081,112
2	Yoshimasa Hayakawa (January 25, 1943)	Mar. 1982 Joined Sanden June 2001 Representative Director & President June 2010 Representative Director & Vice Chairman (present)	281,000
3	Mitsuya Yamamoto (June 1, 1950)	Apr. 1975 Joined Sanden June 2007 Managing Director in charge of Global Affairs Apr. 2011 Executive Corporate Officer General Manager, Automotive Systems Business June 2012 Representative Director & President (present)	130,000
4	Mitsugi Takahashi (June 30, 1950)	Apr. 1974 Joined Sanden June 2001 Director Corporate Officer General Manager, General Affairs Dept. June 2010 Senior Corporate Officer June 2012 Director June 2013 Executive Director in charge of CSR & Public Relations in Gunma Area (present)	139,000
5	Mark Ulfing (Nov. 14, 1956)	Oct. 2009 President, Sanden International (U.S.A.), Inc. Oct. 2010 Corporate Officer, Sanden President, Sanden International (U.S.A.), Inc. & Sanden Mexicana, S.A. de C.V. June 2012 Executive Corporate Officer, Sanden CEO, Sanden International (U.S.A.), Inc. & Sanden International (Europe) Ltd. President, Sanden Mexicana, S.A. de C.V. June 2013 Executive Director in charge of Global Business (present)	—

6	Katsuya Nishi (August 3, 1964)	Apr. 1985 June 2009 June 2012 June 2013	Joined Sanden Director Corporate Officer Head of Corporate Planning Office Director Senior Corporate Officer in charge of Corporate Planning, Finance, Accounting and General Affairs Senior Director in charge of Management Control & Finance (present)	73,000
7	Isao Tada (July 5, 1945)	June 1999 June 2005 June 2007 June 2013	Full-time Corporate Auditor, Daiwa Securities Co., Ltd. Counselor, Daiwa Institute of Research Ltd. Deputy Director, Strategic Management Laboratory Director, Sanden Director in charge of Compliance & Corporate Governance (present)	9,000
8	Hideto Ozaki (Dec. 26, 1945)	Apr. 1968 June 1999 July 2000 June 2008 June 2011 June 2013	Joined Toyota Motor Sales Co., Ltd. Director, Toyota Motor Corporation President, Toyota Financial Services Corporation Representative Director & Chairman, Aioi Insurance Company, Limited Special Advisor, Aioi Nissay Dowa Insurance Company, Limited (present) Director (present)	11,000

Notes:

- 1: The Company does not have any special vested interests in any of the candidates.
- 2: Hideto Ozaki is a candidate for an outside director.
- 3: The reason that we nominated Hideto Ozaki as a candidate for an outside director is that he has a considerable experience through his careers in Toyota Motor Corporation, Aioi Nissay Dowa Insurance Company, Limited, etc., and that his expertise could assist us in strengthening the supervisory function over our management.
- 4: Hideto Ozaki will have served as an outside director for a year at the conclusion of this Ordinary General Meeting of Shareholders.
- 5: The Company has entered into an agreement for limited liabilities with Hideto Ozaki to the effect that the liabilities for damages set forth in Article 423, Paragraph 1 of the Corporation Law shall be up to the amount as stipulated by laws and regulations, and the Company will renew the agreement provided that his re-election is approved.
- 6: We have designated Hideto Ozaki as an independent director and notified Tokyo Stock Exchange, Inc. of his designation. If he is re-elected, he will continue to serve as an independent director.

Item 5: Continuation of Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)

Sanden Corporation (hereinafter the “Company”) decided to adopt the “Countermeasures to Large-Scale Acquisitions of the Company’s Shares” at the Board of Directors meeting held on May 26, 2008, and it was approved at the 82nd Ordinary General Meeting of Shareholders of the Company held on June 24, 2008. Also, the continuation of the “Countermeasures to Large-Scale Acquisitions of the Company’s Shares” (hereinafter the first-continued countermeasures are referred to as the “Current Plan”) was approved at the 85th Ordinary General Meeting of Shareholders of the Company held on June 23, 2011, and it will expire at the conclusion of this Ordinary General Meeting of Shareholders. After the approval of continuation, in order to secure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders, the Company reviewed the Current Plan, including whether or not to continue it, with a view to changes in social and economic conditions, and various trends and arguments regarding the takeover defense measures.

As a result, the Board of Directors of the Company determined at its meeting held on May 22, 2014 to continue the Current Plan (hereinafter the second-continued countermeasures are referred to as the “Plan”) subject to the approval of shareholders at this Ordinary General Meeting of Shareholders. Please note although the Plan has been partially edited for wording, the scheme contained therein does not fundamentally differ from that of the Current Plan.

1. Purpose of the Plan

The Plan was introduced as an initiative to prevent inappropriate parties from taking control over the decision-making on the Company’s financial and business policies in accordance with the Company’s basic policy on Company’s control and to secure and enhance its corporate value and, in turn, the common interests of its shareholders.

The purpose of the Plan is to secure and enhance the Company’s corporate value and, in turn, the common interests of its shareholders when the Company faces large-scale acquisitions of the shares of the Company or such proposals, by enabling the Company to prevent acquisitions that will cause obvious harm to the common interests of its shareholders, or may virtually coerce shareholders into selling their shares, and by securing necessary information, consideration period, and bargaining power so that the Board of Directors of the Company may request the acquirer to provide information when it is difficult for its shareholders to judge the acquirer’s proposals, or offer more advantageous terms than the acquisition terms proposed by the acquirer.

2. Outline of the Plan

The Plan provides that the Company shall require the person who emerged as an acquirer provide information in advance and also provides other procedures necessary to achieve the “Purpose of the Plan” described in 1. above (see “Procedures for invoking the Plan” described in 3. below for the details).

If it is decided that the gratis allotment of stock acquisition rights shall not be implemented in accordance with the Plan, the acquirer may thereafter carry out a large-scale acquisition of the shares of the Company, in which case, shareholders shall make their decision on their own as to whether to accept the acquirer’s acquisition proposal or not.

On the contrary, in the case where the acquirer carries out a large-scale acquisition of the shares of the Company without complying with the procedures prescribed in the Plan, or in such exceptional case where the acquisition meets the requirements for invoking the Plan prescribed in the Plan and that, it is determined on reasonable grounds that such acquisition will cause obvious harm to the Company’s corporate value and, in turn, the common interests of its shareholders, the Company will allot the stock acquisition rights to all the shareholders at the time other than the Company itself, in the manner of the gratis allotment of stock acquisition rights that are subject to conditions that the acquirer may not exercise the right as a general rule and that the

Company may acquire the stock acquisition rights from the shareholders in exchange for delivering shares of the Company to them other than the acquirer.

If the gratis allotment of stock acquisition rights is implemented in compliance with the Plan and the shares of the Company are delivered to those shareholders other than the acquirer by the exercise of those rights or the acquisition thereof by the Company, the ratio of the acquirer's voting rights in the Company may be diluted down to 50% at most.

It will be the Board of Directors of the Company which shall make a final decision on the implementation or non-implementation of gratis allotment of stock acquisition rights, or the acquisition thereof, but the Company continues to have the Independent Committee consisting of members who are highly independent from the management of the Company as it currently is in accordance with the Current Plan and to respect its fair and independent judgments, in order to exclude the arbitrariness of the Board of Directors and to ensure the objectivity and rationality of its judgments. In addition, the Board of Directors may convene a general meeting of shareholders to confirm the will of shareholders concerning the implementation of a gratis allotment of stock acquisition rights as prescribed in the Plan.

The Company will properly announce or disclose to its shareholders any information on the process of the procedures to ensure its transparency.

3. Procedures for invoking the Plan

(1) Acquisitions to which the Plan is applied

The Plan will be applied to any acquisition that falls under (i) or (ii) below, or any transaction or proposal similar thereto (excluding cases where the Board of Directors of the Company has separately approved to the contrary; hereinafter collectively referred to as the "Acquisition"):

- (i) With respect to share certificates, etc. (note 1) issued by the Company, any acquisition or other transaction that will increase the holding ratio (note 4) of such share certificates, etc. held by the holder (note 2) and joint holders (note 3) up to 20% or more; or
- (ii) With respect to share certificates, etc. (note 5) issued by the Company, a tender offer (note 6) that would increase the total of the owning ratio (note 7) of such share certificates, etc. relating to that tender offer and the owning ratio of such share certificates, etc. of those who have special relationship therewith (note 8) up to 20% or more.

Any party carrying out or proposing the Acquisition (hereinafter the "Acquirer") must comply with the procedures predetermined in the Plan and must not carry out the Acquisition until the Board of Directors of the Company adopts a resolution concerning the implementation or non-implementation of the gratis allotment of stock acquisition rights, in which the stock acquisition rights shall be allotted for free (hereinafter the "Stock Acquisition Rights") for the purpose of diluting the ratio of the Acquirer's voting rights in the Company (or until the approval or rejection at the general meeting of shareholders concerning the implementation of the gratis allotment of Stock Acquisition Rights, in cases where such meeting shall be convened to confirm the will of shareholders of the Company (hereinafter the "Shareholders Will Confirmation Meeting") in compliance with 3. (7) below).

(2) Submission of the Letter of Intent

The Company will require any Acquirer carrying out the Acquisition submit written promissory letters, including a written consent stating that the Acquirer will comply with the procedures established under the Plan (with the signature, or name and seal of the representative of the Acquirer) and the certificate of qualification of the representative who placed such signature or seal thereon (hereinafter collectively referred to as the "Letter of Intent") to the Company in advance and in a form prescribed by the Company. The Acquirer must also specify in Japanese the name of the Acquirer, address or location of its head office or other offices, the law governing the incorporation of the Acquirer, name of the representative, contact information in Japan, and details of the intended Acquisition in that Letter of Intent.

- (3) Request to the Acquirer for the provision of information
- Unless otherwise approved by the Board of Directors of the Company, the Company will deliver to the Acquirer a list of information to be submitted to the Company in advance, which is necessary for the Company to examine the Acquisition terms (hereinafter the “Essential Information”), within ten (10) business days from the following day of the receipt date of the Letter of Intent. The Company will require the Acquirer submit the Essential Information as described in the list in a form prescribed by the Company (hereinafter the “Acquisition Statements”). Specific contents of the Essential Information shall vary, depending on attributes of the Acquirer and terms of the Acquisition, however, in any case, they shall be required only to the extent necessary and sufficient for the judgment of shareholders and formation of the opinion of the Board of Directors of the Company. A part of the Essential Information required to be submitted as general items are described in (i) through (vii) below.
- (i) Details (including the specific name, line of business, career or history, capital composition, financial condition, experience in the similar type of business of the Company and Company Group, and experience in transactions similar to Acquisition and the results thereof) of the Acquirer and its group (including joint holders, parties having special relationship with the Acquirer, and, in the case of funds, every partner and other constituent members).
 - (ii) The purpose, method and terms of the Acquisition (including the amount and type of the consideration for the Acquisition, the Acquisition timing, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
 - (iii) The basis for the calculation of the consideration for the Acquisition (including the underlying facts of the calculation, the calculation method, the numerical data used in the calculation, and the details of any expected synergetic effect from any series of transactions relating to the Acquisition, such as synergetic effects that are to be shared with other shareholders).
 - (iv) Financial supports for the Acquisition (including the specific name, financing methods and the terms of any related transactions of the funds providers (including all indirect but substantial funds providers)).
 - (v) The candidates for officers of the Company and Company Group (including information regarding the experience in the similar type of business of the Company and Company Group), management policies, business plans, financial plans, capital and dividend policies, and asset management plans for the Company and Company Group that are expected after the completion of the Acquisition.
 - (vi) The details of any changes, if any, in the relationship between Company’s customers, business partners, employees, and any other stakeholders and the Company and Company Group that are expected after the completion of the Acquisition.
 - (vii) Any other information that the Independent Committee reasonably considers necessary.

Upon the receipt of the Acquisition Statements, the Board of Directors of the Company will promptly send them to the Independent Committee (see Appendix 1 “Outline of the Rules of the Independent Committee” for the standards for appointing members, requirements for resolution, and resolution matters of the Independent Committee, and see Appendix 2 “Profiles of Candidates for Members of the Independent Committee” for the profiles of candidates for members of the Independent Committee to be appointed after the continuation of the Plan). When the Independent Committee decides that the contents of the Acquisition Statements are insufficient as the Essential Information, it may request either directly or through the Board of Directors of the Company that the Acquirer additionally provide the Essential Information within a reasonable period of time fixed by the Independent Committee (provided, however, that the above period shall not be longer than sixty (60) days in principle), in which case, the Acquirer shall additionally provide the Essential Information within such period.

Provided, however, that even in the case where the Acquirer does not additionally provide the

Essential Information notwithstanding the Independent Committee's above request, if the Acquirer gives a rational explanation on the reason for not submitting the information, the Independent Committee may stop negotiations with the Acquirer regarding the provision of information, announce to that effect, and start the consideration of the Acquisition terms as described in 3. (4) below.

If the Independent Committee deems that the Acquirer has initiated the Acquisition without complying with the procedures set forth in the Plan, it will, as a general rule, recommend the Board of Directors of the Company to implement a gratis allotment of Stock Acquisition Rights in accordance with 3.(5) (i) below, unless there are special circumstances that require the continuation of discussions and negotiations, etc. with the Acquirer for the submission of Acquisition Statements and Essential Information.

(4) Consideration of the Acquisition terms, negotiation with the Acquirer, and consideration of an alternative proposal

(i) Assessment, consideration, and presentation of an opinion to the Independent Committee by the Board of Directors

Upon completion of the submission of Acquisition Statements and additional provision of Essential Information from the Acquirer, the Board of Directors of the Company will set a period up to sixty (60) days (or a deadline, if the Independent Committee requests the Board of Directors of the Company present its opinion by any deadline prior to the end of the sixty (60)-days-period) to assess and consider the Acquisitions, negotiate, form an opinion, and make an alternative proposal. During such period, the Board of Directors of the Company will fully assess and consider the Essential Information provided by the Acquirer, carefully form an opinion of the Board of Directors of the Company about such Acquisition terms, announce the outline of its opinion if necessary, and present such opinion, materials supporting that opinion, an alternative proposal (if any), and any other information and the like that the Independent Committee may properly consider necessary.

(ii) Independent Committee consideration

When the Independent Committee regards that it is provided with sufficient Essential Information from the Acquirer in compliance with 3. (3) above and with sufficient opinions from the Board of Directors of the Company in compliance with 3. (4) (i) above, it will, as a general rule, set a consideration period up to sixty (60) days, (including any extended period, if the Independent Committee adopts a resolution to extend the initial period in compliance with 3. (5) (iii) below) (hereinafter the "Independent Committee Consideration Period") taking into consideration the scale of operation, and nature and diversity of the business of the Company Group that operates globally, and inform thereof to the Acquirer and the Board of Directors of the Company. The Independent Committee will examine the Acquirer's Acquisition terms, collect information on business plans, etc. from both the Acquirer and the Board of Directors of the Company, make comparison thereof, and consider any alternative proposals provided by the Board of Directors of the Company during the Independent Committee Consideration Period. Further, if it is necessary in order to improve the terms of such Acquisition from the standpoint of securing and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee will, directly or indirectly through the Board of Directors of the Company, discuss and negotiate with such Acquirer, or recommend the Board of Directors of the Company to present alternative proposals, and then present the results thereof to the shareholders, etc.

When the Independent Committee requests further materials or other information, discussions, negotiations, etc., directly or indirectly through the Board of Directors of the Company, the Acquirer must respond to this request promptly. The Acquirer must not initiate the Acquisition until the Independent Committee Consideration Period expires

and the Board of Directors of the Company adopts a resolution concerning the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights (or the Shareholders Will Confirmation Meeting adopts a resolution to approve or reject the proposal concerning the implementation of the gratis allotment of Stock Acquisition Rights, in cases where such meeting shall be convened).

If necessary, the Independent Committee may seek advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts), at the expense of the Company, to secure that the Independent Committee's judgment furthers the corporate value of the Company and, in turn, the common interests of its shareholders.

(5) Procedures for recommendations, etc. by the Independent Committee

If the Acquirer emerges, the Independent Committee will make recommendations, etc. to the Board of Directors of the Company in accordance with the following procedures. If the Independent Committee makes any recommendations, etc. to the Board of Directors of the Company as listed in (i) through (iii) below, or considers it to be appropriate, the Independent Committee shall promptly announce the fact and the outline of such recommendations, etc. and any other matters that the Independent Committee considers appropriate (including the extension period and the reason for such extension, in the case where the Independent Committee extended the Independent Committee Consideration Period in compliance with (iii) below).

(i) Cases where the Independent Committee recommends the invocation of the Plan

If the Independent Committee determines that the Acquisition by the Acquirer falls under any one of the grounds for invoking the Plan set forth in 4. "Requirements for the gratis allotment of Stock Acquisition Rights" below (hereinafter collectively referred to as the "Grounds for Invocation"), it will recommend the implementation of the gratis allotment of Stock Acquisition Rights (details of which are set forth in 5. "Outline of the gratis allotment of Stock Acquisition Rights" below) to the Board of Directors of the Company, regardless of whether the Independent Committee Consideration Period has commenced or expired. If the applicability to the second invocation ground (hereinafter the "Grounds for Invocation 2") is at issue, the Independent Committee may request that the implementation of the gratis allotment of Stock Acquisition Rights shall be subject to the approval of shareholders in advance.

Notwithstanding the foregoing, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if it determines that either of (A) or (B) below has come to apply to the case, the Independent Committee may newly recommend that the Company suspend the gratis allotment of Stock Acquisition Rights (in cases on or before the preceding date of the effective date regarding the above gratis allotment of Stock Acquisition Rights) or that the Company acquire the Stock Acquisition Rights without consideration (in cases after the effective date regarding the above gratis allotment of Stock Acquisition Rights). The Stock Acquisition Rights of shareholders shall expire upon the acquisition thereof by the Company.

(A) The Acquirer withdraws the Acquisition or the Acquisition has ceased due to any other reason.

(B) There is a change in the underlying facts or other conditions upon which the initial recommendation was made, and that the Acquisition by the Acquirer no longer applies to the Grounds for Invocation.

(ii) Cases where the Independent Committee recommends not to invoke the Plan

If the Independent Committee determines that the Acquisition by the Acquirer does not apply to any of the Grounds for Invocation, it will recommend the Board of Directors of

the Company not to implement the gratis allotment of Stock Acquisition Rights, whether or not the Independent Committee Consideration Period has expired.

Notwithstanding the foregoing, even after the Independent Committee has already made the above recommendation not to implement the gratis allotment of Stock Acquisition Rights, if there is a change in the underlying facts or other conditions upon which the recommendation was made and that the Grounds for Invocation have come to exist, the Independent Committee may make a new recommendation to the Board of Directors of the Company to implement the gratis allotment of Stock Acquisition Rights.

- (iii) Cases where the Independent Committee extends the consideration period
If the Independent Committee did not reach its conclusion as to whether or not it shall recommend the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights by the expiry of the initial Independent Committee Consideration Period, the Independent Committee will adopt a resolution to extend the Independent Committee Consideration Period for some period of time reasonably considered necessary for the examination of the terms of the Acquirer's Acquisition, negotiation with the Acquirer and the examination of an alternative proposal (which period shall be no longer than thirty (30) days in principle).

If the Independent Committee Consideration Period is extended as a result of the resolution described above, the Independent Committee will continue its information collection, examination process and similar activities, and make its best efforts to provide recommendations within the extended period as to whether or not the gratis allotment of Stock Acquisition Rights shall be implemented.

- (6) Resolution of the Board of Directors
The Board of Directors of the Company shall properly continue its consideration on the Acquisition even after presenting its opinions to the Independent Committee. If the Board of Directors of the Company received any recommendation as set forth above from the Independent Committee, the Board of Directors shall, by paying the utmost respect to such recommendations, promptly adopt a resolution relating to the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights as an organ under the Companies Act of Japan (including resolutions with respect to the suspension of the gratis allotment of Stock Acquisition Rights and the acquisition of Stock Acquisition Rights without consideration). However, if the Shareholders Will Confirmation Meeting has been convened in compliance with 3. (7) below, the Board of Directors of the Company shall obey the resolution adopted in such meeting and adopt its resolution relating to the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights as an organ under the Companies Act of Japan in accordance therewith.
- (7) Convocation of the Shareholders Will Confirmation Meeting
Notwithstanding 3. (6) above, the Board of Directors of the Company shall, prior to the implementation of the gratis allotment of Stock Acquisition Rights pursuant to the Plan, convene the Shareholders Will Confirmation Meeting to confirm the will of shareholders of the Company concerning such implementation:
 - (i) if the applicability to the Grounds for Invocation 2 is at issue; and
 - (ii) if the Independent Committee made a recommendation, requesting that the implementation of the gratis allotment of Stock Acquisition Rights shall be subject to the approval of the general meeting of shareholders in advance in compliance with 3. (5) (i) above; or
 - (iii) if the Board of Directors of the Company judges that it is appropriate to confirm the will of shareholders in light of the Directors' duty to exercise due care, even after considering the length of time necessary to convene a general meeting of shareholders.

If the Shareholders Will Confirmation Meeting is to be convened, the Acquirer must not carry out any acquisition or similar acts for the period from the commencement of the procedures described in the Plan until the Shareholders Will Confirmation Meeting adopts a resolution to approve or reject the proposal concerning the implementation of the gratis allotment of Stock Acquisition Rights.

When the Board of Directors of the Company adopted a resolution relating to the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights or a resolution to convene the Shareholders Will Confirmation Meeting described above, or when the general meeting of shareholders adopted a resolution concerning the implementation of the gratis allotment of Stock Acquisition Rights, the Board of Directors of the Company shall promptly disclose the outline of such resolution and any other matters it considers appropriate.

(8) Disclosure of information to shareholders

In implementing the Plan, the Company will announce the progress of each procedure in the Plan (including the fact that the Acquirer has emerged, that the Acquirer has submitted the Letter of Intent and the Acquisition Statements, that the Board of Directors of the Company has initiated its assessment and consideration, that the Independent Committee Consideration Period has begun, and that the Independent Committee Consideration Period has been extended attached with the extended period and the reason for such extension), the outline of the Essential Information submitted by the Acquirer, the outline of the opinions of the Board of Directors of the Company, the fact that the Board of Directors of the Company has presented an alternative proposal to the Independent Committee and its outline, the outline of the recommendations by the Independent Committee, and at the same time, disclose promptly and properly to its shareholders the outline of the resolution of the Board of Directors of the Company, the outline of the resolution of the Shareholders Will Confirmation Meeting, and any other matters the Independent Committee or the Board of Directors of the Company considers appropriate in compliance with applicable laws and regulations, the stock exchange rules or the like.

4. Requirements for the gratis allotment of Stock Acquisition Rights

The requirements to invoke the Plan and implement the gratis allotment of Stock Acquisition Rights are described below. Decision as to whether or not the Acquisition by the Acquirer falls under any of the requirements described below and furthermore whether or not it is reasonable to implement the gratis allotment of Stock Acquisition Rights must always be made after the determination of the Independent Committee in accordance with 3. (5) (i) above.

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| Grounds for Invocation 1: | The Acquisition is not in compliance with the procedures described in the Plan (including cases where the Company is not allowed enough time or is not provided with information reasonably necessary to assess the Acquisition terms) and it is considered reasonable to implement the gratis allotment of Stock Acquisition Rights |
| Grounds for Invocation 2: | The Acquisition falls under any of the requirements mentioned from items (1) through (5) below and it is considered reasonable to implement the gratis allotment of Stock Acquisition Rights |

- (1) The Acquisition may cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through actions such as:
- (i) A buyout of share certificates of the Company, etc., followed by a request to the Company to buy them back at an inflated price (so called greenmailer);
 - (ii) Management that provides advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management, obtaining the Company or Company Group's material assets at an unreasonable low price;

- (iii) Diversion of the Company or Company Group's assets to the security for or repayment of the debts of the Acquirer or its group company; or
 - (iv) Temporary control of the Company's management to sell high-value assets that currently have no relevance to the Company or Company Group's business and make temporarily high dividends from the profits of such sale, or sell the shares at a higher price, taking advantage of the sudden rise in share prices resulting from such temporarily high dividends.
- (2) Certain Acquisitions that may virtually coerce shareholders into selling their shares, such as coercive two-tiered tender offers (which means such tender offer or acquisition of shares, in which the Acquirer does not offer to acquire all shares in its initial acquisition, and sets unfavorable acquisition terms or only unclear terms for the second acquisition stage).
 - (3) Acquisitions whose terms (including the amount and type of the consideration for the Acquisition, the Acquisition timing, the legality of the Acquisition method, the feasibility of the Acquisition, post-Acquisition management policies and business plans, and post-Acquisition policies on measures to deal with the Company's other shareholders, customers, business partners, employees and any other stakeholders) are inadequate or inappropriate in light of the corporate value of the Company and, in turn, the common interests of its shareholders.
 - (4) Acquisitions that may materially threaten the corporate value of the Company and, in turn, the common interests of its shareholders by destroying the relationship with the Company Group's customers, business partners, employees, community members and any other stakeholders, or any other sources of the Company and Company Group's corporate value, which are indispensable to the generation of the Company's corporate value.
 - (5) Acquisition contemplated by the Acquirer, who shall be deemed inappropriate as being the controlling shareholder of the Company from the viewpoint of public order and morals, in such cases as where the management or investors of the Acquirer include or are connected with anti-social groups.
5. Outline of the gratis allotment of Stock Acquisition Rights
- Set forth below is the outline of the gratis allotment of Stock Acquisition Rights under the Plan.
- (1) Number of Stock Acquisition Rights
The number of the Stock Acquisition Rights to be allotted will be the same as the final and total number of the Company's shares issued and outstanding (excluding the number of Company's shares held by the Company at that time) as of a certain date (the "Allotment Date") that is separately determined by the resolution of the Board of Directors of the Company or a general meeting of shareholders relating to the gratis allotment of Stock Acquisition Rights (the "Resolution for the Gratis Allotment of Stock Acquisition Rights").
 - (2) Shareholders eligible for allotment
The Company will allot the Stock Acquisition Rights without consideration to those shareholders, other than the Company, who are recorded in the Company's final shareholder registry as of the Allotment Date, at a ratio of one Stock Acquisition Right for every one Company's share held by such shareholder.
 - (3) Effective date of gratis allotment of Stock Acquisition Rights
The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Resolution for the Gratis Allotment of Stock Acquisition Rights.
 - (4) Number of shares to be delivered upon exercise of the Stock Acquisition Rights
The number of shares to be delivered upon exercise of each Stock Acquisition Right (the "Applicable Number of Shares") shall be one share as a general rule.

- (5) The amount of properties to be contributed upon exercise of the Stock Acquisition Rights
All contributions that are to be made upon the exercise of the Stock Acquisition Rights shall be made in cash, and the amount to be so contributed per share shall be separately determined in the Resolution for the Gratis Allotment of Stock Acquisition Rights within the range between a minimum of one yen and a maximum of any amount equivalent to one-half of the fair market value of a Company's share.
- (6) Exercise period of the Stock Acquisition Rights
The commencement date of the exercise period of the Stock Acquisition Rights shall be separately determined in the Resolution for the Gratis Allotment of Stock Acquisition Rights (this commencement date shall hereinafter be referred to as the "Exercise Period Commencement Date"), and the exercise period shall also be separately determined within the range of one (1) month to six (6) months by the Board of Directors of the Company in the Resolution for the Gratis Allotment of Stock Acquisition Rights. Further, if the final day of the above exercise period falls on a holiday at the place where the payment of the above assets to be contributed upon the exercise of the Stock Acquisition Rights is handled, the final day shall be the preceding business day.
- (7) Conditions for the exercise of the Stock Acquisition Rights
As a general rule, the following parties can not exercise the Stock Acquisition Rights (the parties falling under any one of the items from (I) through (VI) below shall hereinafter collectively be referred to as "Non-Qualified Parties"):
- (I) Specified large holders (note 9);
 - (II) Joint holders of specified large holders;
 - (III) Specified large-scale acquirers (note 10);
 - (IV) Parties having a special relationship with specified large-scale acquirers;
 - (V) With respect to the Stock Acquisition Rights, any transferee of or successor to any party falling under any one of the items from (I) through (IV) above, without the approval of the Board of Directors of the Company; or
 - (VI) Any affiliated party (note 11) of any party falling under any one of the items from (I) through (V) above.

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and regulations in order to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by these nonresidents will also be subject to the acquisition by the Company in exchange for the Company's shares as set forth in 5. (9) (ii) below, so long as it is in compliance with applicable laws and regulations). In addition, any party, who does not submit a document in writing and in a form specified by the Company, which contains representations and warranties clauses regarding the satisfaction of all requirements for the exercise of the Stock Acquisition Rights, etc., indemnification clauses, and any other words of honor, may not exercise the Stock Acquisition Rights.

- (8) Restriction on assignment of the Stock Acquisition Rights
Any acquisition of the Stock Acquisition Rights by ways of assignment shall be subject to the approval of the Board of Directors of the Company.
- (9) Acquisition of the Stock Acquisition Rights by the Company
- (i) At any time on or before the preceding date of the Exercise Period Commencement Date, if the Board of Directors of the Company deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, with the arrival of the day separately determined by the Board of Directors of the Company, acquire all of the Stock Acquisition Rights without consideration.
 - (ii) With the arrival of the day separately determined by the Board of Directors of the

Company as above, the Company may acquire all of the Stock Acquisition Rights that have not yet been exercised by or on the preceding business day of such date determined by the Board of Directors of the Company, and that are held by parties other than Non-Qualified Parties and, deliver in exchange therefor, Applicable Number of Shares of the Company for every one Stock Acquisition Right.

Further, if, on or after the date upon which such acquisition takes place, the Board of Directors of the Company recognizes the existence of any party other than Non-Qualified Parties holding Stock Acquisition Rights, the Company may, with the arrival of the day separately determined by the Board of Directors of the Company after the date upon which the above acquisition has taken place, acquire all of the Stock Acquisition Rights held by such party and that have not yet been exercised by or on the preceding business day of such date additionally determined by the Board of Directors of the Company as above, and, in exchange, deliver Applicable Number of Shares of the Company for every one Stock Acquisition Right. The same will apply thereafter.

- (10) Delivery of the Stock Acquisition Rights in the case of merger, absorption-type demerger, incorporation-type demerger, share exchange, and equity transfer
The Board of Directors of the Company will separately determine these matters in the Resolution for the Gratis Allotment of Stock Acquisition Rights.
 - (11) Issuance of certificates representing the Stock Acquisition Rights
Certificates representing the Stock Acquisition Rights will not be issued.
 - (12) Others
In addition to provisions set forth above, terms and conditions of the Stock Acquisition Rights will be separately determined in the Resolution for the Gratis Allotment of Stock Acquisition Rights.
6. Effective period, repeal, and amendment of the Plan
The Plan shall be effective until the conclusion of the Ordinary General Meeting of Shareholders concerning the final fiscal year ending within three (3) years after the conclusion of this Ordinary General Meeting of Shareholders, on the condition that the proposal for the partial amendment and continuation of the Current Plan is approved by shareholders at this Ordinary General Meeting of Shareholders.

However, the Plan may be terminated by the resolution to that effect at the general meeting of shareholders of the Company or the Board of Directors of the Company even before the above expiration date, in which case the Plan shall be repealed in accordance with such resolution.

Further, if any laws and regulations, stock exchange rules or the like concerning the Plan are established, amended or repealed and it is appropriate to reflect such establishment, amendment or repeal, if it is appropriate to make corrections of typographical errors and omissions, or if the revision or amendment of the Plan does not impair the purpose of the resolution of this Ordinary General Meeting of Shareholders such as in cases where the revision or amendment of the Plan does not have any adverse affect on the Company's shareholders, then the Board of Directors of the Company may modify or amend the Plan even during the effective period of the Plan, subject to the approval of the Independent Committee.

If the Plan is repealed, modified or amended, the Company will promptly disclose the fact thereof as well as the details of the modification, amendment and any other relevant matters (in the event of modification or amendment).

The provisions of laws and regulations, rules or the like quoted in the Plan are those in effect as of May 11, 2011, and if it is required to modify the provisions, definition of terms or the like set forth in each item above due to the establishment or repeal of the laws and regulations on or after

that day, the provisions, definition of terms or the like set forth in each item above may be read properly within reasonable bounds taking into consideration the purposes of such establishment or repeal.

(Note 1)

The word “share certificates, etc.” is defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Law. Unless otherwise provided for in Agenda Item 3, this definition shall apply throughout in Agenda Item 3.

(Note 2)

The word “holder” includes any party described as a holder under Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Law (including such party considered to fall under this category by the Board of Directors of the Company). This definition shall apply throughout in Agenda Item 3.

(Note 3)

The word “joint holders” means any joint holder defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Law and includes such party deemed as a joint holder under Paragraph 6 of the same Article (including a party considered by the Board of Directors of the Company to fall under these “joint holders” defined in the said Articles of Financial Instruments and Exchange Law). This definition shall apply throughout in Agenda Item 3.

(Note 4)

The word “holding ratio” is defined in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Law. This definition shall apply throughout in Agenda Item 3.

(Note 5)

The word “share certificates, etc.” is defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Law. This definition shall apply only in sub-item (ii).

(Note 6)

The word “tender offer” is defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Law. This definition shall apply throughout in Agenda Item 3.

(Note 7)

The word “owning ratio” is defined in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Law. This definition shall apply throughout in Agenda Item 3.

(Note 8)

The word “those who have special relationship therewith” is defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Law (including a party considered to fall under this category by the Board of Directors of the Company); provided, however, that a party provided for in Item 1 of the same Paragraph excludes a party provided for in Article 3, Paragraph 2 of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than by the Issuing Company. This definition shall apply throughout Agenda Item 3.

(Note 9)

The word “Specified large holders” means, as a general rule, a party who is a holder of share certificates, etc. issued by the Company and whose holding ratio of such share certificates, etc. is at least 20% (including a party considered to fall under this category by the Board of Directors of the Company). However, a party that the Board of Directors of the Company recognizes as a party whose acquisition or holding of share certificates, etc. of the Company does not impair the Company’s corporate value and, in turn, the common interests of its shareholders, and a party separately determined by the Board of Directors of the Company in the Resolution for the Gratis Allotment of Stock Acquisition Rights shall be excluded from the Specified large holders. This definition shall apply throughout in Agenda Item 3.

(Note 10)

The word “Specified large-scale acquirers” means, as a general rule, a party who makes a public announcement of purchase, etc. (as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Law; the same applies in this Note 10) of share certificates, etc. (as defined in Article 27-2, Paragraph 1 of the same Law; the same applies in this Note 10) issued by the Company through a tender offer and the total owning ratio of such share certificates, etc. owned by that party after such purchase, etc. (including those considered equivalent to the ownership of such share certificates, etc. as prescribed in Article 7, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Law) and by those who have special relationship therewith (including a party considered to fall under this category by the Board of Directors of the Company) shall amount to at least 20%. However, a party that the Board of Directors of the Company recognizes as a party whose acquisition or holding of share certificates, etc. of the Company does not impair the Company’s corporate value and, in turn, the common interests of its shareholders, and a party separately determined by the Board of Directors of the Company in the Resolution for the Gratis Allotment of Stock Acquisition Rights shall be excluded from the Specified large-scale acquirers. This definition shall apply throughout in Agenda Item 3.

(Note 11)

The word “affiliated party” of a given party means a party who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed by the Board of Directors of the Company to fall under this category), or a party deemed by the Board of Directors of the Company to act in concert with such given party.

“Control” is defined as the “controlling power on decision-making on financial and business policies” of other companies (as defined in Article 3, Paragraph 3 of the Ordinance for Enforcement of the Companies Act).

Appendix 1. Outline of the Rules of the Independent Committee

- The Independent Committee shall be established by resolution of the Board of Directors of the Company.
- The number of the members of the Independent Committee shall be three (3) or more, and the Board of Directors of the Company shall appoint them from among outside directors of the Company, outside corporate auditors of the Company, and knowledgeable persons outside the Company who are independent of the management that executes the business operations of the Company. Such knowledgeable persons must be experienced corporate managers, persons with expertise of the investment banking business, persons with expertise of the Company's business, attorneys, certified public accountants, academic experts specialized in the Companies Act of Japan or the like, or persons of similar qualifications, and must have made an agreement with the Company, separately specified by the Board of Directors of the Company that contains a provision obligating such experts to the Company to exercise the duty of care and diligence or a similar provision.
- The term of office of members of the Independent Committee shall be until the conclusion of the Ordinary General Meeting of Shareholders concerning the final fiscal year ending within three (3) years after the conclusion of this Ordinary General Meeting of Shareholders, unless otherwise determined by resolution of the Board of Directors of the Company. Additionally, when a member of the Independent Committee who also acts as an outside director or an outside corporate auditor ceases to be a director or a corporate auditor of the Company (except for cases where he/she is reappointed), his/her term of office as a member of the Independent Committee shall also terminate.
- The Independent Committee shall make decisions on the matters listed below and submit recommendations to the Board of Directors of the Company containing the details of and reasons for the recommendation. Paying the utmost respect to such recommendations and as an organ under the Companies Act of Japan, the Board of Directors of the Company shall adopt a resolution relating to the implementation, non-implementation or other actions pertaining to the gratis allotment of Stock Acquisition Rights. Each member of the Independent Committee and each director of the Company must make such decisions with a view to whether or not the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not serve the sole purpose of their own interests or those of the management of the Company.
 - (i) The implementation or non-implementation of the gratis allotment of Stock Acquisition Rights.
 - (ii) The suspension of the gratis allotment of Stock Acquisition Rights or the acquisition of Stock Acquisition Rights without consideration.
 - (iii) Any other matters regarding which the Board of Directors of the Company seeks advice of the Independent Committee among matters to be judged by the Board of Directors of the Company.
- In addition to the matters prescribed above, the Independent Committee may conduct the matters listed below:
 - (i) Determining the information that the Acquirer and the Board of Directors of the Company should provide to the Independent Committee, and the deadline for the provision of such information;
 - (ii) Inspection and examination of the terms of the Acquirer's Acquisitions;
 - (iii) Negotiation and discussion with the Acquirer;
 - (iv) Request to the Board of Directors of the Company for the submission of an alternative proposal and examination of the proposal;
 - (v) Determining the extension of the Independent Committee Consideration Period;
 - (vi) Approval of modification or amendment of the Plan;
 - (vii) Advice to the Board of Directors in determining whether to introduce takeover defense measures other than the Plan;
 - (viii) Any other matters authorized to the Independent Committee in the Plan; and
 - (ix) Any matters the Board of Directors has separately determined to authorize the Independent Committee to perform.
- If the Independent Committee decides that the Acquisition Statements and the information submitted are insufficient as the Essential Information, it shall request that the Acquirer submit additional information. Further, if the Independent Committee receives from the Acquirer the Acquisition Statements and the Essential Information, it may request that the Board of Directors of the Company present within a certain period an opinion regarding the terms of the Acquisition by the Acquirer and materials supporting that opinion, an alternative proposal (if any), and any other information and the like that the Independent Committee may properly consider necessary.
- If necessary, in order to improve the terms of the Acquisition from the standpoint of securing and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer, or require the Board of Directors of the Company, etc. to present an alternative proposal. The results of such discussion, negotiation and presentation shall be disclosed to shareholders.
- In order to collect necessary information, the Independent Committee may request the attendance of directors, corporate auditors or employees of the Company, or any other person that the Independent Committee considers necessary, and may require explanation of any matter it requests.
- If necessary, the Independent Committee may, at the Company's expense, obtain advice of independent third parties (including financial advisors, certified public accountants, attorneys, consultants and other experts) and similar actions.
- Any member of the Independent Committee may convene a meeting of the Independent Committee when the Acquisition is effected, or at any other time.
- As a general rule, matters are resolved at the Independent Committee by the overwhelming majority of votes with the presence of at least two-thirds of the members of the Independent Committee.

Appendix 2. Profiles of Candidates for Members of the Independent Committee

The following four (4) candidates are to be appointed as members of the Independent Committee after the continuation of the Plan.

Hideto Ozaki

(Date of birth: December 26, 1945)

Outside Director of Sanden Corporation

April 1968 Joined Toyota Motor Sales Co., Ltd.
June 1999 Director, Toyota Motor Corporation
July 2000 President, Toyota Financial Services Corporation
June 2008 Representative Director & Chairman, Aioi Insurance Company, Limited
June 2011 Special Advisor, Aioi Nissay Dowa Insurance Company, Limited (present)
June 2013 Director, Sanden Corporation (present)

Takuji Tsuchikane

(Date of birth: August 18, 1931)

Outside Corporate Auditor of Sanden Corporation

April 1954 Joined Bank of Japan
June 1990 Representative Director & President, The Gunma Bank, Ltd.
June 1998 Corporate Auditor, Sanden Corporation (present)

Yoshiaki Sugita

(Date of birth: December 6, 1946)

Outside Corporate Auditor of Sanden Corporation

April 1970 Joined The Fuji Bank, Limited
April 2005 Managing Executive Officer, Mizuho Financial Group, Inc.
June 2005 Corporate Auditor, Fuyo General Lease Co., Ltd. (present)
June 2012 Corporate Auditor, Sanden Corporation (present)

Kimihide Emae

(Date of birth: October 14, 1948)

Outside Corporate Auditor of Sanden Corporation

April 1971 Joined The Bank of Tokyo, Ltd.
Sept. 2002 Managing Officer, Mitsubishi Securities
Nov. 2008 Senior Advisor, Toyota Financial Services Corporation
Mar. 2012 Auditor, McDonald's Holdings Company (Japan), Ltd. (present)
Oct. 2012 Fund Management Chairperson, The Tokyo Foundation (present)
June 2013 Corporate Auditor, Sanden Corporation (present)

The Company does not have any special vested interests in any of the candidates for members of the Independent Committee listed above.

Outside Director Hideto Ozaki and Outside Corporate Auditors, Takuji Tsuchikane, Yoshiaki Sugita and Kimihide Emae, have been registered as independent officers to Tokyo Stock Exchange, Inc. where the Company is listed.