

February 25, 2013

ITOCHU Corporation

(Code No. 8001, Tokyo Stock Exchange, 1st Section)

This document is an English translation of a statement written initially in Japanese. The Japanese original should be considered as the primary version.

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Notice of the Commencement of a Tender Offer for Share Certificates of YANASE & CO., LTD.

ITOCHU Corporation (the “Tender Offeror” or “ITOCHU”) hereby announces that it resolved today to acquire the common stock of YANASE & CO., LTD. (the “Target Company” or “YANASE”) through a tender offer (the “Tender Offer”) as follows.

1. Purpose, etc., of the Tender Offer

(1) Outline of the Tender Offer

As of today, ITOCHU holds 10,416,000 shares of common stock of the Target Company (the ratio of the number of shares held by ITOCHU to 47,250,070 shares, which is the total number of issued shares of the Target Company as of September 30, 2012 (47,260,000 shares), stated in the securities report for the 140th term (from October 1, 2011, to September 30, 2012) filed by the Target Company on December 21, 2012, excluding the number of shares of treasury stock of the Target Company (9,930 shares) as of September 30, 2012, stated in the said securities report, is 22.04% (“the Shareholding Ratio”) (rounded to two decimal places, same for shareholding ratios hereafter)), making ITOCHU the largest shareholder in the Target Company and the Target Company an equity-method associated company.

On this occasion, ITOCHU resolved to implement the Tender Offer on February 25, 2013, with a view to acquiring the all of the shares of common stock of the Target Company held by SHIMIZU CORPORATION (SHIMIZU) (shares of common stock: 1,736,000, Shareholding Ratio: 3.67%) (“Shares of Common Stock Held by

SHIMIZU”). In this regard, although the shares of common stock of the Target Company are not listed on financial instruments exchanges, it is a company that is required to file securities reports pursuant to Article 24-1-3 of the Financial Instruments and Exchange Act (Act No. 25 of 1948. Including subsequent revisions. The “Act”). If ITOCHU acquires the Shares of Common Stock Held by SHIMIZU, addition of the Shareholding Ratio of specially related parties of ITOCHU (Article 27-2-8 of the Act) would give ITOCHU a Shareholding Ratio of share certificates, etc., of the Target Company equivalent to more than one third following ITOCHU’s Tender Offer. Therefore, based on Article 27-2-1-2 of the Act, ITOCHU resolved to implement the Tender Offer.

On February 25, 2013, ITOCHU concluded a Tender Offer Agreement (“Tender Offer Agreement”) with SHIMIZU, and it has been agreed that the Shares of Common Stock Held by SHIMIZU shall be tendered in the Tender Offer.

Because the Tender Offer is based on the condition that the Shares of Common Stock Held by SHIMIZU shall be tendered, and tendering by the shareholders of the Target Company other than SHIMIZU is not envisioned, regarding the number of share certificates, etc., to be purchased (“Number to Be Purchased”), the minimum Number to Be Purchased and maximum Number to Be Purchased has been set at 1,736,000 shares (Shareholding Ratio: 3.67%), which is equivalent to the number of Shares of Common Stock Held by SHIMIZU. If the aggregate number of tendered share certificates, etc., does not reach the minimum limit of the Number to Be Purchased, ITOCHU shall not implement the purchase of all the tendered share certificates, etc. Further, if the aggregate number of tendered share certificates, etc., exceeds to the maximum limit of the Number to Be Purchased, ITOCHU shall not implement the purchase of all or some of the amount exceeding the limit and shall implement transfer of share certificates, etc., and other settlement procedures using the method of proportional distribution pursuant to Article 27-13-5 of the Act and Article 32 of the Cabinet Office Ordinance regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than Issuers (Ministry of Finance Ordinance No. 38. Including subsequent revisions. “Cabinet Office Ordinance”). Following the Tender Offer, ITOCHU shall hold 12,152,000 shares of common stock of the Target Company (Shareholding Ratio: 25.72%). Further, if the specially related parties of ITOCHU do not participate in the Tender Offer, ITOCHU and the specially related parties (However, excluding from specially related parties that are excluded from specially related parties for the calculation of the Shareholding Ratio of share certificates, etc., pursuant to the respective items of Article 27-2-1 of the Act based on Article 3-2-1 of the Cabinet Office Ordinance (“Small-Scale Owners”).) shall hold 16,485,000 shares of common stock of the Target Company (Shareholding Ratio: 34.89%). In addition, if the said specially related parties participate in the Tender Offer,

ITOCHU shall purchase a portion or all of the share certificates, etc., tendered by the said specially related parties. If the respective purchases are implemented, following the Tender Offer the number of the shares of common stock of the Target Company held by ITOCHU and these specially related parties shall be less than the above-mentioned number of the shares.

Further, according to the Target Company, if the Tender Offer is achieved, ITOCHU shall hold a Shareholding Ratio of 25.72% of the shares of common stock of the Target Company. In addition, ITOCHU has stated its intention following the Tender Offer to continue contributing to the development and expansion of the Target Company's business and earnings based on the business management policies of the Target Company. Therefore, a meeting of the Target Company's the Board of Directors convened on February 23, 2013, approved a resolution concurring with the Tender Offer because it was determined that increasing the Shareholding Ratio of ITOCHU as the largest shareholder through additional acquisition of shares of common stock of the Target Company would enhance the stability of the business management of the Target Company.

Meanwhile, in order to determine the selling price of shares in the employees' shareholding association, as a reference, Mizuho Investors Securities Co., Ltd., (merged with Mizuho Securities Co., Ltd., in January 2013) was commissioned to evaluate the share price of the shares of common stock of the Target Company based on the details of financial statements for each year from 2003 onward. The evaluation based on financial statements for the most recent term, ended September 2012, is ¥538 per share. However, separate from this evaluation, the purchase price of the shares of common stock of the Target Company for the Tender Offer (the "Tender Offer Price") is ultimately determined in light of the result of deliberations and negotiations between ITOCHU and SHIMIZU based on the assumption of bilateral transactions. Therefore, regarding the appropriateness of the Tender Offer Price, a resolution not to conduct independent confirmation, to reserve opinion, and to entrust participation in the Tender Offer to the discretion of the shareholders of the Target Company was approved. In addition, when the above-mentioned resolution was approved, ITOCHU had not yet decided to implement the Tender Offer. Therefore, the above-mentioned resolution was stated as becoming effective based on the condition of ITOCHU's approval of commencement of a Tender Offer consistent with the main points of the format and content of the Tender Offer Explanatory Statement (proposal). Further, given the possibility of changes to the details of the Tender Offer Explanatory Statement (proposal) submitted to the above-mentioned the Board of Directors, the above-mentioned the Board of Directors entrusted determination of the fulfillment of the respective conditions to director Masao Kuroda. However, because ITOCHU approved

a Tender Offer consistent with the main points of the format and content of the Tender Offer Explanatory Statement (proposal), on February 25, 2013, director Masao Kuroda confirmed achievement of the respective conditions, and as a result the above-mentioned resolution became effective.

In order to avoid any suspicion of conflict of interest given that among directors of the Target Company the President and Chief Executive Officer, Takeyoshi Ide, is an advisory member of ITOCHU and an outside director, Kazutaka Yoshida, is an executive officer of ITOCHU, these persons did not participate in deliberations and resolutions relating to the Tender Offer. Moreover, these persons did not participate in deliberations with ITOCHU from the position of the Target Company. At the meeting of the said Board of Directors, of 12 directors all 10 directors, excluding the two above-mentioned directors, attended, and the attending directors approved the above-mentioned resolution unanimously. In addition, all five of the Target Company's corporate auditors (of whom three are outside corporate auditors) attended the said meeting of the Board of Directors, each of whom stated that they had no objections to the above-mentioned resolution.

Further, the articles of incorporation of the Target Company stipulate that acquisition through transfer of shares of the Target Company requires the approval of the Board of Directors. However, regarding the purchase of shares tendered for the Tender Offer, the Target Company approved a resolution permitting ITOCHU's acquisition of the said shares, based on the condition of the achievement of the Tender Offer, at a meeting of the Board of Directors of the Target Company convened on February 23, 2013.

(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer

A leading general trading company, the ITOCHU Group has approximately 130 bases in 66 countries and is engaged in domestic trading, import and export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, insurance, logistics services, construction, and finance as well as business investment in Japan and overseas. In February 2003, ITOCHU assumed 5,208,000 shares of common stock of the Target Company through a private placement (the Shareholding Ratio of issued shares of the Target Company directly after private placement: 12.92%), becoming the largest shareholder of the Target Company. Further, in August 2008 ITOCHU assumed 5,208,000 shares of common stock of the Target Company through a similar private placement. As a result, as of today ITOCHU holds 10,416,000 shares of common stock (Shareholding Ratio: 22.04%). Since its investment in February 2003,

ITOCHU has dispatched to the Target Company a full-time director, an outside director, and a number of loaned personnel and become involved in the business management of the Target Company. In December 2011, Takeyoshi Ide, originally from ITOCHU, became the President and Chief Executive Officer of the Target Company.

According to the Target Company, the Target Company sells automobiles and related components and accessories imported from Germany and other countries as well as repairing and maintaining automobiles. Previously, Japan imported and sold approximately 250,000 vehicles annually. However, due to the collapse of Lehman Brothers, this number decreased rapidly to 190,000 vehicles in 2008 and 160,000 vehicles in 2009. Since then, however, vehicle numbers have trended toward recovery, reaching 200,000 in 2011 and 240,000 in 2012. ITOCHU anticipates that the Target Company shall continue recording unit sales at approximately the same level that it used to, despite the projected shrinking of Japan's automotive market as birth rates fall. ITOCHU expects this favorable performance to stem from the combined effect of the elegant designs and reliable technology of imported automobiles centered on German automobiles, the brands that these attributes underpin, customer bases with strong loyalty and purchasing power, the expansion and improvement of compact-car lineups, and the marketing of automobiles qualifying for eco-car tax breaks. In addition, ITOCHU believes that the Target Company shall maintain a stable presence in the imported automobile market because it has more than 180 bases throughout Japan and has secured the number one position in Japan's imported automobiles industry in terms of unit sales.

Further, according to the Target Company, the Target Company has a long history and tradition and shall celebrate the centennial of its foundation in 2015. However, the Target Company recognizes that important tasks needing to be addressed in order to avoid remaining its present situation and in order to continue developing and expanding are the expansion and improvement of its sales organization by investing in bases in important markets steadily and the strengthening and expansion of value chain business management by further advancing comprehensive sales through the integration of three facets: new automobile sales, used automobile sales, and after-sales services. With a view to addressing these tasks, the Target Company completed a comprehensive renovation of its headquarters building and Mercedes-Benz Tokyo Shibaura and Audi Shibaura, which are attached to it, in November 2012. Going forward, the Target Company intends to establish companywide standards for following up on customers and further accelerate the pace of business process re-engineering while continuing measures to improve cost structure and strengthen financial position in order to establish an unshakable profit structure.

ITOCHU intends to continue its involvement in the business management of the Target Company with respect to both capital and operations while contributing to the expansion and development of the Target Company's business and earnings. Against the backdrop of respective situations, when ITOCHU had the opportunity to contact and confirm with SHIMIZU, a major shareholder of the Target Company, SHIMIZU expressed an intention to sell shares of common stock of the Target Company. Discussions between ITOCHU and SHIMIZU about acquisition of the Shares of Common Stock Held by SHIMIZU began around January 2013. Subsequently, discussions and negotiations continued with SHIMIZU. As a result, on February 25, 2013, it was resolved to acquire from SHIMIZU Shares of Common Stock Held by SHIMIZU.

In this regard, although the shares of common stock of the Target Company are not listed on financial instruments exchanges, it is a company that is required to file securities reports pursuant to Article 24-1-3 of the Act. If ITOCHU acquires the Shares of Common Stock Held by SHIMIZU, addition of the Shareholding Ratio of specially related parties of ITOCHU would give ITOCHU a Shareholding Ratio of share certificates, etc., of the Target Company equivalent to more than one third following ITOCHU's Tender Offer. Therefore, based on Article 27-2-1-2 of the Act, ITOCHU resolved to implement the Tender Offer.

In addition, following the Tender Offer ITOCHU intends to continue dispatching to the Target Company directors and loaned personnel in the same manner that it has until today and, based on the business management policies of the Target Company, contribute to expansion and development of its business and earnings.

(3) Important Agreements Related to the Tender Offer

On February 25, 2013, ITOCHU concluded a Tender Offer Agreement with SHIMIZU, and it has been agreed that the Shares of Common Stock Held by SHIMIZU shall be tendered in the Tender Offer. Further, no preconditions exist regarding the relevant tender.

(4) Measures to Ensure the Fairness of Purchase Prices and to Avoid Conflicts of Interest and Measures to Ensure the Fairness of the Tender Offer

According to the Target Company, ITOCHU holds 10,416,000 shares of common stock of the Target Company (Shareholding Ratio: 22.04%). Further, in light of the fact that, among the directors of the Target Company, the President and Chief Executive Officer, Takeyoshi Ide, is an advisory member of ITOCHU, and an outside director Kazutaka

Yoshida is an executive officer of ITOCHU, with a view to ensuring the fairness of the Tender Offer, the following measures were taken.

1) Counsel from a Law Firm

In order to ensure transparency and reasonableness with respect to the decision-making process of the Board of Directors of the Target Company in relation to the Tender Offer, Koga & Partners was elected as a legal advisor independent of the Target Company and ITOCHU. As required, this law firm provides legal counsel in relation to the Tender Offer with respect to the decision-making process and method of the Board of Directors of the Target Company and other points requiring attention.

2) Unanimous Approval of Directors and Corporate Auditors That Do Not Have Interests in the Target Company

According to the Target Company, in order to avoid any suspicion of conflict of interest given that among directors of the Target Company President and Chief Executive Officer, Takeyoshi Ide, is a director of ITOCHU and an outside director, Kazutaka Yoshida, is an executive officer of ITOCHU, these persons did not participate in deliberations and resolutions relating to the Tender Offer. Moreover, these persons did not participate in deliberations with ITOCHU from the position of the Target Company. At the meeting of the said Board of Directors, of 12 directors all 10 directors, excluding the two above-mentioned directors, attended, and the attending directors approved the above-mentioned resolution unanimously. In addition, all five of the Target Company's corporate auditors (of whom three are outside corporate auditors) attended the said meeting of the Board of Directors, each of whom stated that they had no objections to the above-mentioned resolution.

(5) Plans for Acquisition of Share Certificates, etc., following the Tender Offer

Because the aim of implementing the Tender Offer is to acquire from SHIMIZU Shares of Common Stock Held by SHIMIZU (1,736,000 shares), if this aim is reached through the Tender Offer, at this juncture, ITOCHU does not have any plans to acquire additional share certificates, etc., of the Target Company following the Tender Offer.

Further, if the above-mentioned aim is not reached through the Tender Offer, at this juncture, ITOCHU has not determined a specific policy in response.

(6) Likelihood of a Delisting of the Shares and the Reasons Thereof

None

2. Outline of the Tender Offer

(1) Outline of the Target Company

1) Name

YANASE & CO., LTD.

2) Location

1-6-38, Shibaura, Minato-ku, Tokyo

3) Name and Title of Representative

Takeyoshi Ide, President and Chief Executive Officer

4) Business Lines

Sale of automobiles (new and used vehicles)

Sale of automotive components and accessories

Repair and maintenance of automobiles

Agency operations for automotive insurance

Planning and production of advertising

Agency operations for non-life insurance

Group in-house benefits package services

5) Capital

¥6,975 million (as of September 30, 2012)

6) Date of Incorporation

January 27, 1920

7) Major Shareholders and Percentage of Shareholdings (as of September 30, 2012)

ITOCHU Corporation 22.04%

Nippon Tochi-Tatemono Co., Ltd. 14.69%

Aioi Nissay Dowa Insurance Co., Ltd.	8.53%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	7.72%
Yanase Employees' Shareholding Association	6.64%
Mitsui Sumitomo Insurance Co., Ltd.	5.40%
Orient Corporation	4.62%
Mizuho Corporate Bank, Ltd.	4.23%
SHIMIZU CORPORATION	3.67%
NIPPONKOA INSURANCE CO., LTD.	3.17%

8) Relationships between the Tender Offeror and the Target Company

Capital Relationship

ITOCHU holds the equivalent of 22.04% of the total issued shares of common stock of the Target Company.

Personal Relationship

ITOCHU has dispatched one outside director to the Target Company. Specifically, an executive officer of ITOCHU, Kazutaka Yoshida, serves concurrently as an outside director of the Target Company. Further, the President and Chief Executive Officer of the Target Company, Takeyoshi Ide, is also a director of ITOCHU.

In addition, ITOCHU has loaned two personnel to the Target Company.

Transactional Relationship

ITOCHU and the Target Company have concluded agreements for the transfer and assumption of fixed assets in which the transferees include ITOCHU.

Status as a Related Party

The Target Company is an equity-method associated company of ITOCHU and therefore is considered a related party of ITOCHU.

(2) Schedule, etc.

1) Schedule

Date of Formal Decision by ITOCHU

February 25, 2013 (Monday)

Date of Public Notice of the Commencement of the Tender Offer

February 26, 2013 (Tuesday)

A public notice shall be issued electronically, and the issuance of this notice shall be published in the *Nihon Keizai Shimbun*.

URL for issuance of public notice electronically: <http://info.edinet-fsa.go.jp/>

Date of Filing the Tender Offer Explanatory Statement

February 26, 2013 (Tuesday)

2) Initial Tender Offer Period in the Explanatory Statement

From February 26, 2013 (Tuesday) to March 26, 2013 (Tuesday) (20 business days)

3) Possibility of Extending the Period upon Request of the Target Company

Pursuant to the Article 27-10-3 of the Act, if the Target Company files a position statement requesting extension of the Tender Offer Period, the Tender Offer Period shall become 30 business days, until April 9, 2013 (Tuesday).

(3) The Tender Offer Price

¥399 per share of common stock

(4) Basis of Calculation of the Tender Offer Price

1) Basis of Calculation

In order to calculate the Tender Offer Price, in light of the fact that the shares of common stock of the Target Company are not listed on financial instruments exchanges and no market price exists, ITOCHU proposed to SHIMIZU calculation of the share

price based on comprehensive consideration of the Target Company's business results, financial position, and the outlooks for these. As a result of discussions and negotiations with SHIMIZU, a Tender Offer Price of ¥399 on February 25, 2013, was determined.

Namely, ITOCHU proposed an acquisition price to SHIMIZU using a share price calculated based on comprehensive consideration of factors, including the fact that with respect to total net assets of ¥27,901 million in the consolidated financial statements of the Target Company as of September 30, 2012, in relation to retirement benefit obligations an unrecognized transition obligation due to change in accounting standard (¥4,908 million) remains; the fact that the shares of common stock of the Target Company have extremely low liquidity because they are not listed on financial instruments exchanges and are shares with restriction on transfer; and the fact that a certain amount of the shares of common stock of the Target Company shall be purchased together. Subsequently, as a result of a series of discussions and negotiations with SHIMIZU, a Tender Offer Price of ¥399 was determined ultimately.

In addition, ITOCHU did not obtain a share valuation report from a third-party valuation institution because the Tender Offer Price was determined based on ITOCHU's own examination of the share price of the Target Company, which referred to information generally and publicly disclosed in the securities reports of the Target Company, and in light of the result of subsequent discussions and negotiations with SHIMIZU.

2) Calculation Process

In February 2003, ITOCHU assumed 5,208,000 shares of common stock of the Target Company through a private placement. Further, in August 2008 ITOCHU assumed 5,208,000 shares of common stock of the Target Company through a similar private placement. As a result, as of today ITOCHU holds 10,416,000 shares of common stock (Shareholding Ratio: 22.04%) and is the largest shareholder of the Target Company, which is ITOCHU's equity-method associated company. Since its investment in February 2003, ITOCHU has dispatched to the Target Company a full-time director, an outside director, and a number of loaned personnel and become involved in the business management of the Target Company. In December 2011, Takeyoshi Ide, originally from ITOCHU, became the President and Chief Executive Officer of the Target Company.

ITOCHU intends to continue its involvement in the business management of the Target Company with respect to both capital and operations while contributing to the expansion and development of the Target Company's business and earnings. Against the backdrop of respective situations, when ITOCHU had the opportunity to contact and

confirm with SHIMIZU, a major shareholder of the Target Company, SHIMIZU expressed an intention to sell shares of common stock of the Target Company. Discussions between ITOCHU and SHIMIZU about acquisition of the Shares of Common Stock Held by SHIMIZU began around January 2013. Subsequently, discussions and negotiations continued with SHIMIZU. As a result, on February 25, 2013, it was resolved to acquire from SHIMIZU Shares of Common Stock Held by SHIMIZU.

Namely, ITOCHU proposed an acquisition price to SHIMIZU using a share price calculated based on comprehensive consideration of factors, including the fact that with respect to total net assets of ¥27,901 million in the consolidated financial statements of the Target Company as of September 30, 2012, in relation to retirement benefit obligations an unrecognized transition obligation due to change in accounting standard (¥4,908 million) remains; the fact that the shares of common stock of the Target Company have extremely low liquidity because they are not listed on financial instruments exchanges and are shares with restriction on transfer; and the fact that a certain amount of the shares of common stock of the Target Company shall be purchased together. Subsequently, as a result of a series of discussions and negotiations with SHIMIZU, a Tender Offer Price of ¥399 was determined ultimately.

In addition, for the calculation of the Tender Offer Price, ITOCHU did not obtain a share valuation report from a third-party valuation institution.

(5) Number of Share Certificates, etc., to Be Purchased

Number to Be Purchased 1,736,000 shares

Minimum limit of Number to Be Purchased 1,736,000 shares

Maximum limit of Number to Be Purchased 1,736,000 shares

Notes:

1. If the aggregate number of tendered share certificates, etc., does not reach the minimum limit of the Number to Be Purchased (1,736,000 shares), ITOCHU shall not implement the purchase of all the tendered share certificates, etc. Further, if the aggregate number of tendered share certificates, etc., exceeds to the maximum limit of the Number to Be Purchased (1,736,000 shares), ITOCHU shall not implement the purchase of all or some of the amount exceeding the limit and shall implement transfer of share certificates, etc., and other settlement procedures using the method of

proportional distribution pursuant to Article 27-13-5 of the Act and Article 32 of the Cabinet Office Ordinance.

2. ITOCHU does not plan to acquire the shares of treasury stock held by the Target Company through the Tender Offer.

3. Shares less than one unit are also eligible for the Tender Offer. If shareholders exercise the right to request the purchase of shares less than one unit pursuant to the Companies Act (Act No. 86 of 2005. Including subsequent revisions. The “Companies Act”), the Target Company may purchase shares of treasury stock during the Tender Offer Period in accordance with legal procedures.

(6) Changes in the Shareholding Ratio of Share Certificates, etc., as a Result of the Tender Offer

Number of voting rights represented by share certificates, etc., held by ITOCHU before the Tender Offer

10,416 units

(Shareholding Ratio of Share Certificates, etc., before the Tender Offer: 22.04%)

Number of voting rights represented by share certificates, etc., held by specially related parties before the Tender Offer

4,333 units

(Shareholding Ratio of Share Certificates, etc., before the Tender Offer: 9.17%)

Number of voting rights represented by share certificates, etc., held by ITOCHU after the Tender Offer

12,152 units

(Shareholding Ratio of Share Certificates, etc., after the Tender Offer: 25.72%)

Number of voting rights held by all shareholders of the Target Company

47,191 units

Notes:

1. The “Number of voting rights represented by share certificates, etc., held by ITOCHU after the Tender Offer” is the number of voting rights (1,736 units) represented by the Number to Be Purchased in the Tender Offer (1,736,000 shares) added to the “Number of voting rights represented by share certificates, etc., held by ITOCHU before the Tender Offer” (10,416 units).

2. The “Number of voting rights represented by share certificates, etc., held by specially related parties before the Tender Offer” is the sum of voting rights represented by share certificates, etc., held by respective specially related parties (however, excluding Small-Scale Owners).

3. The “Number of voting rights held by all shareholders of the Target Company” is the number of voting rights of all of the shareholders included in the securities report for the 140th term (from October 1, 2011, to September 30, 2012) filed by the Target Company on December 21, 2012. However, because shares less than one unit are eligible for the Tender Offer, for the calculation of “Shareholding Ratio of Share Certificates, etc., before the Tender Offer” and “Shareholding Ratio of Share Certificates, etc., after the Tender Offer,” ITOCHU used as a denominator the number of voting rights (47,250 units) represented by the number of shares (47,250,070 shares) after deduction from the total number of issued shares of the Target Company (47,260,000 shares), as stated in the above-mentioned securities report as of September 30, 2012, of the number of treasury shares (9,930 shares) of the Target Company, as stated in the above-mentioned securities report as of September 30, 2012.

4. “Shareholding Ratio of Share Certificates, etc., before the Tender Offer” and “Shareholding Ratio of Share Certificates, etc., after the Tender Offer,” have been rounded to two decimal places.

(7) Tender Offer Cost: ¥692,664,000

Note: The Tender Offer cost is the Tender Offer Price (¥399) multiplied by the Number to Be Purchased (1,736,000 shares) in the Tender Offer.

(8) Method of Settlement

1) Name and Location of the Head Office of the Financial Instruments Business Operator, Bank or Other Institution in Charge of the Settlement of Purchases

Tokai Tokyo Securities Co., Ltd.
4-7-1, Meieki, Nakamura-ku, Nagoya, Aichi Prefecture

2) Settlement Commencement Date

March 29, 2013 (Friday)

Note: Pursuant to the Article 27-10-3 of the Act, if the Target Company files a position statement requesting extension of the Tender Offer Period, the Settlement Commencement Date shall become April 12, 2013 (Friday).

3) Method of Settlement

A notice of purchase shall be mailed to the address of the applying shareholder (or the standing proxies in the case of non-Japanese shareholders, etc.) without delay after the end of the Tender Offer Period. Purchases shall be made in cash. Proceeds from sale of the share certificates, etc., purchased shall be remitted without delay from the Settlement Commencement Date onward, in accordance with the instructions of Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.), from the Tender Offer Agents that received applications for the Tender Offer to the locations designated by Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.).

4) Method of Returning Share Certificates, etc., and Other Securities

If all or a portion of the tendered shares are not purchased by the Tender Offeror under the conditions stipulated in “1) Existence of Conditions Stipulated in Article 27-13-4 of the Act and Details of Any Such Conditions” or “2) Existence of Conditions for Withdrawal of the Tender Offer, the Details of Any Such Conditions, and the Disclosure Method for Withdrawal” in “(9) Other Conditions and Methods of the Tender Offer” below, the Tender Offer Agents shall mail or deliver without delay from the Settlement Commencement Date onward (from the date of withdrawal if the Tender Offer is withdrawn) unpurchased share certificates, etc., that are required to be returned to Tendering Shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.).

(9) Other Conditions and Methods of the Tender Offer

1) Existence of Conditions Stipulated in Article 27-13-4 of the Act and Details of Any Such Conditions

If the aggregate number of tendered share certificates, etc., does not reach the minimum limit of the Number to Be Purchased (1,736,000 shares), ITOCHU shall not implement the purchase of all the tendered share certificates, etc. Further, if the aggregate number of tendered share certificates, etc., exceeds to the maximum limit of the Number to Be Purchased (1,736,000 shares), ITOCHU shall not implement the purchase of all or some of the amount exceeding the limit and shall implement transfer of share certificates, etc., and other settlement procedures using the method of proportional distribution pursuant to Article 27-13-5 of the Act and Article 32 of the Cabinet Office Ordinance (If in the respective numbers of shares tendered there are amounts less than one unit (1,000 shares), for calculation of the number of shares purchased using the method of proportional distribution, the respective numbers of share certificates, etc., tendered shall be the maximum limit.).

If the total number of shares purchased from Tendering Shareholders calculated by rounding the numbers of shares less than one unit that result from calculation using the method of proportional distribution is less than the maximum limit of the Number to Be Purchased, until the maximum limit of the Number to Be Purchased is reached, starting in order from the Tendering Shareholders with the largest number of shares rounded down as a result of rounding, from each shareholder participating in the Tender Offer one unit of tendered share certificates, etc., (if an additional purchase of one unit exceeds the number of tendered share certificates, etc., then up to the number of tendered share certificates, etc.) shall be purchased. However, if purchasing using this method from among each of a number of Tendering Shareholders that have an equal number of rounded-down shares results in the number of shares purchased exceeding the maximum limit of the Number to Be Purchased, to the extent the number is not less than the minimum limit of the Number to Be Purchased, the shareholders to be purchased from shall be determined by lottery from among the said Tendering Shareholders.

If the total number of shares purchased from Tendering Shareholders calculated by rounding the numbers of shares less than one unit that result from calculation using the method of proportional distribution is more than the maximum limit of the Number to Be Purchased, until a number that is not below the maximum limit of the Number to Be Purchased is reached, starting in order from the Tendering Shareholders with the largest number of shares rounded up as a result of rounding, for each shareholder participating in the Tender Offer one unit shall be deducted from the number of shares purchased (if in the number of shares purchased calculated using the method of proportional distribution a portion of the number of shares is less than one unit, then the said number of shares that are less than one unit). However, if deduction from the number of shares

purchased using this method from among each of a number of Tendering Shareholders that have an equal number of rounded-up shares results in the number of shares purchased being below the maximum limit of the Number to Be Purchased, to the extent the number is not less than the maximum limit of the Number to Be Purchased, the shareholders subject to a deduction in the number of shares purchased shall be determined by lottery from among the said Tendering Shareholders.

2) Existence of Conditions for Withdrawal of the Tender Offer, Details of Any Such Conditions, and the Disclosure Method for Withdrawal

The Tender Offer may be withdrawn if any event occurs that is stipulated in Article 14-1, 1.A. through 1.H., 1.L. through 1.R., 3.A. through 3.G., and 3.J., as well as Article 14-2, 3 through 6, of the Cabinet Order for the Enforcement of the Financial Instruments and Exchange Act (Cabinet Office Ordinance No. 321 of 1965, including subsequent revisions. "Cabinet Order"). Further, with respect to the Tender Offer, instances stipulated by Article 14-1-3.J. of the Cabinet Order and corresponding to the instances given in Article 14-1-3.I. of the Cabinet Order refer to instances in which it becomes apparent that with regard to statutory disclosure documents filed in the past the Target Company has made false statements about significant matters or omitted inclusion of significant matters that should have been included.

If the Tender Offeror intends to withdraw the Tender Offer, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards.

3) Existence of Conditions for Reduction of the Tender Offer Price, Details of Any Such Conditions, and the Disclosure Method for Reduction of the Tender Offer Price

Pursuant to Article 27-6-1-1 of the Act, if the Target Company undertakes any action stipulated in Article 13-1 of the Cabinet Order during the Tender Offer Period, the Tender Offeror may reduce the Tender Offer Price pursuant to the standard stipulated in Article 19-1 of the Cabinet Office Ordinance.

If the Tender Offeror intends to reduce the Tender Offer Price, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public

announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards. If the purchase price for the Tender Offer is reduced, the Tender Offeror shall purchase all shares tendered on or before the date of the said public notice at the reduced price.

4) Matters Concerning the Rights of Cancellation of Agreement of Tendering Shareholders

The Tendering Shareholders may, at any time during the Tender Offer Period, cancel any agreement related to the Tender Offer. Tendering Shareholders who wish to cancel the agreement for the Tender Offer must deliver or mail a document requesting the cancellation (“Cancellation Document”), with the receipt of the application for the Tender Offer attached, to the Corporate Sales Dept.(I)of the Tokyo branch of the Tender Offer Agent that received the application for the Tender Offer by 3 p.m. on the last day of the Tender Offer Period. Cancellation of the agreement shall become effective when the Cancellation Document is delivered to or arrives at the Tender Offer Agent. Accordingly, if mailing a Cancellation Document, please be aware that if it does not arrive at the Tender Offer Agent by 3 p.m. on the last day of the Tender Offer Period the agreement cannot be cancelled.

The agent authorized to receive the Cancellation Document

Tokai Tokyo Securities Co., Ltd.
4-7-1, Meieki, Nakamura-ku, Nagoya, Aichi Prefecture

5) Disclosure Method for Changes in the Conditions or Other Terms of the Tender Offer

During the Tender Offer Period, the Tender Offeror may change the conditions or other terms of the Tender Offer except in the prohibited instances stipulated in Article 27-6-1 of the Act and Article 13 of the Cabinet Order. If the Tender Offeror intends to change the terms and conditions of the Tender Offer, it shall issue a public notice electronically and publish the fact that it has issued this notice in the *Nihon Keizai Shimbun*. However, if it is deemed difficult to issue a public notice on or prior to the last day of the Tender Offer Period, the Tender Offeror shall make a public announcement in the manner stipulated in Article 20 of the Cabinet Office Ordinance and issue a public notice immediately afterwards. If the Tender Offeror changes the conditions or other terms of the Tender Offer, the Tender Offeror shall purchase share certificates, etc., tendered on or before the date of the said public notice in accordance with the conditions or other terms of the Tender Offer following the change.

6) Disclosure Method If an Amendment Statement Is Filed

If ITOCHU files an amendment statement to the Director of the Kanto Finance Bureau (excluding instances stipulated by Article 27-8-11 of the Act), ITOCHU shall immediately make a public announcement about the amendments relevant to the Tender Offer in the manner stipulated in Article 20 of the Cabinet Office Ordinance. Further, the Tender Offeror shall amend the Tender Offer Explanatory Statement immediately and send it to the Tendering Shareholders that have already been sent a Tender Offer Explanatory Statement. However, if the scope of the amendments is minimal, the Tender Offeror shall make amendments by preparing a document that explains the reasons for the amendments, lists the amended items, and provides details of these amended items and delivering the document to Tendering Shareholders.

7) Disclosure Method for the Results of the Tender Offer

The Tender Offeror shall publicly announce the results of the Tender Offer in the manner stipulated in Article 9-4 of the Cabinet Order and Article 30-2 of the Cabinet Office Ordinance on the day following the last day of the Tender Offer Period.

8) Other

The Tender Offer shall not, directly or indirectly, be conducted in or targeted at the United States. Moreover, the U.S. postal mail service or any other method or means of interstate commerce or international commerce (including, without limitation, telephone, telex, facsimile, e-mail and Internet communication) shall not be used to conduct the Tender Offer, and the Tender Offer shall not be conducted through any U.S. stock exchange facility. In addition, no application for this Tender Offer shall be made by any of the above-mentioned methods or means, through the above-mentioned facilities, or from the United States.

Further, the Tender Offer Explanatory Statement concerning the Tender Offer, or the related tender documents, shall not be sent or distributed to, in or from the United States by mail or any other method. Any application for the Tender Offer in violation of any of the above-mentioned restrictions, either directly or indirectly, shall not be accepted.

At the time of application for the Tender Offer, shareholders (or the standing proxies in the case of non-Japanese shareholders, etc.) are required to provide the Tender Offer Agent with representations and warranties that state the following.

The Tendering Shareholders are not located or do not reside in the United States, at the

time of applying for the Tender Offer and at the time of the sending of the Application Form for the Tender Offer. The Tendering Shareholders are not, directly or indirectly, receiving or sending out any information related to the Tender Offer to, in or from the United States. The Tendering Shareholders have not used and shall not use, directly or indirectly, in connection with the signature and submission of the Application Form for the Tender Offer, U.S. postal mail service or any other method or means of interstate commerce or international commerce (including, without limitation, telephone, telex, facsimile, e-mail and Internet communication) or any U.S. stock exchange facility. The Tendering Shareholders are not acting as proxy for any other person without investment discretion or acting as trustee or fiduciary of any other person (not including those who are giving instructions on the tendering of shares from outside the United States).

10) Date of Public Notice of the Commencement of the Tender Offer

February 26, 2013 (Tuesday)

11) Tender Offer Agent

Tokai Tokyo Securities Co., Ltd.
4-7-1, Meieki, Nakamura-ku, Nagoya, Aichi Prefecture

3. Policies after the Tender Offer and Future Outlook

(1) Policies after the Tender Offer

With respect to Policies after the Tender Offer, please refer to the above-mentioned “1. Purpose, etc., of the Tender Offer,” in “(2) Background of and Reasons for the Tender Offer as well as Management Policies after the Tender Offer.”

(2) Future Outlook

The effect of the Tender Offer on the business results of ITOCHU shall be immaterial.

4. Other Information

(1) Existence of Agreements between the Tender Offeror and the Target Company or Directors and Details of Any Such Agreements

According to the Target Company, if the Tender Offer is achieved, ITOCHU shall hold a Shareholding Ratio of 25.72% of the shares of common stock of the Target Company. In

addition, ITOCHU has stated its intention following the Tender Offer to continue contributing to the development and expansion of the Target Company's business and earnings based on the business management policies of the Target Company. Therefore, a meeting of the Target Company's Board of Directors convened on February 23, 2013, approved a resolution concurring with the Tender Offer because it was determined that increasing the Shareholding Ratio of ITOCHU as the largest shareholder through additional acquisition of shares of common stock of the Target Company would enhance the stability of the business management of the Target Company.

Meanwhile, in order to determine the selling price of shares in the employees' shareholding association, as a reference, Mizuho Investors Securities Co., Ltd., (merged with Mizuho Securities Co., Ltd., in January 2013) was commissioned to evaluate the share price of the shares of common stock of the Target Company based on the details of financial statements for each year from 2003 onward. The evaluation based on financial statements for the most recent term, ended September 2012, is ¥538 per share. However, separate from this evaluation, the Tender Offer Price is ultimately determined in light of the result of deliberations and negotiations between ITOCHU and SHIMIZU based on the assumption of bilateral transactions. Therefore, regarding the appropriateness of the Tender Offer Price, a resolution not to conduct independent confirmation, to reserve opinion, and to entrust participation in the Tender Offer to the discretion of the shareholders of the Target Company was approved. In addition, when the above-mentioned resolution was approved, ITOCHU had not yet decided to implement the Tender Offer. Therefore, the above-mentioned resolution was stated as becoming effective based on the condition of ITOCHU's approval of commencement of a Tender Offer consistent with the main points of the format and content of the Tender Offer Explanatory Statement (proposal). Further, given the possibility of changes to the details of the Tender Offer Explanatory Statement (proposal) submitted to the above-mentioned the Board of Directors, the above-mentioned the Board of Directors entrusted determination of the fulfillment of the respective conditions to director Masao Kuroda. However, because ITOCHU approved a Tender Offer consistent with the main points of the format and content of the Tender Offer Explanatory Statement (proposal), on February 25, 2013, director Masao Kuroda confirmed fulfillment of the respective conditions, and as a result the above-mentioned resolution became effective.

In order to avoid any suspicion of conflict of interest given that among directors of the Target Company the President and Chief Executive Officer, Takeyoshi Ide, is a director of ITOCHU and an outside director, Kazutaka Yoshida, is an executive officer of ITOCHU, these persons did not participate in deliberations and resolutions relating to the Tender Offer. Moreover, these persons did not participate in deliberations with ITOCHU from the position of the Target Company. At the meeting of the said Board of

Directors, of 12 directors all 10 directors, excluding the two above-mentioned directors, attended, and the attending directors approved the above-mentioned resolution unanimously. In addition, all five of the Target Company's corporate auditors (of whom three are outside corporate auditors) attended the said meeting of the Board of Directors, each of whom stated that they had no objections to the above-mentioned resolution.

Further, the articles of incorporation of the Target Company stipulate that acquisition through transfer of shares of the Target Company requires the approval of the Board of Directors. However, regarding the purchase of shares tendered for the Tender Offer, the Target Company approved a resolution permitting ITOCHU's acquisition of the said shares, based on the condition of the achievement of the Tender Offer, at a meeting of the Board of Directors of the Target Company convened on February 23, 2013.

(2) Other Information Deemed Necessary for Investors to Determine Whether or Not to Participate in the Tender Offer

None