(Security Code 8803)

Year Ended March 31, 2015

NOTICE CONCERNING THE CONVOCATION OF THE 95th ORDINARY GENERAL SHAREHOLDERS' MEETING

Date of the Meeting: June 25, 2015 (Thursday), 10:00 a.m.

Place of the Meeting: The Tokyo Stock Exchange Bldg. 2F, TSE Hall
2-1, Nihonbashi Kabuto-cho, Chuo-ku, Tokyo, Japan

Deadline for voting: If you are unable to attend the meeting, please exercise your voting rights by mail or via the Internet by no later than June 24, 2015 (Wednesday), 5:00 p.m.

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Heiwa Real Estate Co., Ltd.

Security Code 8803
June 2, 2015

To the Shareholders
of Heiwa Real Estate Co., Ltd.

Dear Shareholders:

NOTICE CONCERNING THE CONVOCATION OF THE
95th ORDINARY GENERAL SHAREHOLDERS' MEETING

We are pleased to inform you that the 95th Ordinary General Shareholders' Meeting (the "Meeting") of Heiwa Real Estate Co., Ltd. (the "Company") will be held as specified in the attached notice. You are cordially invited to attend.

Yours faithfully,

Hiroyuki Iwakuma
President, Representative Director
Heiwa Real Estate Co., Ltd.
1-10, Nihonbashi Kabuto-cho,
Chuo-ku, Tokyo (103-8222)
Japan

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

NOTICE

The resolution of certain agenda items requires the quorum of the meeting. If you cannot attend the meeting, you can exercise your voting rights by one of the following methods.
We would appreciate your review of the reference materials attached from page 5 to 40 and your exercise of the voting rights.

[By Mail]
Please indicate your vote for or against each of the agendas on the enclosed Voting Rights Exercise Form and return the form by the end of business hours (5:00 p.m.), Wednesday, June 24, 2015.

[Via the Internet]
Please access (http://www.e-sokai.jp) with your browser and enter the proxy code and temporary password supplied on the enclosed Voting Rights Exercise Form. Then follow the instructions and enter your vote for each agenda by the end of business hours (5:00 p.m.), Wednesday, June 24, 2015.

1. Date of the Meeting: June 25, 2015 (Thursday), 10:00 a.m.

2. Place of the Meeting: The Tokyo Stock Exchange Bldg. 2F, TSE Hall
2-1, Nihonbashi Kabuto-cho,
Chuo-ku, Tokyo, Japan

3. Items on Meeting Agenda

Items to be reported:

1 The Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements for the 95th fiscal year from April 1, 2014 to March 31, 2015; and

2 Independent Auditor's Report of Consolidated Financial Statements and Audit Report of Consolidated Financial Statements by the Board of Statutory Auditors for the 95th fiscal year.

Items to be voted upon:

Agenda Item No. 1:	Proposed Appropriation of Surplus
Agenda Item No. 2:	Assignation of Five Directors
Agenda Item No. 3:	Assignation of One Statutory Auditor
Agenda Item No. 4:	Payment of Bonuses to Directors
Agenda Item No. 5:	Continuation of Measures Against Large Volume Purchase of Shares of the Company (Defense Measures Against Takeover)

(If you are attending the meeting, please submit the enclosed attendance sheet at the reception desk, without separating it from the proxy forms.)

(From among the documents to be provided upon the notification of convocation, the NOTES TO CONSOLIDATED FINANCIAL STATEMENTS and NOTES TO NON-CONSOLIDATED FINANCIAL STATEMENTS are not stated in the Attached Documents but are disclosed on our website (http://www.heiwa-net.co.jp/) in accordance to laws and regulations and the provisions of Article 16 of the Articles of Incorporation of the Company. Please note that the Attached Documents provided with this Notice formed part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Independent Auditor and the Board of Statutory Auditors during their preparation of THE AUDIT REPORT OF THE ACCOUNTING AUDITOR and THE AUDIT REPORT OF THE BOARD OF STATUTORY AUDITORS.)

(If any modifications are made to the Business Report, the Consolidated Financial Statements, and the Non-consolidated Financial Statements, the details will be published on the Company's website at http://www.heiwa-net.co.jp/)

Guide for Exercising Your Voting Rights

Attending the Meeting

Please bring the enclosed attendance sheet and submit it at the reception desk.

Date of the meeting

June 25, 2015 (Thursday), 10:00 a.m.

If you are attending the meeting, please submit the enclosed attendance sheet at the reception desk. Please also bring the "Notice Concerning the Convocation" to help conserve paper resources.

By Mail

Please indicate your vote for or against each of the agendas on the enclosed attendance sheet and return the sheet.

Deadline for voting

The sheet must be received by 5:00 p.m., Wednesday, June 24, 2015

Via the Internet

Please enter your vote for each agenda on the voting site designated by the Company.

Deadline for voting

The votes must be received by 5:00 p.m., Wednesday, June 24, 2015

REFERENCE DOCUMENTS FOR
THE GENERAL SHAREHOLDERS' MEETING

Agenda Item No. 1: "Proposed Appropriation of Surplus"

We make it a basic policy to distribute profit to our shareholders by setting a consolidated payout ratio of approximately 30% as a medium- to long-term target in consideration of the importance of maintaining the internal cash reserves required to increase our corporate value through the stable development of the redevelopment business, the building leasing business, and other businesses of the Company over the long term.
The Company wishes to propose a year-end dividend for the current term as follows in comprehensive consideration of the business results for the current term, future business development, the policy above, and other factors.

(1) Type of dividends
Cash

(2) Matters related to allotment of dividends and the aggregate amount thereof
¥11 per share of the Company's common stock Total amount ¥ 438,880,882
(Note) The annual dividend for this fiscal term, together with the interim dividend of ¥11, will be ¥22 per share.

(3) Effective date of appropriation of surplus
June 26, 2015

Agenda Item No. 2: "Assignation of Five Directors"

The Company proposes the election of five Directors due to the expiration of the office term at the close of this meeting of the following five present Directors: Hiroyuki Iwakuma, Takashi Hayakawa, Kazuo Yamada, Sadao Yoshino, and Shigeru Takagi.
The candidates for Directorship of the Company are as follows:

No.	Name and date of birth	Number of shares of the Company owned by the candidate	Career summary, position and assignment of the Company, and significant office(s) concurrently held
1	Hiroyuki Iwakuma March 18, 1952 <Reappointed>	3,684	April 1976 Joined the Tokyo Stock Exchange November 2001 General Manager of Finance Department of Tokyo Stock Exchange June 2003 General Manager of Information Service of Tokyo Stock Exchange June 2004 Executive Officer of Tokyo Stock Exchange June 2007 Managing Executive Officer of Tokyo Stock Exchange August 2007 Managing Executive Officer of Tokyo Stock Exchange Group June 2009 Director and Representative Senior Executive Officer of Tokyo Stock Exchange Group Representative Senior Managing Director of Tokyo Stock Exchange January 2013 President and Representative Director of Tokyo Stock Exchange June 2013 Representative Director and President of the Company (present post) Chief Executive Officer of the Company (present post) General Manager of Leasing Headquarters of the Company June 2014 Supervising Business Planning Department of the Company May 2015 Supervising Development Planning Department of the Company (present post)

No.	Name and date of birth	Number of shares of the Company owned by the candidate	Career summary, position and assignment of the Company, and significant office(s) concurrently held
2	Takashi Hayakawa December 7, 1948 <Reappointed>	10,843	March 1972 Joined the Company July 1995 General Manager of Housing Business Department July 2000 General Manager of Building Business Department June 2001 Director June 2002 Executive Manager of Chubu Area June 2005 General Manager of Building Project Department April 2007 Managing Officer June 2007 Managing Executive Officer June 2010 General Manager of Leasing Headquarters June 2013 Representative Director (present post) Managing Senior Executive Officer (present post) General Manager of Development Headquarters June 2014 Supervising Real Estate Marketing Department (present post) General Manager of Real Estate Marketing Department

No.	Name and date of birth	Number of shares of the Company owned by the candidate	Career summary, position and assignment of the Company, and significant office(s) concurrently held
3	Kazuo Yamada February 24, 1957 <Reappointed>	10,254	April 1980 Joined the Company December 2004 General Manager of Building Department July 2006 General Manager of Building Department, Manager of Sapporo Branch April 2007 General Manager of Finance Department June 2009 Managing Officer June 2010 Deputy General Manager of General Affairs Headquarters, Group Leader of Planning Finance June 2011 Director (present post) Managing Executive Officer (present post) General Manager of General Affairs and Planning Headquarters June 2014 Supervising Real Estate Solutions Department (present post)

No.	Name and date of birth	Number of shares of the Company owned by the candidate	Career summary, position and assignment of the Company, and significant office(s) concurrently held
4	Norio Iwasaki May 16, 1957 <Newly appointed>	520	April 1981 Joined the Tokyo Stock Exchange June 2004 General Manager of General Affairs Department of Tokyo Stock Exchange June 2007 General Manager of Finance Department of Tokyo Stock Exchange August 2007 General Manager of Finance Department of Tokyo Stock Exchange Group June 2009 Executive Officer of Tokyo Stock Exchange Group January 2013 Executive Officer of Japan Exchange Group June 2013 Executive Officer of Tokyo Stock Exchange June 2014 Managing Executive Officer of the Company (present post) Supervising Finance Department of the Company (present post) November 2014 Supervising Corporate Planning and General Affairs Department (General Affairs) of the Company (present post) January 2015 Supervising Legal Office of the Company (present post)
5	Shigeru Takagi April 1, 1939 <Reappointed> <External Director>	0	April 1962 Joined Mitsubishi Estate Co., Ltd. April 2001 President & Director of Mitsubishi Estate Co., Ltd. June 2005 Director & Corporate Advisor of Mitsubishi Estate Co., Ltd. June 2010 Executive Counsel of Mitsubishi Estate Co., Ltd. (present post) June 2011 Corporate Auditor of Mitsubishi UFJ Trust and Banking Corporation (present post) June 2013 Director of the Company (present post)

(Notes)

1. Mitsubishi Estate Co., Ltd., where Mr. Shigeru Takagi serves as a Corporate Advisor, is a major shareholder of the Company with a 10.67% stake of the total number of Company shares issued. The Company has executed a capital and business alliance agreement with Mitsubishi Estate Co., Ltd. for the purpose of the redevelopment of Nihonbashi Kabuto-cho District. The Company proposes the reelection of Mr. Takagi as an External Director in order to steadily promote this redevelopment, a business to which the Company assigns first priority. If the Agenda Item No. 2 is approved as proposed, the total number of Directors will be seven, of whom three will be External Directors. Two of the three External Directors (Mr. Motoya Aizawa, and Mr. Kunitaro Saida) are still registered with the respective stock exchanges as independent directors/auditors not subject to potential conflicts of interest with general shareholders that the Company is required to designate under the rules of each stock exchange.
2. No conflict of interest exists between the Company and the candidates for Director, except as stated above.
3. Mr. Shigeru Takagi is currently serving as External Director of the Company. His term of office from the assumption of office will be two years at the conclusion of this Ordinary General Shareholders' Meeting.
4. Notes on the candidate for External Director are as follows.

(1) The Company proposes the election of Mr. Shigeru Takagi as an External Director because the Company anticipates that he will promote the redevelopment business for the Nihonbashi Kabuto-cho District, as described in 1. above, and will also provide advice on the general management of the Company based on rich experience he has accumulated in Mitsubishi Estate Co., Ltd.

(2) The Company has entered into an agreement with Mr. Shigeru Takagi to limit his liability for damages as set forth in Article 423, Paragraph 1, of the Companies Act in accordance with Article 427, Paragraph 1 of the Act; provided, however, that the limit thereof under such agreement shall be the amount prescribed in the Act. If his reelection is approved, the Company will renew the liability limitation agreement under the same conditions. The Company has entered into liability limitation agreements with all of the External Directors.

Agenda Item No. 3: "Assignation of One Statutory Auditor"

The Company proposes the election of one Statutory Auditor due to the expiration of the office term at the close of this meeting of the present Statutory Auditor: Masami Taniguchi.
The Board of Statutory Auditors previously gave its approval.
The candidate for Statutory Auditor of the Company is as follows:

Name and date of birth	Number of shares of the Company owned by the candidate	Career summary, position and significant office(s) concurrently held
Naoto Kato October 15, 1956 <Newly appointed>	4,495	April 1979 Joined the Company June 2010 General Manager of General Affairs Group, General Affairs Headquarters June 2014 General Manager of Corporate Planning and General Affairs Department (present post)

(Note) No conflict of interest exists between the Company and Mr. Naoto Kato.

Agenda Item No. 4: "Payment of Bonuses to Directors"

In consideration of the business results for the current term and the status of dividend payment to shareholders as a total, the Company proposes to pay directors' bonuses of ¥20,000,000 in total to four Directors (excluding External Directors).
The Company independently establishes a compensation committee, the majority of which consists of External Directors, and which will decide the proposed total amount of bonuses for Directors and also the specific amount of bonus for each Director.

Agenda Item No. 5: "Continuation of Measures Against Large Volume Purchase of Shares of the Company (Defense Measures Against Takeover)"

In connection with the "Measures Against Large Volume Purchase Activities of the Shares of Our Company" ("Current Plan"), which we received the approval of our shareholders in, and have been implementing since, the 93rd ordinary general shareholders' meeting held by our company ("Company") on June 26, 2013, we hereby inform you that we resolved at our Board of Directors' meeting held on May 18, 2015 to continue the Current Plan, subject to the approval of our shareholders at the 95th Ordinary General Shareholders' Meeting ("Ordinary General Shareholders' Meeting") to be held on June 25, 2015 (such defense measures to be continued, hereinafter, referred to as the "Plan").

Since the term of the Current Plan ends at the conclusion of the Ordinary General Shareholders' Meeting, we have had numerous discussions on how the Plan shall be implemented as well as whether or not to continue same, from the viewpoint of increasing the corporate value of the Company and ensuring the common interest of our shareholders. Consequently, after taking into consideration the developments in social and economic conditions and other relevant matters, we have decided to continue the plan upon partially revising thereof, subject to the approval of our shareholders. In the event that the Plan is approved by our shareholders at the Ordinary General Shareholders' Meeting, its term shall be effective until the conclusion of the Company's ordinary general shareholders' meeting, planned to be held in June of 2018.

The main outline of the revisions we made is as follows:

① Clarified the roles of the Board of Directors and Independent Committee in the Examination Period of the Board of Directors, and added the case where a Shareholders' Meeting for Intent Confirmation be convened with respect to the execution of countermeasures;

② Changed the effective term of the Plan from two (2) years to three (3) years; and

③ Made other necessary revisions including revisions of the words.

All of the four (4) company auditors including three (3) external statutory auditors attended the Board of Directors' meeting which resolved the continuation of the Plan had decided and expressed their opinion that the Plan is appropriate as the defense measures against the purchase of a large volume of the Company's shares.

We also report that there is no fact, as of this moment, that we have received any offer concerning the purchase of a large volume of the Company's shares.

Details of the Plan are stated as follows for your reference.

"Measures Against Large Volume Purchase of Shares of the Company (Defense Measures Against Takeover)"

I. Basic Policy with Regard to the Role of Any Person Controlling the Decision over Financial and Business Policies of the Company

The Company believes that a person who controls the decisions on financial and business policies of the Company should have a good understanding of the financial situation and business description of the group of the Company as well as the source of the corporate value of the Company, and should continue to increase the corporate value of the Company and subsequently the common interest of our shareholders.

Also, if a purchase of a large volume of the Company's shares benefits the corporate value of the Company, and subsequently the common interest of our shareholders, we will not deny it; and the Company believes that whether we are to accept an offer concerning the purchase of a large volume of the Company's shares that accompanies the transfer of the power of control of the Company should be ultimately determined based on the intent of our shareholders.

However, there are some cases of the purchase of a large volume of shares which could damage the corporate value of a target company and subsequently the common interest of its shareholders, including the case which (i) obviously violates the corporate value of the target company and subsequently the common interest of its shareholders, (ii) is likely to, in effect, force the shareholders of the target company to sell their shares, or (iii) does not give enough time and information to enable the board of directors or shareholders of the target company to examine the purchase of a large volume, or to enable the board of directors to provide an alternative plan.

The Company has engaged in the leasing business of office buildings in financial and business districts since 1947 (Showa 22), which enables the Company to build relationships of trust with local communities including a local company and local government, and respond to the expectations of the local communities to cooperate with their development. In that process, the Company has also built relationships of trust with its business partners including a tenant and building management company through leasing and management of buildings, and thereby accumulated know-how on leasing business of office building. We believe that the Company will grow further by maintaining these attitudes.

The ongoing redevelopment of the business district located in Nihonbashi-Kabutocho, Chuo-ku, Tokyo is the project truly oriented by the aforementioned Company's efforts. The Company commits to increase profits and create a new generation of Heiwa Real Estate with abilities of making developments and/or proposals through the redevelopment and a faithful implementation thereof towards revitalization of Nihonbashi-Kabutocho where the Tokyo Stock Exchange, the heart of Japan's financial market, is located, in accordance with the government's framework to establish the Tokyo Global Financial Center. The Company believes that realizing such redevelopment will also contribute to society.

If a person who makes a purchase of a large volume of shares is unable to increase the source of the corporate value of the Company on a continuous basis in the medium- to long-term, the corporate value of the Company and subsequently the common interest of our shareholders will be damaged.

Therefore, the Company believes that a person who makes such purchase of a large volume of the Company's shares which does not benefit the corporate value of the Company and subsequently the common interest of our shareholders is an inappropriate party to control decisions on the financial and business policies of the Company, and that we should take necessary and sufficient countermeasures against such purchase of a large volume of the Company's shares for the purpose of protecting and ensuring the corporate value of the Company and subsequently the common interest of our shareholders.

II. Our Special Efforts to Realize the Basic Policy

1. Efforts to Increase Corporate Value and to Ensure the Common Interest of Shareholders

(1) Our Management Policy and the Source of the Corporate Value

The Company has engaged in the leasing business of office buildings mainly in the cities including Tokyo, Osaka, and Nagoya since the establishment in 1947 (Showa 22) as the owner of the buildings of the Tokyo, Osaka, Nagoya and other stock exchanges.

During all these years, under the management policy - "Provision of a Safe and Comfortable Office Environment and Living Space for the People, thereby Contributing to the People and the City," the Company has successfully expanded its business into housing development, etc.

However, our core business has remained in leasing of office buildings, and the Company has been growing its business through acquisition or development of new buildings and subsequent operation management thereof. Although a development of building requires time, and operation and management of a building after development requires longer time, as the Company has built its assets through a consistent accumulation of such effort, the Company will continue such effort and grow further.

Fortunately, having expanded its business as the owner of buildings of stock exchange in respective areas over a period of time since its establishment, the Company has established strong relations of trust with its tenants, business partners and local communities, maintained high utilization rate of its leasing buildings, and been able to gain information and cooperation for redevelopment. Moreover, the past record of development in Osaka and Nagoya enables the Company to expand its business in Sendai and Sapporo. Such trust and the experience and know-how on leasing business of office buildings also enable the Company to expand its operation in the area of REIT business and generate consistent profits. We believe that it is the source of the corporate value of the Company.

(2) Medium- to Long-term Management Plan – Efforts to Benefit the Corporate Value and the Common Interest of Shareholders –

The Company developed an action plan "Medium- to Long-term Management Plan: over the 'NEXT DECADE'" for an expansion of the leasing business of office buildings in April 2014, aiming at the next stage of the Company for the next ten (10) years where it will grow as a company contributing to urban development.

In this action plan, it is provided that Nihonbashi-Kabutocho where the Tokyo Stock Exchange Building is located will be redeveloped by utilizing our experiences in revitalization of business district, the experiences which have been gained through the rebuilding business of Osaka and Nagoya stock exchange buildings.

Nihonbashi-Kabutocho had grown as Japan's major "Securities District"; however, as the social environment changed, e.g. the development of information and communication, the district experienced a closure of securities trading floor, relocations of securities companies and consequently a decline in visitors.

Nonetheless, the Company believes that it can expand highly profitable leasing business of office buildings in the district by redevelopment, in light of a tremendous amount of potential of the district as it is conveniently located in terms of public transportation and has good access to Tokyo Station, and Tokyo (Haneda) and Narita International Airports.

Although the redevelopment is a long-term project, the corporate value of the Company will be increased by undertaking the project and increasing the revenue of the Company.

In addition, beginning with the redevelopment of Nihonbashi-Kabutocho, the Company aims to grow into a company which contributes to an urban development and create a basis for medium- to long-term growth. In order to achieve such aim, the Company will focus on the following four items:

① The Nihonbashi-Kabutocho Revitalization Project

The Company believes that an added value will be generated by an increase of attraction and prosperity of Nihonbashi-Kabutocho as a district but not by a simple rebuilding. We will, as a company based in Nihonbashi-Kabutocho since its foundation, create "Revitalization Vision for Nihonbashi-Kabutocho," make a proposal for a befitting development of Kabutocho and implement activities therefor in cooperation with its community. Furthermore, we will work toward final completion of the 1st stage of the project over the next five (5) years.

② Strengthening of the building leasing business

In order to increase the earning capacity of the assets for leasing business, the Company will replace the assets possessed for leasing business by means of disposal of low profitable buildings and acquisition or newly built of highly profitable buildings. In addition, the Company will promote acquisition of carefully selected new assets for leasing business and further strengthen the revenue base of the leasing business of office buildings which is to be a foundation for promotion of the redevelopment.

③ **Expansion of the fee business, including asset management business of REIT**

The Company will, as a sponsor of Heiwa Real Estate REIT, Inc., increase the Company's revenue from fee business by such measures as providing support to expand the assets under management by Heiwa Real Estate Asset Management Co., Ltd. and improve the quality thereof.

④ **Strengthening of organizational controls and maintenance of financial discipline**

The Company will promptly improve an organizational structure to soundly promote the medium-to long-term management plan. In particular, in relation to the Nihonbashi-Kabutocho Revitalization Project, the special department for the project was newly created. In addition, considering that a sound financial structure is essential for executing redevelopment business in medium- to long-term, the Company will maintain discipline with the emphasis on D/E ratio.

2. Efforts to Improve a Corporate Governance System

The Company considers the enhancement of corporate governance as an important business issue and, in addition to responding to the trust of shareholders and other stakeholders, strengthens corporate governance as a whole group for a fair and efficient business management.

In particular, the Company has introduced an executive officer system in order to separate function and responsibility for management from those of business operation, as well as to promote rapid decision-making and increase business efficiency.

In addition, three (3) out of seven (7) directors of the Company are external directors and three (3) out of four (4) statutory auditors of the Company are external statutory auditors; and two (2) of the external directors and two (2) of the external statutory auditors are filed as the independent officers set forth by a securities exchange.

Furthermore, while the Company is a company with board of company auditors, it has established an independent compensation committee the majority of which consists of external directors, for the purpose of better objectivity and adequateness of decision process of executive compensation.

The Company continues to improve the corporate governance system in a positive manner.

As we stated above, the Company will, utilizing the strength created from the source of the corporate value, implement the aforementioned measures, realize the medium- to long-term management plan, and ensure and improve the corporate value of the Company and subsequently the common interest of our shareholders.

III. Efforts to Prevent Inappropriate Person Viewed in Light of Basic Policy from Controlling the Decision over Financial and Business Policies of the Company

1. Objectives of the Plan

The plan aims at maintaining and increasing the corporate value of the Company and subsequently the common interest of our shareholders continuously in accordance with the basic policy described in the above I.

The Board of Directors has determined that it is indispensable for us to have a framework that: ① can provide our shareholders with enough time and information to enable them to determine the pros and cons of a takeover proposal; ② can ensure an opportunity for our shareholders to negotiate with a person who intends to make a purchase of a large volume of the Company's shares as defined in Section 3 below; and ③ can prevent the purchase of a large volume of the Company's shares that may damage the corporate value of the Company and subsequently the common interest of our shareholders. In this regard, as one of our efforts to prevent a person who is deemed to be inappropriate in light of the basic policy from controlling decisions on the financial and business policies of the Company, we decided to continue the Plan subject to the approval of the shareholders at the Ordinary General Shareholders' Meeting.

For the continuation of the Plan, we took into account all relevant laws and regulations, legal precedents, regulations concerning the introduction of defense measures against takeovers provided by the Financial Instruments Exchange, "Guidelines concerning Defense Measures Against Takeovers to Ensure or to Increase Corporate Value and the Common Interest of Shareholders"("Guidelines of Defense Measures Against Takeovers") issued by the Ministry of Economy, Trade and Industry and the Ministry of Justice, and the Measures Against Takeovers.

2. Summary of the Plan

The Plan requires a person who intends to purchase a certain volume or more of our Company's shares as defined in Section 3. "Purchase Procedures" ("Large Volume Purchaser"), to comply with the procedures prescribed in Section 3. "Purchase Procedures" ("Purchase Procedures").

The Company may take countermeasures if: ① the Board of Directors considers that the Large Volume Purchaser does not or will not comply with the Purchase Procedures; or ② the Board of Directors considers that the purchase by the Large Volume Purchaser may damage the corporate value of the Company and subsequently the common interest of our shareholders.

In making such decision, the Board of Directors will respect as much as possible any advice provided by a committee consisting of external directors and external statutory auditors of the Company or external experts ("Independent Committee"), who are independent from the top management of the Company executing the operations of the Company.

In addition, the Board of Directors may confirm the intent of our shareholders on whether or not to take countermeasures based on advice provided by the Independent Committee.

The allotment of share warrants without charge shall be executed as the aforementioned

countermeasures under the Plan.

3. Purchase Procedures

(1) Definitions of Large Volume Purchase Concerned

Any purchase that falls under ① or ② below shall be referred to as a "Large Volume Purchase" (except for those agreed by the Board of Directors) and the person who proposes or undertakes such Large Volume Purchase shall be referred to as a "Large Volume Purchaser":

① a purchase or any other type of acquisition of "shares, etc." (*1) issued by the Company by a "holder" (*2), if the "holding ratio of shares, etc." (*4) of the holder, when combined with such ratio of its joint holder(s) (*3) becomes twenty (20) percent or more after the acquisition; or

② a purchase of "shares, etc." (*5) issued by the Company by "tender offerer" (*6), if the "ratio of ownership of shares, etc." (*8) of the tender offerer, when combined with such ratio of a "person having special relationship" (*7) with the tender offerer becomes twenty (20) percent or more after the purchase.

*1 Refers to "share certificates, etc." as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

*2 Refers to a "holder" as defined in Article 27-23, Paragraph 1 of the said Act including a person deemed as a holder under Paragraph 3 of the same article (also including those who are approved to be the holder by the Board of Directors).

*3 Refers to a "joint holder" as defined in Article 27-23, Paragraph 5 of the said Act including a person deemed as a joint holder under Paragraph 6 of the same article (also including those who are approved to be the joint holder by the Board of Directors.)

*4 Refers to the "holding ratio of share certificates, etc." as defined in Article 27-23, Paragraph 4 of the said Act.

*5 Refers to the "share certificates, etc." as defined in Article 27-2, Paragraph 1 of the said Act.

*6 Refers to the "tender offer" as defined in Article 27-2, Paragraph 6 of the said Act.

*7 Refers to a "person having a special relationship" as defined in Article 27-2, Paragraph 7 of the said Act (also including those who are approved to be the person having a special relationship by the Board of Directors.)

*8 Refers to the "ratio of ownership of share certificates, etc." as defined in Article 27-2, Paragraph 8 of the said Act.

Unless otherwise provided for, the same shall apply hereunder.

(2) Prior Submission of Statement of Acceptance of Purchase Procedures

Prior to the initiation of a Large Volume Purchase, a Large Volume Purchaser will be requested to prepare and provide the Board of Directors with a document stating that it will comply with the Purchase Procedures ("Statement of Acceptance of Purchase Procedures") in a form prescribed by the Company in the Japanese language. In the Statement of Acceptance of Purchase Procedures, the following items shall be filled out:

(i) Descriptions of Large Volume Purchaser;

(a) Name of a person or organization and address of a person or organization;

(b) Name and title of a representative person;

(c) Purpose and nature of business of a company, etc.;

(d) Outline of major shareholders or large-sum investors (who rank in the top 10 in the ownership of shares or investment ratio);

(e) Contact information in Japan; and

(f) Governing law of the incorporation.

(ii) Number of shares of the Company currently owned by the Large Volume Purchaser, and the status of transaction of shares of the Company by the Large Volume Purchaser during the sixty-day period prior to the submission of the Statement of Acceptance of Purchase Procedures;

(iii) Descriptions of the Large Volume Purchase proposed by the Large Volume Purchaser (Type and number of shares of the Company which the Large Volume Purchaser intends to purchase through the Large Volume Purchase and the purpose thereof (acquisition of control or participation in management; pure investment or investment for business reasons; any transfer or assignment of shares, etc. of the Company to a third party after the Large Volume Purchase or in case there are any Act of Making Important Suggestion, etc.(*) or any other purposes, then the description to that extent and content thereof shall be stated. In case there are several purposes, all of them must be listed.) shall be included.)

*Refers to "Act of Making Important Suggestion, etc." as defined in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Enforcement Ordinance of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Ordinance regarding Disclosure of Status of Large Volume Holding of Share Certificates, etc.

(3) Provision of Information by Large Volume Purchaser

When the Statement of Acceptance of Purchase Procedures set forth in above (2) is provided, a Large Volume Purchaser will be requested to provide the Company with information in Japanese which is necessary and sufficient for our shareholders to make a decision on and for our Board of Directors to evaluate and consider the Large Volume Purchase ("Necessary Information") in accordance with the procedures described below.

First of all, the Company will dispatch to the Large Volume Purchaser at its address designated in the contact information in Japan set forth in (2)(i)(e) a list of information which should be initially submitted by the Large Volume Purchaser within ten (10) business days(*) after the submission of the Statement of Acceptance of Purchase Procedures (excluding the date of submission thereof) ("Initial Information List"). The Large Volume Purchaser will be requested to submit sufficient information to the Company in accordance with the Initial Information List.

In the event that our Board of Directors reasonably determines that such information as submitted by the Large Volume Purchaser in accordance with the Initial Information List is not sufficient for our shareholders to make a decision and for our Board of Directors to evaluate and consider in light of the contents, manner and other aspects of the Large Volume Purchase, the Large Volume Purchaser will be requested to provide additional information separately demanded by our Board of Directors.

*Business days shall mean days other than those listed in any of the items of Sub-Article 1, Article 1 of the Act on Holidays of Administrative Organs.

Nonetheless, in order to accelerate the provision of information from the Large Volume Purchaser as well as to avoid arbitrary administration by the Board of Directors seeking for information endlessly, the period for the provision of information by the Large Volume Purchaser in response to request from our Board of Directors ("Period for the Provision of Information") shall be limited to sixty (60) days from the day following the receipt of the Necessary Information provided in accordance with the Initial Information List. Even if the Necessary Information is not sufficiently provided, immediately upon the expiration of the Period for the Provision of Information, the correspondence with the Large Volume Purchaser relating to the provision of information shall be terminated and the examination period of the Board of Directors (such term will be explained in 4(1) below) shall be commenced with such information which has been provided until the expiration of the Period for the Provision of Information. (Provided, however, the Period for the Provision of Information may be extended to the extent necessary in the cases including where the extension of the period is requested by the Large Volume Purchaser based on reasonable grounds.)

Irrespective of the contents, manner and other aspects of the Large Volume Purchase, information relating to the items listed below shall be basically included in the Initial Information List.

① details (including the name, address, contact information in Japan, capital relationship, composition of finances, description of business, members, past takeover offers and results, whether in compliance with or in breach of laws and regulations in the past and its details, and the number of shares currently held) of the Large Volume Purchaser and all parties within its group (including major shareholders and investors,

major subsidiaries, affiliated companies, joint holders, and persons having a special relationship, and in the case of a fund, major partners, investors (whether direct or indirect), and other members, managing partners and persons who continuously provide investment advice);

② the purpose (the details of the purpose disclosed in the Statement of Acceptance of Purchase Procedures), method and contents (intention as to participation in management, price and type of target of Large Volume Purchase, time of purchase, structure of relevant transactions, number of shares, etc. to be purchased, and holding ratio of shares, etc. after purchase or other transactions, legality of method of Large Volume Purchase, feasibility of execution of Large Volume Purchase, etc.) of Large Volume Purchase;

③ if any communication is made with any third party other than the Large Volume Purchaser in relation to the Large Volume Purchase, information about the other party and the content of such communication;

④ the basis of calculation of the price for the Large Volume Purchase (including facts and assumptions on which the calculation is based, calculation method, information about the values used in the calculation, and the expected amount and the basis of calculation of synergy arising from the Large Volume Purchase);

⑤ financial backing of the funds for the Large Volume Purchase (including the specific name of the fund provider including real fund provider, method of raising funds, and information about relevant transactions);

⑥ if any lease agreement, collateral agreement, sell-back agreement, purchase reservation, or other material agreement or arrangement (collectively "Collateral Agreement, etc.") is executed in relation to the Company's shares already possessed by the Large Volume Purchaser, the specifics of the Collateral Agreement, etc. including the type, other party thereto, and number of shares, etc. covered thereby;

⑦ if the Large Volume Purchaser is scheduled to enter into any Collateral Agreement, etc. or other agreement with a third party in connection with the Company's shares to be purchased by the Large Volume Purchaser through the Large Volume Purchase, the specifics of such agreement including type, other party thereto, and number of shares, etc. covered thereby;

⑧ the management policy, business plan, capital policy and dividend policy of the Company and group of the Company after the Large Volume Purchase (including sale and transfer of shares, cancellation of listing on stock exchange, sale or withdrawal of business, change of business policy, sale of assets, changes in liabilities, and changes in top management);

⑨ the policy on stakeholders (including employees, suppliers and customers) of the Company and group of the Company after the Large Volume Purchase;

⑩ information on whether or not to fall under anti-social forces (including anti-market

forces, the same shall apply hereinafter) and relationship with antisocial forces; and

⑪ all other information the Board of Directors or the Independent Committee reasonably considers necessary.

The Board of Directors will disclose at the point of time determined appropriate for such disclosure the fact that a Large Volume Purchase was offered by a Large Volume Purchaser, the outline thereof, the summary of the Necessary Information, and other information if any of which is considered necessary for our shareholders to make a decision.

If the Board of Directors acknowledges that the Necessary Information has been sufficiently provided by the Large Volume Purchaser, the Board of Directors will notify the Large Volume Purchaser of same ("Notification of Completion of Information Provision") and also disclose same forthwith.

The Period for the Provision of Information shall terminate either on the date which the Board of Directors issued the Notification of Completion of Information Provision or the expiry date of the said period, whichever is earlier.

4. Decision of the Board of Directors and Independent Committee

(1) Establishment of the Examination Period of the Board of Directors

The Board of Directors will establish a period of sixty (60) days commencing on the day which immediately follows the expiration date of the Period for the Provision of Information as a period for the Board of Directors to evaluate, consider, form opinions, draft an alternative plan and negotiate with the Large Volume Purchaser in relation to the Large Volume Purchase ("Examination Period of the Board of Directors").

In the event of evaluating, considering, forming opinions, drafting an alternative plan and negotiating with the Large Volume Purchaser in relation to the Large Volume Purchase based on the Necessary Information provided by the Large Volume Purchaser during the Examination Period of the Board of Directors, the Board of Directors may obtain advice from third party professionals (e.g. investment banks, securities companies, financial advisors, attorneys and certified public accountants) who are independent from the Board of Directors, as necessary.

If the Board of Directors fails to resolve to or not to take countermeasures during the Examination Period of the Board of Directors for unavoidable reasons such as the failure of the Independent Committee to give advice as set forth in Paragraph (2) below during the Examination Period of the Board of Directors, the Board of Directors may extend the Examination Period of the Board of Directors to the extent necessary but for a maximum of thirty (30) days based on advice from the Independent Committee. In the event that such extension is resolved, the Board of Directors will make a prompt disclosure of relevant information.

(2) Independent Committee and Its Procedures to Advise

① Establishment of Independent Committee

For the purpose of preventing any arbitrary judgment related to the execution of countermeasures or excessive countermeasures from being made or taken by the Board of Directors, the Company will establish the Independent Committee, comprised of external directors and external statutory auditors of the Company and/or external experts (professionals such as attorneys and certified public accountants, etc.) who have significant insight on corporate management and are independent of the top management of the Company who execute the operations of the Company.

The number of members of the Independent Committee shall be a minimum of three (3).

For details of the Independent Committee, please refer to Schedule 1, "Independent Committee Regulations" and Schedule 2, "Biographical Outline of Independent Committee Members."

② Advice of Independent Committee

The Independent Committee shall provide advice in relation to the Large Volume Purchase to the Board of Directors in accordance with the provisions a. and b. below during the Examination Period of the Board of Directors.

a. Where the Large Volume Purchaser fails to comply with Purchase Procedures

If the Large Volume Purchaser has failed to comply with the Purchase Procedures, the Independent Committee will determine that the Large Volume Purchase by the Large Volume Purchaser causes significant damage to the corporate value of the Company and subsequently the common interest of our shareholders, and advise the Board of Directors to take countermeasures in principle.

b. Where the Large Volume Purchaser complies with the Purchase Procedures

If the Independent Committee considers that the Large Volume Purchaser is complying with the Purchase Procedures, in principle, the Independent Committee will advise the Board of Directors not to take countermeasures.

However, even if the Large Volume Purchaser is complying with the Purchase Procedures, if the Large Volume Purchase by the Large Volume Purchaser falls under any of the events set forth in (i) to (viii) below and the Independent Committee considers that the Large Volume Purchase by the Large Volume Purchaser causes significant damage to the corporate value of the Company and subsequently the common interest of our shareholders and it is appropriate for the Board of Directors to take countermeasures, the Independent Committee will advise the Board of Directors to take countermeasures as an exceptional measure for handling such events.

If the Independent Committee determines the execution of countermeasures to be reasonable, the Independent Committee may advise the Board of Directors to withhold such execution until the intent of our shareholders is confirmed.

(i) In the case of a so-called "green mailer" (i.e. if the Large Volume Purchase is intended to raise the share price of the Company's shares and to make the Company or its related parties buy them back.).

(ii) In the case of so-called "scorched-earth tactics" (i.e. the Large Volume Purchase is intended to temporarily take control of the management of the Company or the group of the Company to acquire critical assets of the Company such as management know-how, trade secrets, main suppliers and customers at a low price, and consequently realize the management of the Company or the group of the Company in a way beneficial to the Large Volume Purchaser at the cost of the Company).

(iii) Where the Large Volume Purchase is intended to use assets of the Company or the group of the Company as collateral or source of repayment of debts of the Large Volume Purchaser or the group of the Company.

(iv) Where the Large Volume Purchase is intended to dispose of real property, securities and other assets of the Company or the group of the Company, to temporarily distribute high dividends based on profits earned therefrom, or to sell the shares of the Company after a rise of the share price due to such high return.

(v) Where the Large Volume Purchase is likely to, in effect, force our shareholders to sell their shares, such as in the case of a so-called "coercive two-tier takeover scheme" (refers to a share purchase by way of tender offer that does not solicit a purchase of the entire shares at the initial stage but sets less favorable conditions or does not clearly set any conditions for the second stage).

(vi) Where conditions of the Large Volume Purchase by the Large Volume Purchaser (the price and type of consideration to be paid, the basis of calculation of price of consideration, purchasing time, legality of purchasing method, feasibility of implementation of purchase, management policy or business plan after purchasing, etc.) are considered, with the reasonable grounds, to be apparently insufficient or inappropriate to a remarkable extent in light of the corporate value of the Company.

(vii) Where it is expected that by the acquisition of control of the Company by the Large Volume Purchaser, the relationships with our shareholders and other stakeholders including customers, suppliers and employees which are the source whereby the corporate value of the Company is created will be ruined and the corporate value of the Company will be significantly damaged or the maintenance, and improvement of corporate value of the Company is expected to be significantly hindered; or, the corporate value of the Company that can be achieved in the medium- or long-term future in the case of acquisition of control of the Company by the Large Volume Purchaser is apparently lower

than that in the case when the large Volume Purchaser does not obtain the control of the Company.

(viii) Where it is inappropriate for the Large Volume Purchaser to obtain the control of the Company in terms of public order and morals, such as where the Large Volume Purchaser and its group include any person who has relationship with anti-social forces.

(3) Resolution at a Meeting of the Board of Directors and Convening of a Shareholders' Meeting to Confirm Intent

The Board of Directors shall respect as much as possible the above advice provided by the Independent Committee, and make a final decision on whether the Company will take countermeasures or not, or change or cancel the countermeasures taken. In addition, based on advice of the Independent Committee, a general shareholders' meeting may be convened prior to the execution of countermeasures for the purpose of confirming the intent of our shareholders with respect to such execution ("Shareholders' Meeting for Intent Confirmation"). After making such decision, the Board of Directors shall immediately disclose a summary of such decision, a summary of the advice by the Independent Committee, and other matters that the Board of Directors deems appropriate.

After starting the procedures under the Plan, and until the Board of Directors makes a resolution to or not to take countermeasures or, if a Shareholders' Meeting for Intent Confirmation is held, until the conclusion thereof, the Large Volume Purchaser shall not initiate the Large Volume Purchase. In the case of taking countermeasures, the Company shall not provide the Large Volume Purchaser with any economic consideration, such as cash, etc.

(4) Change or Cancellation of Countermeasures Taken

In the case when that the Large Volume Purchaser withdraws the Large Volume Purchase, the preconditions on which the Board of Directors made a decision to take countermeasures are changed, or that the Board of Directors considers that it is inappropriate to take countermeasures, the Board of Directors may change or cancel countermeasures taken while respecting as much as possible the advice provided by the Independent Committee.

In the case when countermeasures taken are cancelled, the allotment of share warrants without charge shall be cancelled if it is before the effective date of the allotment of share warrants without charge, or obtain such share warrants without charge if it is after the effective date of the allotment of the share warrants without charge and before the commencement of the exercise period.

5. Specific Countermeasures under the Plan

The Board of Directors shall make allotment of share warrants without charge as countermeasures under the Plan.

For details on the allotment of share warrants without charge as a countermeasure under the Plan, please refer to Schedule 3, "A Summary of Share Warrants."

6. Effective Term, Abolishment, and Modification of the Plan

The Plan will take effect as of the time when the Plan is approved by a majority of the votes of shareholders present at the Ordinary General Shareholders' Meeting, and will continue to be in effect until the date of the ordinary general shareholders' meeting concerning the closing of accounts for the 2017 fiscal year (scheduled to be held in June 2018), provided that even during this effective term, the Plan may be abolished if a resolution to abolish the Plan is adopted at the general shareholders' meeting of the Company or such resolution is adopted at a meeting of the Board of Directors. If the Plan is abolished or amended, the Company will immediately disclose such fact to our shareholders.

If it is appropriate to reflect any matters within the Plan in the case where the laws and regulations or rules of financial instruments exchanges are newly established, amended, or abolished during the effective term of the Plan, the provisions or the definitions of terms used in the Plan may be read as such to a reasonable extent, or the Board of Directors may amend the Plan as such, in consideration of the purport of such newly established, amended, or abolished laws and regulations or rules of financial instruments exchanges.

IV. Decision on Each Effort Above by the Board of Directors of the Company and the Reasons for Such Decision

1. Efforts that Contribute to the Realization of the Basic Policy

Each of the efforts described in the above Sections II and III are prepared as concrete measures for the purpose of continuously increasing the corporate value and subsequently the common interest of our shareholders, and can contribute to the realization of the basic policy.

Therefore, such efforts are in accordance with the basic policy and meet the common interest of our shareholders, not for the maintenance of the position of each directors of the Company.

2. Rationality of the Plan

(1) The Plan is in accordance with the basic policy

The Plan is in accordance with the basic policy, as the Plan is a framework to ensure the corporate value of the Company and subsequently the common interest of our shareholders by requesting a Large Volume Purchaser who offers to make a Large Volume Purchase of the Company's shares to provide the information of the Large Volume Purchase in advance, and ensuring the information and time that are necessary for our shareholders to determine whether they should accept such offer or not, or for the Board of Directors to

propose an alternative plan or to negotiate with the Large Volume Purchaser for the benefit of our shareholders.

(2) The efforts neither damage the common interest of our shareholders nor are intended to maintain the position of each directors of the Company

Due to the following reasons, the Company believes that a framework to prevent the control of the Company by an inappropriate person in light of the basic policy neither damages the common interest of our shareholders nor is intended to maintain the position of each directors of the Company

① The efforts are in accordance with the "Guidelines of Defense Measures Against Takeovers" and the "Measures Against Takeovers"

The Plan completely fulfills the three principles defined in the "Guideline of Defense Measures Against the Takeovers" (principle of ensuring and increasing the corporate value and the common interest of shareholders, the principle of advance disclosure and the intent of shareholders, and the principle of necessity and adequacy), and takes into account the content of the "Measures Against Takeovers."

② The efforts respect the intent of shareholders (resolution at a shareholders' meeting and the sunset provision)

The Plan may be continued subject to the approval of our shareholders at a general shareholders' meeting of the Company. In addition, a Shareholders' Meeting for Intent Confirmation may be convened to confirm the intent of our shareholders with respect to the execution of countermeasures.

Also, as described in the above Section III.-6, "Effective term, abolishment, and modification of the Plan," there is a sunset provision in the Plan that limits the effective term of the Plan to three (3) years, and even if it is before the expiration of the effective period, the Plan may be abolished if a resolution to abolish the Plan is adopted at a general shareholders' meeting of the Company or such resolution is adopted at a meeting of the Board of Directors.

In this regard, the continuation or abolishment of the Plan depends on the intent of our shareholders.

③ Setting of rational and objective reasons to set the Plan into motion

As described in the above Section III.-4-(2)②b., "Where the Large Volume Purchaser complies with the Purchase Procedures," it is provided that the Plan cannot be set into motion unless the predefined rational and detailed objective requirements are fulfilled. This means that the provision ensures prevention of the Board of Directors from arbitrarily setting the Plan into motion. Additionally, the reasons for setting the Plan into motion are provided after analyzing appropriate and rational takeover defense measures based on the analysis of precedents in Japan and in reference to the "Guidelines of Defense Measures Against Takeovers," etc. mentioned above.

④ Establishment of Independent Committee

The Company has separately established the Independent Committee to prevent the Board of Directors from making any arbitrary judgment on matters including the execution of countermeasures or taking countermeasures excessively.

Considering the purposes for establishing the Independent Committee, it consists of persons who are independent from the Board of Directors, and the Committee can obtain advice from external third party professionals (e.g. investment banks, securities companies, financial advisers, attorneys and certified public accountants) at a cost of the Company.

The Independent Committee will evaluate and consider the adequacy of the reason for setting the Plan into motion, and provide the Board of Directors with advice pursuant to the procedures defined in the "Independent Committee Rules." The Board of Directors will respect as much as possible the advice provided by the Independent Committee, and make a final decision whether the Company should set the Plan into motion or not, or change or cancel the Plan set into motion.

⑤ The Plan is not a dead hand defense mechanism

As it is provided that the Plan can be abolished by the Board of Directors consisting of directors elected at a general shareholders meeting of the Company, it is possible that a Large Volume Purchaser may appoint new directors at a general shareholders meeting of the Company and the Board of Directors consisting of such directors can abolish the Plan.

Therefore, the Plan is not a dead hand defense mechanism (a takeover defense measure that cannot be stopped even if the majority of directors of the Board of Directors is changed).

V. Effects on Our Shareholders and Investors

1. Effects at the Time of Continuing the Plan

There will be no allotment of share warrants at the time of continuing the Plan. Therefore, there will be no specific effects on the rights or interests of our shareholders and investors.

2. Effects at the Time of Execution of Countermeasures under the Plan (at the Time of Allotment and Exercise of Share Warrants)

In the event that a resolution to allot share warrants without charge as a countermeasure is adopted, the Company will publicly announce the record date for allotment and allot share warrants without charge to the shareholders listed or recorded on the last register of shareholders on such record date. In this regard the shareholders are required to register themselves on the last register of shareholders as of the recorded date.

At the time of allotment of share warrants, share warrants will be allotted without charge to each of our shareholders as of the allotment date that will be separately determined by the

Board of Directors at the time of making the resolution of allotment of share warrants, at a rate of one (1) share warrant per common share held by the shareholder. In this case, shares held by those who are categorized as people who cannot exercise the share warrants in Section I.-(f) of "A Summary of Share Warrants" will be diluted as a result of the exercise of share warrants by other shareholders. In addition, if some shareholders do not take prescribed procedures in exercising their share warrants within the period during which the share warrants may be exercised, the shares held by such shareholders will be diluted as a result of the exercise of share warrants by other shareholders.

If the Company elects to apply the provision allowing the Company to acquire share warrants in exchange for the shares of the Company, our shareholders are not required to take any procedures for the exercise of their share warrants, and holding shares are not diluted. In this case, although the Company does not send a request for exercising the share warrants, the shareholders may be required to submit a document specified by the Company committing that he/she is not a person who is categorized as those who cannot exercise the share warrants in Section I.-(f) of "A Summary of Share Warrants."

In the event that the Board of Directors adopts a resolution to allot share warrants without charge as a countermeasure, and shareholders to whom share warrants are to be allotted without charge are determined, however, since then the Company cancels to allot share warrants or acquires without charge share warrants that were allotted without charge, there will be no resulting dilution of value per share, and thus, investors who purchased or sold shares of the Company on the assumption that dilution of value per share would occur might incur damages due to fluctuation of share value.

END

Schedule 1 Independent Committee Regulations
Schedule 2 Biographical Outline of Independent Committee Members
Schedule 3 Summary of Share Warrants

Reference 1 Flow Chart of Procedures for the Plan
Reference 2 Stock Information as of March 31, 2015

Schedule 1

Independent Committee Regulations

Article 1 (Objective)

1. The Independent Committee shall be established, in the case where a large volume of shares of the Company are to be purchased or were purchased, in order to determine, from a fair, neutral and independent perspective, whether the Large Volume Purchaser who intends to purchase or purchased such large volume of shares are complying or complied with the prescribed Purchase Procedures or not, and whether such Large Volume Purchase damages the corporate value of the Company or the Company's shareholders' common interest; to advise the Board of Directors as to whether it is appropriate for the Board of Directors to take countermeasures against such Large Volume Purchase including the allotment of share warrants without charge or not; and to prevent any arbitrary judgment or excessive countermeasures from being made or taken by the Board of Directors.
2. Unless otherwise expressly stipulated, the terms used in these Regulations shall have the same meanings as defined in the Plan ("Measures Against Large Volume Purchase of Shares of the Company (Defense Measures Against Takeovers)," which was adopted at the meeting of the Board of Directors and approved by the General Shareholders' Meeting).

Article 2 (Establishment)

The Independent Committee shall be established by the Board of Directors.

Article 3 (Organization)

1. The Independent Committee shall be composed of all members of the Independent Committee.
2. The number of members of the Independent Committee shall be a minimum of three (3).
3. The members of the Independent Committee shall be appointed by the Board of Directors from the external directors of the Company, external statutory auditors of the Company and external experts (professionals such as attorneys and certified public accountants) who satisfy the following requirements:
   (1) a person who is not or was not a director (excluding external directors, hereinafter the same), statutory auditor (excluding external statutory auditors, hereinafter the same), etc., of the Company or any subsidiary or affiliated company of the Company ("Company, Etc.");
   (2) a person who is not or was not a relative of a director or statutory auditor of the Company, Etc.; and
   (3) a person who has no special interest in the Company, Etc.
4. A member of the Independent Committee shall be a person who entered into an agreement separately designated by the Board of Directors containing, among other

provisions, the provision concerning the duty of care of a prudent manager.

Article 4 (Term)

The term of a member of the Independent Committee shall last until the end of the third ordinary shareholders' meeting from the assumption of office as an Independent Committee member, unless any of the following paragraphs is applicable:

(1) the effective term of the Plan expires for the first time after the assumption of office; or

(2) a member of the Independent Committee who is an external director or an external statutory auditor of the Company ceases to be a director or a statutory auditor.

Article 5 (Duties)

1. The Independent Committee shall, in response to consultation by the Board of Directors, basically discuss and resolve the following issues, and, within sixty (60) days from the day following the day the provision of information from the Large Volume Purchaser is completed (such period may be extended for a maximum of thirty (30) days as necessary, if any due reason exists) provide advice to the Board of Directors on:
   (1) whether or not such Large Volume Purchase significantly damages the corporate value of the Company or the Company's shareholders' common interest;
   (2) whether or not countermeasures are to be taken;
   (3) whether or not a Shareholders' Meeting for Intent Confirmation is to be convened prior to the execution of countermeasures; and
   (4) any other matters related to the Plan to be determined by the Board of Directors on which the Independent Committee is consulted by the Board of Directors.
2. In providing advice under the preceding paragraph, the Independent Committee shall present its views in the light of whether the matter is beneficial to the corporate value and the common interest of shareholders of the Company or not, and shall not attempt to forward the personal interests of the members or any of the directors of the Company.
3. In addition to the matters stipulated in each sub-paragraph of Paragraph 1, the Independent Committee shall perform the following duties:
   (1) determine the eligibility of a Large Volume Purchase for the application of the Plan;
   (2) determine the Necessary Information to be provided to the Board of Directors by the Large Volume Purchaser;
   (3) carefully examine and review the details of the Large Volume Purchase by the Large Volume Purchaser;
   (4) determine whether or not the Plan has been complied with;
   (5) determine whether or not to extend the Examination Period of the Board of Directors;
   (6) determine whether or not to change or cancel the execution of countermeasures;
   (7) determine whether or not to continue, change or abolish the Plan; and
   (8) any other matters that the Board of Directors consulted to the Independent Committee out of those which should be determined by the Board of Directors.

4. In order to collect necessary information, the Independent Committee may request any director, statutory auditor, employee of the Company or any other person the Independent Committee considers necessary, to attend a meeting and provide explanations about the matters inquired by the Independent Committee.
5. The Independent Committee may, at a cost of the Company, obtain advice from an independent third party (professionals such as investment banks, securities companies, financial advisors, attorneys and certified public accountants).

Article 6 (Convocation)

1. Each member of the Independent Committee and the Board of Directors may convene a meeting of the Independent Committee when a Large Volume Purchase has occurred, or at any other time.
2. A notice of the convocation of a meeting of the Independent Committee shall be transmitted to each member of the Independent Committee at least three (3) days before the date of the meeting; provided, however, that such period may be shortened in the case of emergency.
3. A meeting of the Independent Committee may be convened without the convening procedure stipulated in the preceding paragraph, if unanimous consent of all the members of the Independent Committed is obtained.

Article 7 (Chairperson)

1. The person designated in advance by the Independent Committee shall serve as the Chairperson of the Independent Committee.
2. In the case where the person stipulated in the preceding paragraph is unable to chair the meeting, another member of the Independent Committee who is selected in accordance with the sequence predetermined by the Independent Committee shall act on his/her behalf.

Article 8 (Method of Resolution)

1. A resolution of a meeting of the Independent Committee shall be adopted by a majority of the votes of members present at the meeting at which all members of the Independent Committee are present; provided, however, that if any member of the Independent Committee is unable to attend the meeting due to accident or any other unavoidable reason, a resolution may be adopted at the meeting by a majority of the votes of members present at which a majority of members of the Independent Committee are present.
2. In the event that any member of the Independent Committee is unable to attend a meeting of the Independent Committee, such member shall, in principle, notify the Secretariat in writing thereof and the reason therefor at least one (1) day before the date of the meeting.
3. Any member of the Independent Committee who has special interest in the matter to be resolved at a meeting of the Independent Committee shall not vote on such resolution.
4. The Independent Committee shall promptly advise the Board of Directors the result of

resolutions and reasons therefor.

5. The Board of Directors shall, in making the final decision, respect the advice of the Independent Committee stipulated in the preceding paragraph as much as possible.

Article 9 (Minutes)

Two (2) copies of minutes stating a summary of proceedings and results of the items discussed at a meeting of the Independent Committee shall be prepared, and members of the Independent Committee present at the meeting shall affix their signatures and seals.

Article 10 (Disclosure of Information to Shareholders, etc.)

A summary of the matters advised by the Independent Committee shall be disclosed at the time of disclosure of resolutions of a meeting of the Board of Directors related to such matters.

Article 11 (Amendment and Abolishment)

Amendments and abolishment of these Regulations shall be made by a resolution of the Board of Directors.

Supplementary Provisions

These Regulations shall take effect as from June 27, 2007.

These Regulations shall be amended on June 25, 2009.

These Regulations shall be amended on June 28, 2011.

These Regulations shall be amended on June 26, 2013.

These Regulations shall be amended on June 25, 2015.

END

Schedule 2

Biographical Outline of Independent Committee Members

<External Director>

Kunitaro Saida

(Biographical Outline)

April 1969	Appointed as a public prosecutor
November 2001	Chief public prosecutor of Tokyo District Public Prosecutor's Office
February 2003	Superintendent public prosecutor of Takamatsu High Public Prosecutor's Office
June 2004	Superintendent public prosecutor of Hiroshima High Public Prosecutor's Office
August 2005	Superintendent public prosecutor of Osaka High Public Prosecutor's Office
May 2006	Retired from office
May 2006	Registered as an attorney (present post)
June 2007	External statutory auditor of Nichirei Corporation (present post)
June 2008	External director of Sumitomo Osaka Cement Co., Ltd. (present post)
June 2010	External director of the Company (present post)
March 2014	External director of Canon Inc. (present post)

<External Statutory Auditor>

Yasutada Sasaki

(Biographical Outline)

April 1966	Joined Bank of Japan
July 1994	Chief examiner of management administrative bureau, Bank of Japan
October 1996	Standing director of Nippon Joint Securities Foundation
June 1999	Member of the board of Norinchukin Bank
June 2004	Special advisor to Tokyo Head Office, Anabuki Construction Inc.
April 2005	Auditor of Bank of Japan
April 2009	Advisor of Meiji Yasuda Life Insurance Company
June 2010	External Statutory Auditor of the Company (present post)

<External Statutory Auditor>

Chikami Tsubaki

(Biographical Outline)

April 1970	Joined EBARA-Infilco Co., Ltd. (current known as EBARA

	CORPORATION)
May 1975	Joined Asahi & Co. (current KPMG AZSA LLC)
March 1979	Registered and commenced practice as Certified Public Accountant (present post)
July 1999	Representative Partner of Asahi Co. (current KPMG AZSA LLC)
July 2004	Chief Executive of The Japanese Institute of Certified Public Accountants
June 2013	External Statutory Auditor of NKSJ Holdings, Inc. (current known as Sompo Japan Nipponkoa Holdings, Inc.) (present post)
June 2014	External Statutory Auditor of the Company (present post)

Each of the above members is an independent officer set forth in Article 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc. and has no particular interest in the Company.

END

Schedule 3

A Summary of Share Warrants

I. Description of the Share Warrants

(a) Type and number of shares for which the Share Warrants are issued

The type of shares for which the Share Warrants are issued shall be common shares of the Company. The number of shares for which the Share Warrants are issued shall be separately determined by the Board of Directors.

(b) Issue price of each Share Warrant

Each Share Warrant shall be issued without charge.

(c) Value of assets to be contributed upon exercise of each Share Warrant

The value of assets to be contributed upon the exercise of each Share Warrant shall be one (1) yen or more.

(d) A capital increase when new shares are issued upon the exercise of the Share Warrants and capital reserve

To be determined by the Board of Directors.

(e) Restrictions on transfer of the Share Warrants

A transfer of the Share Warrants requires the approval of the Board of Directors.

(f) Conditions for exercise of the Share Warrants

1) Any person who falls under any of the following may not exercise the Share Warrants:

(i) a Large Volume Purchaser (Note 1);

(ii) a joint holder of a Large Volume Purchaser (Note 2);

(iii) a person having special relationship with a Large Volume Purchaser (Note 3);

(iv) a person to whom or by whom the Share Warrants are transferred or succeeded from a person who falls under any of the above (i) to (iii) without the approval of the Board of Directors of the Company; and

(v) a person related to a person who falls under any of the above (i) to (iv) (refers to a person who is recognized by the Board of Directors as a person who substantially controls, is controlled by, is jointly controlled with, a Large Volume Purchaser, or a person who is recognized by the Board of Directors as a person who acts in collaboration with a Large Volume Purchaser).

Note 1: A "Large Volume Purchaser" shall refer to: 1) a holder (as defined in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act including a person deemed as a holder under Paragraph 3 of the same article of the said Act (including a person who is recognized by the Board of Directors as a person falling under such definition)) of the "shares, etc." (as defined in Article 27-23, Paragraph 1 of the said Act) issued by the Company, if the "holding ratio of shares, etc." (as defined in Article 27-23,

Paragraph 4 of the said Act) of the holder, combined with such ratio of its joint holder (as defined in Note 2) has become or is deemed by the Board of Directors to have become twenty (20) percent or more; or 2) a person who has issued a public notice of initiation of "tender offer" (as defined in Article 27-2, Paragraph 6 of the said Act) to purchase shares, etc. (as defined in Article 27-2, Paragraph 1 of the said Act) issued by the Company, if the "ratio of ownership of shares, etc." (as defined in Article 27-2, Paragraph 8 of the said Act) to be owned after the purchase by the person, when combined with such ratio of a "person having special relationship" (as defined in Note 3) will become twenty (20) percent or more.

Note 2: A "joint holder" shall refer to a "joint holder" as defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act including a person who is deemed to be a joint holder under Paragraph 6 of the same article of the said Act (including a person who is recognized by the Board of Directors as a person falling under such definition).

Note 3: A "person having special relationship" shall refer to a "person having special relationship" as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including a person who is recognized by the Board of Directors as a person falling under such definition).

2) Even if a person who holds the Share Warrants is unable to exercise the Share Warrants pursuant to the above 1), in no event shall the Company be held liable for damages nor does it assume any responsibility to the person holding the Share Warrants.

(g) Exercise period of the Share Warrants

The period during which the Share Warrants may be exercised shall be a period separately determined by the Board of Directors to be held within two (2) months after the effective date of the Share Warrants.

(h) Acquisition of Share Warrants by the Company

The Company may, by a resolution of the Board of Directors, acquire the Share Warrants held by a person who does not fall under any of the provisions described in above Section (f) 1), by issuing the number of common shares separately determined by the Board of Directors for one (1) Share Warrant, on the day designated by the Board of Directors, which shall occur within the period from the effective date of the allotment of the Share Warrants without charge to the expiration of the exercise period of the Share Warrants.

(i) Issuance of Share Warrants in the case of merger, corporate division, share exchange and share transfer, and conditions thereof

To be determined by the Board of Directors.

(j) Restrictions on the issuance of share warrant certificates

No certificates shall be issued for the Share Warrants.

(k) Reasons for the cancellation of Share Warrants, etc.

No reasons and conditions for cancellation of the Share Warrants shall be prescribed.

II. Number of Share Warrants Allotted to Shareholders

The Share Warrants shall be allotted without charge to each of the shareholders listed or recorded on the last register of shareholders as of the record date for allotment that shall be separately determined by the Board of Directors, at a rate of one (1) Share Warrant per common share of the Company (excluding common shares of the Company owned by the Company) owned by such shareholder.

III. Effective Date of Allotment of the Share Warrants without Charge

To be determined by the Board of Directors.

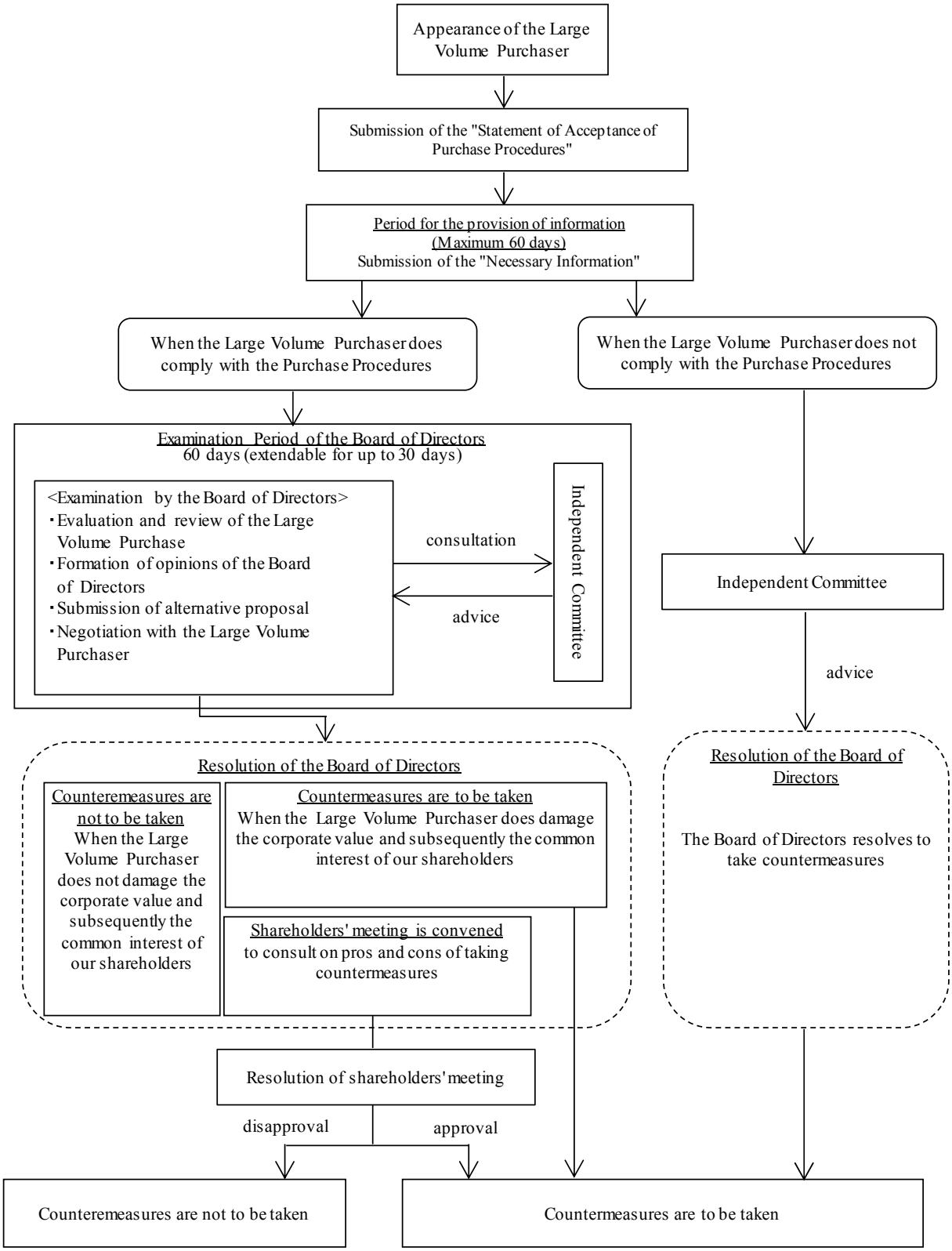
IV. Amendments Due to Revision of Laws and Regulations, etc.

In the event that it is appropriate to reflect any laws, regulations and rules of financial instruments exchange, etc. due to revision or abolishment thereof to the Plan, in consideration of the purpose of such establishment, revision or abolishment, the provisions or the definition of the terms defined in the Plan shall be read as such to the extent as reasonable and necessary, or shall be amended by the Board of Directors.

END

Reference 1

Flow Chart of Procedures for the Plan (Revised Draft)



(Note) The above flow chart was prepared to make it easier to understand the procedure related to the Plan. For details, please refer to the main text of the document.

Reference 2

Stock Information as of March 31, 2015

1. Total Number of Authorized Shares: 110,000,000 Shares
2. Number of Outstanding Shares: 40,059,996 Shares
3. Number of Shareholders: 23,587 Shareholders
4. Major Shareholders (Top 10):

Name of Shareholders	Capital Contribution to the Company	
	Number of Shares Held	Holding Ratio
Mitsubishi Estate Co., Ltd.	4,274,000	10.67%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,729,000	6.81%
Japan Trustee Services Bank, Ltd. (Trust Account)	1,877,000	4.69%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	768,000	1.92%
JP MORGAN CHASE BANK 380180	649,000	1.62%
BNP Paribas Securities (Japan) Limited	645,000	1.61%
STATE STREET BANK AND TRUST COMPANY 505223	645,000	1.61%
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	645,000	1.61%
Taisei Corporation	532,000	1.33%
CBNY – GOVERNMENT OF NORWAY	529,000	1.32%

Note: The holding ratio is calculated against the total number of issued shares.

END

(Attached Documents)

BUSINESS REPORT

1. Outline of Operations for the period from April 1, 2014 to March 31, 2015:

(1) Update and Results of Business -

The Japanese economy in the fiscal year ended March 31, 2015 saw a recovery in economic confidence prompted by recovery of corporate earnings mainly backed by the impacts of the correction of the strong yen and declining crude oil prices, with added momentum from the effects of the economic policies and the mitigation of the negative backlash effect after the consumption tax hike.

In the real estate industry, under these circumstances, the average land prices across Japan leveled off from a downward trend in business districts, chiefly due to the high demand for real estate investment primarily on the back of low interest rates and improved office vacancy rate. Land prices continued to increase in both business districts and residential districts in three major metropolitan areas. Following is an outline of operating results in the respective real estate areas.

In the area of the building leasing business, the office vacancy rate showed signs of improvement across Japan on the back of growing demand for offices. A trend of recovery or moderate rise in rents also emerged due to an expected short supply trend linked to declining vacancy rate in many areas, including local cities.

In the area of the real estate investment, J-REITs market capitalization reached 10 trillion yen for the first time since the inauguration of the market, mainly due to improved real estate markets and the ongoing stable trend of low long-term interest rates. Property acquisition through J-REITs continued at relatively high levels, though the pace of increase has been slowing due to intensifying competition for acquisition.

In the area of the housing business, sales prices continued to increase in line with rising land prices in metropolitan areas and rising construction costs resulting from demand led by reconstruction from the Great East Japan Earthquake and growing demand for construction expected for the Tokyo Olympic Games. The number of housing units supplied was on the downward trend mainly in central urban areas, while sales numbers remained steady.

The operating results for the respective business segments of the Group under these circumstances are as summarized below.

Due to the change in the segment classification starting from the fiscal year ended March 31, 2015, the results in comparison to the same period for the previous fiscal year are stated according to the segment after the change.

Leasing Business

In the Building Leasing Business of the Leasing Business, leasing revenue decreased by ¥359 million (2.0%) to ¥18,033 million from the previous fiscal year, mainly due to a decrease in rental revenue resulting from sale of property in the previous fiscal year for portfolio changes.

A breakdown of leasing revenue is as follows: The Company earned ¥4,209 million in Stock Exchange Market Place Leasing Revenue, down by ¥2 million (0.1%) from the previous fiscal year. General Office Leasing Revenue decreased to ¥10,651 million, down by ¥12 million (0.1%). Commercial Facilities Leasing Revenue decreased to ¥3,172 million, down by ¥343 million (9.8%). Operating revenue in the Building Leasing Business, including operating revenue in the Land Leasing Business in addition to the above, decreased by ¥369 million (2.0%) to ¥18,365 million.

The vacancy rate of the Company's leased buildings (on a parent company basis) increased to 4.15% from the previous fiscal year; however, this includes the suspension of lending attributable to the redevelopment of the Nihonbashi Kabuto-cho, and the vacancy rate was 3.11% excluding the aforementioned suspension of lending.

Together with operating revenue in the Housing Leasing Business, total operating revenue in this business decreased by ¥356 million (1.8%) to ¥19,365 million.

Real Estate Solutions Business

In the Real Estate Solutions Business, operating revenue from the Real Estate Development Business decreased by ¥10,020 million (55.9%) to ¥7,897 million from the previous fiscal year mainly due to sales of inventories. Operating revenue from the Housing Development Business increased by ¥1,414 million (97.5%) to ¥2,865 million through the sale of 67 units of "FLARGE Oshiage" (Sumida-ku, Tokyo), and management fees increased by ¥159 million (14.8%) to ¥1,237 million. Together with operating revenue from the Real Estate Brokerage Business, total operating revenue in this business decreased by ¥8,330 million (39.7%) to ¥12,668 million.

Other Business

Operating revenue from the Contract Construction Business and Building Management Business decreased by ¥262 million (13.3%) to ¥1,708 million from the previous fiscal year. Operating revenue from the Private Nursing Home Business increased by ¥4 million (1.0%) to ¥417 million. With the other operating revenue added to the above, total operating revenue in

this business decreased by ¥250 million (9.8%) to ¥2,313 million.

Overall operating results of the Group

The operating results of the Group for the fiscal year ended March 31, 2015, are summarized below:

Operating revenue decreased to ¥34,347 million, down by ¥8,936 million (20.6%) from the previous fiscal year. Cost of sales totaled ¥21,721 million, down by ¥9,792 million (31.1%), while selling, general and administrative expenses totaled ¥4,076 million, up by ¥361 million (9.7%).

Consequently, operating income for the fiscal year ended March 31, 2015 was ¥8,548 million, up by ¥493 million (6.1%), while ordinary income was ¥6,568 million, up by ¥924 million (16.4%). For this fiscal year, net income was ¥2,495 million, down by ¥406 million (14.0%) as a result of a ¥2,215 million extraordinary loss derived primarily from loss on disposal of fixed assets towards the redevelopment of the Nihonbashi Kabuto-cho while ¥248 million of extraordinary income, coming mainly from gain on sale of investment securities, was recorded.

(2) Issues to be resolved by the Company -

The Japanese economy is expected to remain on a moderate recovery trend thanks mainly to the effects of the economic policies. In the area of the building leasing business in the real estate industry, the office vacancy rate is expected to improve and contracted rents are expected to rise moderately on the back of growing demand for offices.

Within this business environment, the Company has developed a "Medium- to Long-term Management Plan: over the 'NEXT DECADE'" for the period from FY 2014 (fiscal year ended March 31, 2015) to FY 2023 (fiscal year ending March 31, 2024). Under this plan we seek to grow as a company conducive to urban development by launching the redevelopment of the Nihonbashi Kabuto-cho District as the first step to establish a base for medium-to-long-term growth. The Company has been working on the key strategy listed below.

1) The Nihonbashi-Kabutocho Revitalization Project

With the aim of increasing assets and improving the profitability of the building leasing business, a core business of the Company, we will work on the Nihonbashi Kabuto-cho Revitalization Project to complete new building development projects. We will inherit and develop the "Classic Look and Feel of Kabuto-cho" as "a trendsetter" and "investment district" as envisioned in our urban development plan and will aim to "create a district where people connect, and where investment and growth are born." In order to promote these initiatives neutrally and effectively, we have started a conference with members who have broad knowledge in securities and finance, etc. and have enriched our discussions on the course of action for urban development. The Company will strive to improve the value of assets, including its existing assets in the leasing business, through efforts to reinvigorate the town as a whole.

2) Strengthening of the building leasing business

The Company will strengthen the revenue base underlying its redevelopment projects by promoting the replacement of assets for the leasing business and asset expansion through the acquisition of new property while working to improve both the quality and profitability of its portfolio.

3) Expansion of the Fee Businesses, including Asset Management Business of REIT

The Company will, as a sponsor of Heiwa Real Estate REIT, Inc., increase the Company's revenue from fee businesses by such measures as providing support to expand the assets under management by Heiwa Real Estate Asset Management Co., Ltd. Through these efforts, the Company will aim to acquire fee revenue on a Group level.

4) Strengthening of organizational controls and maintenance of financial discipline

The Company will develop an organizational structure suitable for performing its key strategy and will maintain and improve its financial discipline in order to achieve a financial standing sufficient to promote redevelopment.

In addition to its key strategy, the Company will work to fulfill the requirements of corporate governance, compliance, and risk management, and thereby improve corporate value.

The Company will work cohesively to achieve the plan. In all our endeavors, we will be grateful for your continuing understanding and support.

(3) Investment in fixed assets -

The Company paid out total capital expenditures of ¥15,326 million, including the expenditure for the acquisition of properties and the cost of construction work for new buildings.

(4) Status of financing -

During the fiscal year ended March 31, 2015, the Company issued unsecured bonds, and raised ¥6,000 million in total.

(5) Changes in asset status and profit and loss of the Group -

Fiscal year / Classification	The 92nd fiscal year (From April 1, 2011 to March 31, 2012)	The 93rd fiscal year (From April 1, 2012 to March 31, 2013)	The 94th fiscal year (From April 1, 2013 to March 31, 2014)	The 95th fiscal year (From April 1, 2014 to March 31, 2015)
Operating revenue	¥35,205 million	¥32,992 million	¥43,284 million	¥34,347 million
Ordinary Income	3,910 million	4,634 million	5,644 million	6,568 million
Net income	2,055 million	2,455 million	2,901 million	2,495 million
Net income per share (in exact yen)	51.49	61.51	72.72	62.53
Total assets	308,964 million	313,096 million	296,834 million	297,736 million
Net assets	75,497 million	84,002 million	85,990 million	92,298 million
Net assets per share (in exact yen)	1,879.08	2,096.60	2,154.94	2,313.34

(Notes) 1. Net income per share is calculated based on the average number of shares issued during the fiscal year, and net assets per share are calculated based on the number of shares issued at the end of the fiscal year.
2. Effective from the 93rd fiscal year, the presentation method is changed. As a result, the change is retroactively applied to figures for the 92nd fiscal year.
3. We consolidated shares of our common stock (five-into-one share consolidation) effective on October 1, 2012. Accordingly, the amounts stated for the net income per share and the net assets per share are calculated on the assumption that shares of our common stock were consolidated at the beginning of the 92nd fiscal year.
4. The Tokyo Shoken Building Incorporated is assumed to have been acquired at the end of the 93rd fiscal year, hence only the balance sheet of the said company is consolidated into that of the Company for the 93rd fiscal year.

(6) Status of significant parent companies and subsidiaries -

1) Status of parent companies

Not applicable

2) Status of significant subsidiaries

Company name	Common stock	Percentage of voting rights held by the Company	Major operating business
Heiwa Service Co., Ltd.	¥134 million	100.0%	Management of buildings and facilities, contracting of repair work, and insurance agency
Heiwa Healthcare Co., Ltd.	¥70 million	100.0%	Management of private nursing home enterprise
Housing Service Co., Ltd.	¥95 million	100.0%	Real estate brokerage, etc.
HEIWA REAL ESTATE Asset Management CO., LTD.	¥295 million	100.0%	Asset management of HEIWA REAL ESTATE REIT, Inc.
The Tokyo Shoken Building Incorporated	¥100 million	100.0%	Ownership and leasing of real estate; management of halls, conference rooms, and restaurants, etc.
Charites Y.K.	¥3 million	-	Acquisition, possession and management of trust beneficiary rights on real estate in trust through anonymous partnership agreement

(Notes) The Company owns the shares of Heiwa Healthcare Co., Ltd. indirectly through Heiwa Service Co., Ltd.

(7) Contents of principal businesses of the Group -

Division	Business Activities
Leasing	Development, leasing, management and performance, etc. of stock exchanges, offices, commercial facilities and houses, etc.
Real Estate Solutions	Development, operation and management of profitable real estate, development and sales of houses, and brokerage of real estate, etc.
Other	Management of buildings and facilities, etc., contracting of repair work, and insurance agency and private nursing home enterprise, etc.

(8) Principal sales offices

The Company	Head Office: Chuo-ku, Tokyo Osaka Branch: Chuo-ku, Osaka-city Nagoya Branch: Naka-ku, Nagoya-city Fukuoka Branch: Chuo-ku, Fukuoka-city Sapporo Branch: Chuo-ku, Sapporo-city
Heiwa Service Co., Ltd.	Head Office: Chuo-ku, Tokyo Osaka Branch: Chuo-ku, Osaka-city Nagoya Branch: Naka-ku, Nagoya-city
Heiwa Healthcare Co., Ltd.	Abiko-city, Chiba-prefecture
Housing Service Co., Ltd.	Chuo-ku, Osaka-city
HEIWA REAL ESTATE Asset Management CO., LTD.	Chuo-ku, Tokyo
The Tokyo Shoken Building Incorporated	Chuo-ku, Tokyo
Charites Y.K.	Chuo-ku, Tokyo

(9) Employees of the Group

No. of Employees	Increase/(decrease) as compared with prior period end
281	(4)

(Note) 1. Number of employees is number of ordinary employees.

2. Employees of the Company (number of ordinary employees) are as follows:

No. of Employees	Increase/(decrease) as compared with prior period end	Average age (years)	Average length of service (years)
97	(2)	40.9	13.5

(10) Principal creditors and balances of their loans outstanding

Creditors	Balance (In millions of yen)
Resona Bank, Ltd.	¥17,650
Sumitomo Mitsui Banking Corporation	15,863
The 77 Bank, Ltd.	15,200
Mizuho Bank, Ltd.	12,403
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,855

2. Status of Shares:

(1) Number of shares authorized to be issued - 110,000,000 shares

(2) Number of shares issued and outstanding - 40,059,996 shares (including 161,734 shares of treasury stock)

(3) Number of shareholders - 23,587 (Decrease of 2,477 compared with prior period end)

(4) Major shareholders -

Name	No. of shares (000's)	Holding ratio (%)
Mitsubishi Estate Co., Ltd.	4,274	10.71
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,729	6.84
Japan Trustee Services Bank, Ltd. (Trust Account)	1,877	4.70
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	768	1.93
JP MORGAN CHASE BANK 380180	649	1.63
BNP Paribas Securities (Japan) Limited	645	1.62
STATE STREET BANK AND TRUST COMPANY 505223	645	1.62
CBNY DFA INTL SMALL CAP VALUE PORTFOLIO	645	1.62
Taisei Corporation	532	1.33
CBNY – GOVERNMENT OF NORWAY	529	1.33

(Note) The holding ratio is calculated after deducting the number of shares held as treasury stock (161,734 shares) from the total number of issued shares.

3. Stock acquisition rights:

1) Stock acquisition rights granted in consideration of the performance of duties and held by Directors and Statutory Auditors of the Company

Not applicable

2) Stock acquisition rights granted to employees in consideration of the performance of duties during the current consolidated fiscal year

Not applicable

4. Matters related to Corporate Officers:

(1) Directors and Statutory Auditors -

Position	Name	Assignment; significant office(s) concurrently held
Representative Director, President and Chief Executive Officer	Hiroyuki Iwakuma	Supervising Business Planning Department
Representative Director and Managing Senior Executive Officer	Takashi Hayakawa	Supervising Real Estate Marketing Department General Manager of Real Estate Marketing Department
Director and Managing Executive Officer	Kazuo Yamada	Supervising Real Estate Solutions Department
Director and Senior Adviser	Sadao Yoshino	
Director	Motoya Aizawa	President and CEO of AIZAWA SECURITIES CO., LTD.
Director	Kunitaro Saida	External Statutory Auditor of Nichirei Corporation External Director of Sumitomo Osaka Cement Co., Ltd. Director (Outside) of Canon Inc.
Director	Shigeru Takagi	Executive Counsel of Mitsubishi Estate Co., Ltd. Corporate Auditor of Mitsubishi UFJ Trust and Banking Corporation
Statutory Auditor (full-time)	Masami Taniguchi	
Statutory Auditor (full-time)	Shigeo Ojima	
Statutory Auditor	Yasutada Sasaki	
Statutory Auditor	Chikami Tsubaki	External Statutory Auditor of Sompo Japan Nipponkoa Holdings, Inc.

(Notes)

1. Motoya Aizawa, Kunitaro Saida, and Shigeru Takagi are External Directors.
2. Shigeo Ojima, Yasutada Sasaki and Chikami Tsubaki are External Statutory Auditors.
3. External Statutory Auditor, Shigeo Ojima, has long experience at Osaka Securities Exchange (current Osaka Exchange) and possesses substantial expertise and experience in finance and accounting.
4. External Statutory Auditor, Yasutada Sasaki, has long experience at the Bank of

Japan and possesses substantial expertise and experience in finance and accounting.

5. External Statutory Auditor, Chikami Tsubaki, has professional knowledge and experience as Certified Public Accountant and possesses substantial expertise and experience in finance and accounting.
6. Directors Motoya Aizawa and Kunitaro Saida, and Statutory Auditors Yasutada Sasaki and Chikami Tsubaki are independent directors/auditors subject to no possible conflicts of interest with general shareholders that the Company is required to designate under the rules of each stock exchange.
7. Statutory Auditors who assumed office during the term:
   Chikami Tsubaki
   (Assumed office on June 26, 2014)
8. Statutory Auditors who retired during the term:
   Masahiko Kadotani
   (Term of office expired on June 26, 2014)
9. The following five persons are Managing Officers other than the three Directors/ Managing Officers listed above, and their duties are as indicated hereunder:

Managing Executive Officer	Norio Iwasaki	Supervising Corporate Planning and General Affairs Department (General Affairs), Finance Department and Legal Office
Managing Officer	Kouji Itabashi	Supervising Property Management Department
Managing Officer	Shinichi Hayashi	In charge of redevelopment of the Nihonbashi Kabuto-cho District
Managing Officer	Hiroki Mizuta	Manager of Osaka Branch
Managing Officer	Tomoharu Nakao	Supervising Corporate Planning and General Affairs Department (Corporate Planning) and Office of the Council on Urban Development for Investment and Economic Growth

(2) Remuneration paid to Directors and Statutory Auditors for the current fiscal year-

Category	Number of persons	Amount Paid	Note
Director	7	¥161 million	of which ¥21 million to 3 External Directors
Statutory Auditor	5	¥54 million	of which ¥34 million to 4 External Statutory Auditors
Total	12	¥215 million	

(Notes)

1. A resolution of the 88th Ordinary General Shareholders' Meeting held on June 26, 2008 limits the amount of remuneration for Directors (excluding External Directors) to ¥250 million per year (the amount of remuneration for Directors will not include the employee salaries of Directors who serve concurrently as employees) and the amount of remuneration for External Directors to ¥25 million per year.
2. A resolution of the 88th Ordinary General Shareholders' Meeting held on June 26, 2008 limits Statutory Auditors' remuneration to ¥60 million per year.
3. The amount of remuneration mentioned above includes ¥20 million of bonuses for Directors scheduled to be resolved at the 95th Ordinary General Shareholders' Meeting to be held on June 25, 2015.
4. The number of persons mentioned above includes one External Statutory Auditor who retired at the conclusion of the 94th Ordinary General Shareholders' Meeting held on June 26, 2014.
5. The Company resolved to abolish the retirement allowances program for Directors and Statutory Auditors at the conclusion of the 88th Ordinary General Shareholders' Meeting held on June 26, 2008. With regard to Directors and Statutory Auditors who were to remain in office after the meeting, the Company resolved to pay each, upon his or her retirement, a retirement allowance based on his or her term of office up to the abolishment of the retirement allowances program. Based on the resolution, the Company paid retirement allowances of ¥2 million to one External Statutory Auditor who retired during the current fiscal term, in addition to the remuneration mentioned above.

(3) External Officers -

1) Relationship between the Company and other corporations, etc. in which Directors concurrently hold significant offices

Motoya Aizawa, Director, concurrently serves as President and CEO of AIZAWA SECURITIES CO., LTD. The Company and AIZAWA SECURITIES CO., LTD. hold each other's shares.

Significant offices concurrently held by Kunitaro Saida, Director and Chikami Tsubaki, Statutory Auditor are as stated in "(1) Directors and Statutory Auditors." There are no special matters to be stated with respect to the relationships between the Company and the corporations in which they hold offices concurrently.

Among the corporations in which Shigeru Takagi, Director, concurrently holds significant offices, the Company and Mitsubishi Estate Co., Ltd., a corporation where he concurrently serves as Executive Counsel, hold each other's shares. Mitsubishi Estate Co., Ltd. holds 10.67 percent of the total number of the Company shares issued and has executed a capital and business alliance agreement with the Company. With respect to the relationship between the Company and Mitsubishi UFJ Trust and Banking Corporation, there are no special matters to be stated.

2) Principal activities during the current fiscal year

Category	Name	Attendance at Board of Directors' Meetings (Number of times) [Attendance rate]	Attendance at Board of Statutory Auditors' Meetings (Number of times) [Attendance rate]	Principal activities
External Director	Motoya Aizawa	12 out of 12 [100%]	-	He has provided appropriate advice to contribute to the decision-making of the Board of Directors from an objective standpoint, taking advantage of his experience as a corporate executive.
External Director	Kunitaro Saida	12 out of 12 [100%]	-	He has provided appropriate advice to contribute to the decision-making of the Board of Directors from an objective standpoint, taking advantage of the professional knowledge and experience he has fostered in legal circles.
External Director	Shigeru Takagi	12 out of 12 [100%]	-	He has provided appropriate advice to contribute to the decision-making of the Board of Directors from an objective standpoint, taking advantage of his ample experience in the real estate industry.
External Statutory Auditor	Shigeo Ojima	12 out of 12 [100%]	6 out of 6 [100%]	He carried out discussions on important matters relating to audits. He also posed questions and pointed out pertinent issues, as necessary, to ensure appropriate and suitable management of the decision-making process of the Board of Directors, taking advantage of his past experience as a corporate director.

Category	Name	Attendance at Board of Directors' Meetings (Number of times) [Attendance rate]	Attendance at Board of Statutory Auditors' Meetings (Number of times) [Attendance rate]	Principal activities
External Statutory Auditor	Yasutada Sasaki	12 out of 12 [100%]	6 out of 6 [100%]	He carried out discussions on important matters relating to audits. He also posed questions and pointed out pertinent issues, as necessary, to ensure appropriate and suitable management of the decision-making process of the Board of Directors, taking advantage of his past experience in performing duties in the Bank of Japan and in private companies.
External Statutory Auditor	Chikami Tsubaki	9 out of 9 [100%]	4 out of 4 [100%]	She carried out discussions on important matters relating to audits. She also posed questions and pointed out pertinent issues, as necessary, to ensure appropriate and suitable management of the decision-making process of the Board of Directors, taking advantage of the professional knowledge and experience as a Certified Public Accountant.

(Note) Chikami Tsubaki, Statutory Auditor, was elected at the Ordinary General Shareholders' Meeting held on June 26, 2014. Accordingly, the above only describes her attendance after she has assumed her office.

3) Details of the Agreement on Limitation of Liability

In accordance with the provisions in Article 427, Paragraph 1, of the Companies Act, the Company has entered agreements with the External Directors and the External Statutory Auditors to limit their liabilities for damages as set forth in Article 423, Paragraph 1, of the Companies Act; provided, however, that the limit of the liabilities for damages under such agreements shall be the amount prescribed in the Act.

5. Matters related to Independent Auditor:

(1) Name of Independent Auditor -

BDO Toyo & Co.

(2) Amount of Independent Auditor's fee for the current fiscal term -

1) Total fee the Company will pay Independent Auditor for auditing based on Article 2, Paragraph 1, of the Certified Public Accountant Act

29 million yen

2) Total amount of money and other profits the Company and the Company's subsidiaries will pay

29 million yen

(Note) The total amount described in 1) above includes fee for audit based on the Securities and Exchange Law, because the Company does not classify fee for audit based on the Companies Act and fee for audit based on the Securities and Exchange Law by audit agreement between the Company and the Independent Auditor.

(3) Policy on determining the dismissal or disapproval of reappointment of the Independent Auditor -

If the Independent Auditor is deemed applicable to any of the provisions in Article 340, Paragraph 1, of the Companies Act, the Board of Statutory Auditors will dismiss the Independent Auditor upon unanimous approval of all the Statutory Auditors. Further, if the Independent Auditor is determined to impede the audit system, independence or other business execution, the Board will decide upon the content of the proposal for the dismissal or disapproval of reappointment of the Independent Auditor to be submitted to the Shareholders' Meeting.

(Note) The organ authorized to decide upon the content of a proposal for the dismissal or disapproval of reappointment of the Independent Auditor has been changed from the Board of Directors to the Board of Statutory Auditors, in accordance with the enforcement of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014) on May 1, 2015.

6. Corporate structure and policies:

(1) Establishment of a corporate structure to ensure the proper conduct of business

In its efforts to establish a lawful and efficient corporate structure, the Company maintains and operates a structure to ensure that the Directors comply with laws and the articles of incorporation in the execution of their operations, and other structures to ensure the proper conduct of the business of the Company and the businesses of the Company group made up of the Company and its subsidiaries, as follows.

1) Corporate structure to ensure legal compliance and compliance with the articles of incorporation in the execution of operations by Directors and employees of the Company
   (1) The Company elects External Directors and External Auditors as independent directors/auditors to reinforce the management and supervisory functions of the Board of Directors and the audit function of the Board of Auditors.
   (2) The Company has established a "Code of Conduct," "Standards for Behavior of Heiwa Real Estate Group," and "Compliance Regulations," and requests the Directors, Corporate Officers, and employees of the Company to maintain fair and high ethical principles and strictly adhere to laws, regulations, and the articles of incorporation, in order to secure a management structure on which the community can rely.
   (3) Based on the "Internal Reporting Regulations," the Company has established a compliance hotline as a contact point for notification when problems related to compliance occur, and detects and responds to any such problems as promptly as possible.
   (4) The Company responds firmly against antisocial forces that jeopardize the order and safety of the civil society.

2) System for the storage and maintenance of information in relation to the performance of duties by the Directors of the Company
   The Company properly records the decision-making documents at the Board of Directors' Meetings and other important meetings, approval documents, and information related to the performance of duties by the Directors, and properly stores and maintains these documents in accordance with the relevant laws and "Criteria for the Storage and Disposal of Documents."
   Directors and Statutory Auditors may access these documents at any time.

3) Rules of the Company related to the management of the risk of loss and other systems
   (1) In recognition of the importance of risk management as a management issue, the

Company has established a set of "Risk Management Rules," has established a "Risk Management Committee" under the rules, and endeavors to secure the effectiveness of risk management by defining the targeted risk and the responsibility for management of the risk.

(2) The "Risk Management Committee" reports on the matters under its management to the Board of Directors and the Board of Statutory Auditors, as necessary.

4) System to ensure the efficient performance of duties by the Directors of the Company

(1) The Company has implemented a Corporate Officer system and endeavors to use the system to segregate the functions and responsibilities of management and business execution and to accelerate the process of decision-making.

(2) Through the system for allocating Directors-in-charge, the system for job authorization, and the system for decision-making provided in various in-company regulations, including the "Regulations of the Board of Directors' Meetings," the "Regulations of the Corporate Officers' Meetings," and the "Rules on the Division of Authorities," the Company works to achieve the efficient execution of duties by its Directors.

(3) By formulating annual business plans and other plans, the Company establishes company-wide objectives to promote the efficient execution of business.

5) System to ensure the proper execution of business by the Company group made up of the Company and its subsidiaries

(1) The Company has formulated a set of "Administrative Rules on Subsidiaries and Affiliates" covering the Company and its subsidiaries (collectively the "Company Group") and endeavors to secure the propriety of operations as the Company Group by defining the responsibility for administration, etc.

(2) The Company manages the planning of strategy related to the Company Group, guidance and monitoring related to subsidiaries and other matters pertaining to business administration, financial operations, and administration related to consolidated accounting, the improvement and operation of internal control related to financial reporting and administration related to the evaluation of effectiveness, and administration related to the operation of business.

(3) The "Code of Conduct," the "Standards for Behavior for Heiwa Real Estate Group," and the "Compliance Regulations" prescribed by the Company also apply to the Company Group, and the Company requests the officers and employees of the Company Group to maintain fair and high ethical principles and strictly adhere to laws, regulations, and the articles of incorporation so as to secure a management structure on which the community can rely.

(4) In recognition of the importance of risk management as a management issue, the

Company endeavors to secure the effectiveness of risk management by defining the targeted risk and the responsibility for management of the risk in the Company Group in accordance with a set of "Risk Management Rules" prescribed by the Company.

(5) In accordance with a set of "Administrative Rules on Subsidiaries and Affiliates," the Company made mandatory for subsidiaries to report important matters related to subsidiaries in advance, in principle.

(6) The Company dispatches its personnel to serve as Directors and Statutory Auditors of major subsidiaries. The Directors of the Company oversee the performance of the duties of the Directors of the subsidiaries, and the Statutory Auditors of the Company oversee the execution of business of the subsidiaries.

(7) In order to report and discuss matters related to consolidated group management, the Company has established a management conference among subsidiaries and affiliates and an administrative contact committee among subsidiaries and affiliates to share ownership of business policies, management information, etc., and reports important matters related to subsidiaries to the Board of Directors.

(8) The Company has formulated a set of "Basic Principles for the Maintenance and Operation of Internal Control Related to Financial Reporting," in order to secure reliable financial reporting. The Company has also established an "Internal Control Liaison Committee Related to Financial Reporting" to maintain a cooperative structure that cuts across the whole Company Group for the purpose of realizing the aforesaid principles.

6) Matters concerning relevant employees when Statutory Auditors of the Company request the deployment of employees to assist Statutory Auditors in their work, matters related to the independence of those employees from Directors of the Company, and matters to secure the effectiveness of instructions from the Statutory Auditors of the Company to those employees

(1) The Company has established an Auditors Office and deploys dedicated employees to the office to assist Statutory Auditors in matters related to auditing and the duties performed by the Statutory Auditors.

(2) The employees, when assisting Statutory Auditors in their work, follow the orders and instructions of the Statutory Auditors and do not receive any orders and instructions from the Directors.

(3) Employees are appointed and transferred to the Auditors Office to assist the Statutory Auditors, with the consent of the Statutory Auditors, and are assessed based sufficiently on the Statutory Auditors' views.

7) Policy for handling expenses, etc. incurred from the performance of duties by the Statutory Auditors of the Company

If Statutory Auditors, when performing their duties, request the Company to pay expenses in advance pursuant to Article 388 of the Companies Act, the Company shall promptly pay such expenses or debts unless such expenses or debts are determined not to be necessary for the performance of duties by the Statutory Auditors.

8) System of reporting to Statutory Auditors of the Company, system to ensure that a person so reporting is not treated unfavorably because of the reporting, and other systems to ensure effective auditing by the Statutory Auditors of the Company

(1) The Statutory Auditors present at important conferences, including the Board of Directors' Meetings and Corporate Officers' Meetings, express their views, and obtain copies of the minutes of the meetings and approval documents. The Statutory Auditors also request to be briefed on these matters. Further, the Statutory Auditors regularly hold meetings with the Representative Director, the Internal Audit Office, or the Independent Auditor.

(2) If a Director discovers any matters that may cause material damage to the Company, he or she will immediately notify the Board of Statutory Auditors of those matters.

(3) The Company reports to the Statutory Auditors on important matters, including matters pertaining to the subsidiaries reported at the management conference among subsidiaries and affiliates and the administrative contact committee among subsidiaries and affiliates, the results of internal audits of subsidiaries, and the contents of notifications by the compliance hotline.

(4) The Company prohibits unfavorable treatment of the officers and employees of the Company Group who report to the Statutory Auditors due to such reporting, and keeps all of the officers and employees of the Company Group well informed of the prohibition.

(Note) In accordance with the enforcement of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014) and the Act for Partial Revision of the Ordinance for Enforcement of the Companies Act (Ordinance of the Ministry of Justice No. 6 of 2015) as of May 1, 2015, the contents of the basic policy has been partially amended pursuant to a resolution at the Board of Directors' Meeting held on April 30, 2015. The aforementioned basic policy is as prescribed after the amendment.

(2) Basic principles concerning the control of *kabushiki kaisha* –

The Company received the approval of its shareholders for the continuous adoption of the

“measures against large volume purchase of shares of the Company (Defense Measures Against Takeover)” at the 93rd Ordinary General Shareholders’ Meeting held on June 26, 2013. The main outline of the Defense Measures Against Takeover is as follows.

1) Basic policy

The Company believes that whether we are to accept an offer concerning the purchase of a large volume of the Company’s shares that accompanies the transfer of the power of control of the Company should be ultimately determined based on the intent of our shareholders.
Also, if a purchase of a large volume of the Company’s shares benefits the corporate value of the Company, and subsequently the common interest of our shareholders, we will not deny it.
However, there are some cases of the purchase of a large volume of the Company’s shares where (i) an offerer does not give enough time and information to enable our shareholders to determine whether such purchase positively or negatively affects them; (ii) the offerer does not give us an opportunity to negotiate with it; or (iii) the offer damages the corporate value of the Company, and subsequently the common interest of our shareholders.
The Company believes that a person who makes such an inappropriate purchase of a large volume of the Company’s shares is not a proper party to control decisions on the financial and business policies of the Company, and that we should take necessary and sufficient countermeasures against such purchase of a large volume of the Company’s shares for the purpose of protecting and ensuring the corporate value of the Company and subsequently the common interest of our shareholders.

2) Summary of Efforts to Contribute to the Realization of the Basic Policy

The Company was established as the owner of the buildings of the Tokyo, Osaka, Nagoya and other stock exchanges, which perform and play the core function and role in global financial market. Under the management policy - “Provision of a Safe and Comfortable Office Environment and Living Space for the People, thereby Contributing to the People and the City,” the Company has successfully expanded its business in building leasing focused on office buildings, commercial facilities and housing in major cities nationwide, as well as expanding in real estate and housing development businesses, while operating and managing the stock exchange buildings.
Based on the experience and trust gained through the lease business over the course of years, the Company sets a clear goal of becoming the leading company in urban redevelopment, mostly in the metropolitan areas, and recently has been promoting the redevelopment of the business district located in Nihonbashi-Kabutocho, Chuo-ku, Tokyo where our Company’s headquarter is located.

We will commit to implement such projects over the medium- and long-term so as to generate high added value, and we strongly believe that the Company's commitment to realize such efforts would lead to an increase in corporate value of the Company and subsequently the common interest of our shareholders.

3) Summary of Efforts to Prevent Inappropriate Person Viewed in Light of Basic Policy from Controlling the Decision over Financial and Business Policies of the Company

i) Objectives of the Plan

The plan aims at maintaining and increasing the corporate value of the Company and subsequently the common interest of our shareholders continuously in accordance with the basic policy described in the above 1).

The Board of Directors of the Company determines that it is indispensable for us to have a framework that: (i) can provide our shareholders with enough time and information to enable them to determine the pros and cons of a takeover proposal; (ii) can ensure an opportunity for our shareholders to negotiate with a person who intends to make a purchase of a large volume of the Company's shares and (iii) can prevent the purchase of a large volume of the Company's shares that may damage the corporate value of the Company and subsequently the common interest of our shareholders.

ii) Summary of the Plan

The Plan requires a person who intends to purchase a certain volume or more of our Company's shares ("Large Volume Purchaser"), to comply with the procedures prescribed in the Plan ("Purchase Procedures").

The Company may take countermeasures if: (i) the Board of Directors considers that the Large Volume Purchaser does not or will not comply with the Purchase Procedures; or (ii) the Board of Directors considers that the purchase by the Large Volume Purchaser may damage the corporate value of the Company and subsequently the common interest of our shareholders.

In making such decision, the Board of Directors will respect as much as possible any advice provided by an independent committee consisting of external directors and external statutory auditors of the Company or external experts, who are independent from the top management of the Company executing the operations of the Company.

The allotment of share warrants without charge shall be executed as the aforementioned countermeasures under the Plan.

4) Decision on each effort above by the Board of Directors of the Company and the reasons for such decision

i) The Plan is in accordance with the basic policy

The Plan is in accordance with the basic policy, as the Plan is a framework to ensure the corporate value of the Company and subsequently the common interest of our shareholders by requesting a Large Volume Purchaser who offers to make a Large Volume Purchase of the Company's shares to provide the information of the Large Volume Purchase in advance, and ensuring the information and time that are necessary for our shareholders to determine whether they should accept such offer or not, or for the Board of Directors to propose an alternative plan or to negotiate with the Large Volume Purchaser for the benefit of our shareholders.

ii) The efforts neither damage the common interest of our shareholders nor are intended to maintain the position of each directors of the Company

Due to the following reasons, the Company believes that a framework to prevent the control of the Company by an inappropriate person in light of the basic policy neither damages the common interest of our shareholders nor is intended to maintain the position of each directors of the Company.

a) The Plan completely fulfills the three principles defined in the "Guidelines concerning Defense Measures Against Takeovers to Ensure or to Increase Corporate Value and the Common Interest of Shareholders," and is in accordance with the content of the "Measures Against Takeover in Light of Recent Environmental Changes."

b) The Plan is approved by our shareholders at a general shareholders' meeting of the Company. Also, the effective term of the Plan is set to be two years. Even if it is before the expiration of the effective period, the Plan may be abolished if a resolution to abolish the Plan is adopted at a general shareholders' meeting of the Company.

c) It is provided that the Plan cannot be set into motion unless the predefined rational and detailed objective requirements are fulfilled.

d) An independent committee consisting of persons independent from the Board of Directors of the Company has been established to evaluate and consider the adequacy of the reason for setting the Plan into motion and provide the Board of Directors with advice.

e) It is provided that the Plan can be abolished by the Board of Directors consisting of directors elected at a general shareholders' meeting of the Company.

The Board of Directors' Meeting held on May 18, 2015 resolved to continue and renew the "Measures Against Large Volume Purchase of Shares of the Company (Defense Measures

Against Takeover)" after partial revision, subject to approval at this Ordinary General Shareholders' Meeting. Please refer to the full text on page 12 through page 40 of this document.

CONSOLIDATED BALANCE SHEET

MARCH 31, 2015

ASSETS

	(In millions of yen)
Current assets:	
Cash and deposits	¥9,046
Accounts receivable – trade	895
Marketable securities	2,306
Real estate for sale	14,786
Real estate for sale in process	2,247
Other inventories	2
Operating investments	0
Deferred tax assets	1,672
Other	581
Allowance for doubtful accounts	(4)
Total current assets	31,534
Fixed assets:	
Tangible fixed assets -	
Buildings and structures	82,015
Machinery, equipment and vehicles	390
Tools, furniture and fixtures	384
Land	135,617
Total tangible fixed assets	218,408
Intangible fixed assets -	
Leasehold rights	9,516
Goodwill	28
Other	56
Total intangible fixed assets	9,602
Investments and other assets -	
Investment securities	33,422
Long-term loans to employees	7
Deferred tax assets	220
Other	4,121
Allowance for doubtful accounts	(13)
Total investments and other assets	37,757
Total fixed assets	265,767
Deferred assets -	
Bond-issuing expenses	434
Total deferred assets	434
Total assets	297,736

CONSOLIDATED BALANCE SHEET

MARCH 31, 2015

LIABILITIES AND NET ASSETS

(In millions of yen)

Liabilities	
Current liabilities:	
Notes payable and accounts payable – trade	¥2,873
Current portion of bonds	1,983
Short-term loans payable	6,600
Current portion of long-term loans	28,074
Accrued corporation and other taxes	562
Accrued consumption taxes	122
Accrued bonuses for directors	34
Accrued bonuses	193
Other	2,171
Total current liabilities	42,615
Long-term liabilities:	
Bonds	23,506
Long-term loans payable	102,326
Long-term deposits received and deposits of landlord	22,417
Deferred tax liabilities	5,839
Deferred tax liabilities concerning revaluation	8,034
Long-term accounts payable	62
Net defined benefit liability	366
Asset retirement obligations	259
Other	9
Total long-term liabilities	162,822
Total liabilities	205,438
Net Assets	
Shareholders' equity:	
Common stock	21,492
Additional paid-in capital	19,720
Retained earnings	23,168
Treasury stock, at cost	(404)
Total shareholders' equity	63,976
Accumulated other comprehensive income:	
Unrealized gain on securities	11,881
Revaluation surplus of land	16,440
Total accumulated other comprehensive income	28,321
Total net assets	92,298
Total liabilities and net assets	297,736

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FROM: APRIL 1, 2014
TO: MARCH 31, 2015

(In millions of yen)

Operating revenue	¥34,347
Cost of sales	21,721
Gross profit	12,625
Selling, general and administrative expenses	4,076
Operating income	8,548
Non-operating income -	
Interest income and dividends earned	344
Miscellaneous non-operating income	46
Total non-operating income	391
Non-operating expenses -	
Interest on debentures	485
Interest expense	1,643
Amortization of bond-issuing expenses	73
Miscellaneous non-operating expenses	169
Total non-operating expenses	2,371
Ordinary income	6,568
Extraordinary income -	
Gain on sale of investment securities	200
Subsidy income	47
Total extraordinary income	248
Extraordinary loss -	
Loss on disposal of fixed assets	1,093
Dismantling expense of buildings and building fixtures	145
Loss on revaluation of operating investments	867
Impairment loss	62
Loss on reduction of fixed assets	47
Total extraordinary loss	2,215
Income before income taxes	4,600
Corporation, inhabitants and enterprise taxes	992
Deferred income taxes	1,113
Income before minority interests	2,495
Net income	2,495

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FROM: APRIL 1, 2014
TO: MARCH 31, 2015

(In millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	21,492	19,720	21,288	(395)	62,106
Change during the period					
Distribution of surplus			(877)		(877)
Net income			2,495		2,495
Acquisition of treasury stock				(9)	(9)
Disposal of treasury stock			(0)	0	0
Increase resulting from exclusion of subsidiaries from consolidation			262		262
Net changes of items other than shareholders' equity					
Total change during the period	—	—	1,879	(9)	1,870
Balance at the end of current period	21,492	19,720	23,168	(404)	63,976

	Accumulated other comprehensive income			Total net assets
	Unrealized gain on securities	Revaluation surplus of land	Total accumulated other comprehensive income	
Balance at the beginning of current period	8,131	15,751	23,883	85,990
Change during the period				
Distribution of surplus				(877)
Net income				2,495
Acquisition of treasury stock				(9)
Disposal of treasury stock				0
Increase resulting from exclusion of subsidiaries from consolidation				262
Net changes of items other than shareholders' equity	3,749	688	4,437	4,437
Total change during the period	3,749	688	4,437	6,307
Balance at the end of current period	11,881	16,440	28,321	92,298

NON-CONSOLIDATED BALANCE SHEET

MARCH 31, 2015

ASSETS

(In millions of yen)

Current assets:	
Cash and deposits	¥6,480
Accounts receivable – trade	292
Marketable securities	2,302
Real estate for sale	13,790
Real estate for sale in process	2,247
Operating investments	0
Prepaid expenses	78
Deferred tax assets	1,626
Short-term loans	48
Accounts receivable – other	363
Advances paid	64
Suspense payments	4
Allowance for doubtful accounts	(4)
Total current assets	27,296
Fixed assets:	
Tangible fixed assets -	
Buildings	78,707
Structures	329
Machinery and equipment	379
Vehicles	0
Tools, furniture and fixtures	349
Land	128,133
Total tangible fixed assets	207,898
Intangible fixed assets -	
Leasehold rights	9,516
Trademark rights	1
Software	14
Telephone subscription right	9
Right of using facilities	6
Total intangible fixed assets	9,549
Investments and other assets -	
Investment securities	28,675
Investment in securities of affiliates	9,935
Investment in other securities of affiliates	3,702
Investment in partnerships	21
Long-term loans receivable from employees	5
Long-term prepaid expenses	367
Guarantee deposits	3,515
Insurance funds	91
Allowance for doubtful accounts	(13)
Total investments and other assets	46,301
Total fixed assets	263,749
Deferred assets -	
Bond-issuing expenses	434
Total deferred assets	434
Total assets	291,480

NON-CONSOLIDATED BALANCE SHEET

MARCH 31, 2015

LIABILITIES AND NET ASSETS

(In millions of yen)

Liabilities	
Current liabilities:	
Accounts payable – trade	2,557
Current portion of bonds	1,983
Short-term loans payable	7,950
Current portion of long-term loans	28,074
Accounts payable – other	38
Accrued corporation and other taxes	386
Accrued expenses	110
Advances received	1,116
Deposits received	600
Accrued bonuses for directors	20
Accrued bonuses	120
Total current liabilities	42,959
Long-term liabilities:	
Bonds	23,506
Long-term loans payable	102,326
Long-term deposits received and deposits of landlord	21,632
Deferred tax assets	4,042
Deferred tax liabilities concerning revaluation	8,034
Long-term accounts payable	54
Accrued severance indemnities for employees	165
Asset retirement obligations	237
Total long-term liabilities	159,999
Total liabilities	202,958
Net assets	
Shareholders' equity:	
Common stock	21,492
Additional paid-in capital	
Capital reserve	19,720
Total additional paid-in capital	19,720
Retained earnings:	
Legal reserve	1,453
Other retained earnings:	
Reserve for advanced depreciation of fixed assets	1,965
Special depreciation reserve	119
Reserve for research and development	30
General reserve	10,115
Retained earnings carried forward	5,907
Total other retained earnings	18,137
Total retained earnings	19,590
Treasury stock, at cost	(404)
Total shareholders' equity	60,399
Valuation and translation adjustments:	
Unrealized gain on securities	11,682
Revaluation surplus of land	16,440
Total valuation and translation adjustments	28,122
Total net assets	88,521
Total liabilities and net assets	291,480

NON-CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FROM: APRIL 1, 2014
TO: MARCH 31, 2015

(In millions of yen)

Operating revenue -	
Leasing income	18,023
Revenue from real estate solutions	11,051
Total operating revenue	29,074
Cost of sales -	
Cost of leasing	10,379
Cost of real estate solutions	9,002
Total operating cost	19,382
Gross profit	9,692
Selling, general and administrative expenses	2,146
Operating income	7,545
Non-operating income -	
Interest income and dividends earned	650
Miscellaneous non-operating income	31
Total non-operating income	681
Non-operating expenses -	
Interest on debentures	485
Interest expense	1,650
Amortization of bond-issuing expenses	73
Miscellaneous non-operating expenses	165
Total non-operating expenses	2,373
Ordinary income	5,853
Extraordinary income -	
Gain on sale of investment securities	200
Subsidy income	47
Total extraordinary income	248
Extraordinary loss -	
Loss on disposal of fixed assets	1,087
Dismantling expense of buildings and building fixtures	145
Loss on revaluation of operating investments	867
Impairment loss	62
Loss on reduction of fixed assets	47
Total extraordinary loss	2,209
Income before income taxes	3,892
Corporation, inhabitants and enterprise taxes	674
Deferred income taxes	1,021
Net income	2,197

NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

FROM: APRIL 1, 2014
TO: MARCH 31, 2015

(In millions of yen)

	Shareholders' equity									
	Common stock	Additional paid-in capital		Retained earnings						
					Other retained earnings					Total retained earnings
		Capital reserve	Total additional paid-in capital	Legal reserve	Reserve for advanced depreciation of fixed assets	Special depreciation reserve	Reserve for research and development	General reserve	Retained earnings carried forward	
Balance at the beginning of current period	21,492	19,720	19,720	1,453	1,912	171	30	10,115	4,589	18,271
Change during the period										
Distribution of surplus									(877)	(877)
Provision of reserve for advanced depreciation of fixed assets					95				(95)	—
Reversal of reserve for advanced depreciation of fixed assets					(42)				42	—
Provision of special depreciation reserve						5			(5)	—
Reversal of special depreciation reserve						(57)			57	—
Net income									2,197	2,197
Acquisition of treasury stock										
Disposal of treasury stock									(0)	(0)
Net changes of items other than shareholders' equity										
Total change during the period	—	—	—	—	52	(51)	—	—	1,318	1,319
Balance at the end of current period	21,492	19,720	19,720	1,453	1,965	119	30	10,115	5,907	19,590

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain on securities	Revaluation surplus of land	Total valuation and translation adjustments	
Balance at the beginning of current period	(395)	59,089	7,991	15,751	23,743	82,832
Change during the period						
Distribution of surplus		(877)				(877)
Provision of reserve for advanced depreciation of fixed assets		—				—
Reversal of reserve for advanced depreciation of fixed assets		—				—
Provision of special depreciation reserve		—				—
Reversal of special depreciation reserve		—				—
Net income		2,197				2,197
Acquisition of treasury stock	(9)	(9)				(9)
Disposal of treasury stock	0	0				0
Net changes of items other than shareholders' equity			3,690	688	4,379	4,379
Total change during the period	(9)	1,309	3,690	688	4,379	5,689
Balance at the end of current period	(404)	60,399	11,682	16,440	28,122	88,521

A COPY OF THE AUDIT REPORT OF THE ACCOUNTING AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report
(English Translation)

May 8, 2015

To the Board of Directors
Heiwa Real Estate Co., Ltd.

BDO Toyo & Co.

Nobuyuki Kobayashi, CPA, Engagement Partner
Yasuo Muramoto, CPA, Engagement Partner
Mitsuhide Nansen, CPA, Engagement Partner

We have audited, pursuant to Article 444, Paragraph 4, of the Companies Act, the consolidated financial statements, which consist of the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in net assets and notes to the consolidated financial statements of the Heiwa Real Estate Co., Ltd. and consolidated subsidiaries for the 95th fiscal year from April 1, 2014 to March 31, 2015.

The responsibility of the Company's management for these consolidated financial statements
The responsibility of the Company's management is to prepare and present fairly these consolidated financial statements in accordance with accounting standards generally accepted in Japan. The above responsibility includes the improvement and management of internal control as considered necessary by the management for the preparation and fair presentation of these consolidated financial statements with no material misstatements resulting from fraud or errors.

Auditors' responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatements.
When auditing, we perform audit procedures to obtain audit evidence supporting the amounts and disclosures in the consolidated financial statements. We decide to select and apply audit procedures based on our assessment of the risks of material misstatements in the consolidated financial statements resulting from fraud or errors. Though the audit does not aim to express an opinion on the effectiveness of internal control, we, when assessing risks, examine internal control associated with the preparation and fair presentation of the consolidated financial statements, in order to plan appropriate audit procedures according to the situation at hand. In addition, an audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.
We believe to have obtained complete and sufficient audit evidence which forms the basis of our opinion.

Audit opinion
It is our opinion that the above consolidated financial statements fairly present, in every material aspect, the financial position and results of operations of the consolidated group consisting of the Heiwa Real Estate Co., Ltd and consolidated subsidiaries for the relevant term of the consolidated financial statements, in accordance with the business accounting standards generally accepted in Japan.

Conflict of interest
We have no interest in or relationship with the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Act.

A COPY OF THE AUDIT REPORT OF THE ACCOUNTING AUDITOR ON THE NON-CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report
(English Translation)

May 8, 2015

To the Board of Directors
Heiwa Real Estate Co., Ltd.

BDO Toyo & Co.

Nobuyuki Kobayashi, CPA, Engagement Partner
Yasuo Muramoto, CPA, Engagement Partner
Mitsuhide Nansen, CPA, Engagement Partner

We have audited, pursuant to Article 436, Paragraph 2, Item 1, of the Companies Act, the non-consolidated financial statements, which consist of the non-consolidated balance sheet, non-consolidated statement of profit and loss, non-consolidated statement of changes in net assets, notes to the non-consolidated financial statements and supplementary schedules of Heiwa Real Estate Co., Ltd. (hereinafter referred to as the "Company") for the 95th fiscal year from April 1, 2014 to March 31, 2015.

The responsibility of the Company's management for the non-consolidated financial statements, etc.
The responsibility of the Company's management is to prepare and present fairly the non-consolidated financial statements and supplementary schedules in accordance with accounting standards generally accepted in Japan. The above responsibility includes the improvement and management of internal control as considered necessary by the management for the preparation and fair presentation of nonconsolidated financial statements and supplementary schedules with no material misstatements resulting from fraud or errors.

Auditors' responsibility
Our responsibility is to express an opinion on the non-consolidated financial statements and supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the non-consolidated financial statements and supplementary schedules are free of material misstatements.
When auditing, we perform audit procedures to obtain audit evidence supporting the amounts and disclosure in the non-consolidated financial statements and supplementary schedules. We decide to select and apply audit procedures based on our assessment of the risks of material misstatements in the non-consolidated financial statements and supplementary schedules resulting from fraud or errors. Though the audit does not aim to express an opinion on the effectiveness of internal control, we, when assessing risks, examine internal control associated with the preparation and fair presentation of the non-consolidated financial statements and supplementary schedules, in order to plan appropriate audit procedures according to the situation at hand. In addition, an audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall non-consolidated financial statement presentation.
We believe to have obtained complete and sufficient audit evidence which forms the basis of our opinion.

Audit opinion
It is our opinion that the above non-consolidated financial statements and supplementary schedules fairly present, in every material aspect, the financial position and results of operations of the Company for the relevant term of the non-consolidated financial statements and supplementary schedules, in accordance with the business accounting standards generally accepted in Japan.

Conflict of interest
We have no interest in or relationship with the Company, which is required to be disclosed pursuant to the provisions of the Certified Public Accountant Act.

A COPY OF THE AUDIT REPORT OF THE BOARD OF STATUTORY AUDITORS

AUDIT REPORT

We, the Board of Statutory Auditors, having deliberated the issues based on the reports made by each Statutory Auditor concerning the methods and results of their audit of the business activities of the directors for the 95th fiscal year from April 1, 2014 to March 31, 2015, prepared this Audit Report and hereby submit to you as follows:

1. Outline of auditing method applied by the Statutory Auditors and the Board of Statutory Auditors:

The Board of Statutory Auditors established the auditing policies and the audit plan, received reports and explanations regarding the status of audits and the results thereof from each Statutory Auditor, as well as reports and explanations regarding the status of the execution of duties from the Directors and Accounting Auditor, and requested explanation as necessary.

In accordance with the auditing standards for Statutory Auditors determined by the Board of Statutory Auditors and the auditing policies and the audit plan, each Statutory Auditor endeavored to collect information and established auditing circumstances through communication with internal audit staff and other employees, and attended the Board of Directors' meeting and other important meetings to receive reports regarding performance of duties from directors and employees and requested explanations as necessary. Each Statutory Auditor also inspected the significant approved documents and examined the status of operations and conditions of assets at its head office and principal offices.

With regard to the resolutions adopted by the Board of Directors s regarding the establishment of the system for ensuring that the directors' duties are performed in conformity of laws, regulations and the Articles of Incorporation of the Company, the establishment of the system necessary to ensure proper business operations of the company set forth in Article 100, Paragraph 1 and 3, of Enforcement Regulations of the Companies Act, and the systems (Internal Control System) established in accordance with the resolution of the Board of Directors, each Statutory Auditor regularly received reports from directors and employees on the status of the establishment and operations thereof and requested them for explanations as necessary. The contents of the basic policy set forth in Article 118, Item3 (i), of the Enforcement Regulations of the Companies Act stated in the business reports and each approach set forth in Item 3 (ii) of the same article are reviewed based on the status of deliberations of the Board of Directors and other management entities. With regard to subsidiaries, we conducted necessary examinations based on the information obtained from full-time Statutory Auditors concurrently serving as the Statutory Auditors of the subsidiaries received from the subsidiaries their business reports, as necessary. In accordance with the procedures mentioned above, we reviewed the business reports and supplementary schedules for the year ended on March 31, 2015.

Further, Statutory Auditors monitored and verified that Accounting Auditor maintains independence and conduct the audits appropriately. Each Statutory Auditor also received reports of the status of the execution of duties from Accounting Auditor and requested explanation as necessary. In addition, we were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 131 of the Corporate Calculation Regulations in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005)) from the Accounting Auditor and requested explanations as necessary. In accordance with the procedures mentioned above, we reviewed the non-consolidated financial statements (the non-consolidated balance sheet, non-consolidated statement of profit and loss, non-consolidated statement of changes in net assets and notes to the non-consolidated financial statements), and the supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in net assets and notes to the consolidated financial statements), and the supplementary schedules, for the year ended on March 31, 2015.

2. Results of Audit

(1) Results of audit of business report

1) The business reports and supplementary schedules present fairly the financial condition

of the Company in conformity with related laws, regulations, and the Articles of Incorporation of the Company;

2) Regarding the performance of duties by Directors, there were no instances of misconduct or material matters in violation of laws, regulations, nor the Articles of Incorporation of the Company; and
3) Resolution of the Board of Directors regarding the internal control system is fair and reasonable. There are no matters requiring additional mention regarding the execution of duties by Directors regarding the internal control system.
4) There are no matters requiring additional mention with respect to the basic policy on the control of companies stated in the business reports. We acknowledge that, among the approaches set forth in Article 118, Item 3 (ii), of the Enforcement Regulations of the Companies Act, those stated in the business reports conform with the basic policy, are in no way obstructive of any common interests of shareholders, and are not adopted with the intention of maintaining the positions of Directors and Statutory Auditors.

(2) Results of audit of non-consolidated financial statements and supplementary schedules
The auditing methods and results of the Accounting Auditor, BDO Toyo & Co., are fair and reasonable.

(3) Results of audit of consolidated financial statements and supplementary schedules
The auditing methods and results of the Accounting Auditor, BDO Toyo & Co., are fair and reasonable.

May 18, 2015

Board of Statutory Auditors
Heiwa Real Estate Co., Ltd.
Statutory Auditor (Full-time)
Masami Taniguchi

External Statutory Auditor (Full-time)
Shigeo Ojima

External Statutory Auditor
Yasutada Sasaki

External Statutory Auditor
Chikami Tsubaki