

July 2, 2012

## **Notice Concerning Issuance of New Shares, Secondary Offering of Shares and Subordinated Loan Financing**

Kawasaki Kisen Kaisha, Ltd (the "Company" or "K" Line) hereby announces that its board of directors, at a meeting held today, July 2<sup>nd</sup>, 2012, resolved matters relating to the issuance of new shares of common stock of the company and the secondary offering of its shares in conjunction with the Issuance of subordinated loan, as set forth below.

### **I .Purpose of the Offering:**

In order to meet the future outlook of changing market structure and growing demands, in April 2011, our company announced a new initiative entitled "K-Line Vision 100 – New Challenges", and since then we have been striving to achieve expansion of stable earnings base and sustainable growth. Nevertheless, due to the continued deterioration of the containership and dry bulk markets, combined with the effects of the Great East Japan Earthquake, high yen, and fuel price increase, our company's operating environment deteriorated drastically, leading to the recording of a negative net income in fiscal year ending March, 2012.

In order to adapt to the changing environment, we have refined our medium-term management plan into what we now call "K-Line Vision 100 – Bridge to the Future" with three critical objectives in mind of "turning profitable in FY 2012/13 on an ordinary income basis", "establishment of stable earnings base" and "strengthening of our financial base" and striving to resolve the current issues.

The proceeds obtained from the current fund raising is required for "expansion of stable earnings base" and "establishment of a solid financial foundation". On one hand effecting structural reform in the containership business which is exposed to a fiercely competitive environment, we need to strategically distribute investments among efforts to expand stable earnings in the dry bulk and car carrier businesses and to stabilize the profits from the energy resource transportation and other new businesses, with the ultimate goal of realizing an operational structure that can withstand drastic changes in the business environment. In particular, we envision the capital raised by public offering to be injected into fleets since we expect this to be the future earnings driver.

Furthermore, we aim to achieve capital reinforcement by simultaneously executing a public offering and a subordinated loan issuance to our main partner financial institution. We believe this enables the establishment of a solid financial foundation that can cope with the current fluctuation of the business environment. Regarding the subordinated loan, the major ratings institutions (Rating and Investment Information, Inc. (R&I) and Japan Credit Rating Agency, Limited (JCR)) are expected to recognize 50% "equity credit attribute." Hence, as a type of hybrid financing having the characteristics midway between equity and debt, the Company judged this to be an appropriate instrument, because it enables capital reinforcement that translates into improvement in financial ratios without diluting its shares.

By realizing the "expansion of stable earnings base" and "establishment of a solid financial foundation", we intend to achieve profit stability and sustainable growth over the mid to long term horizon.

### **II . Issuance of New Shares and Secondary Offering of Shares:**

#### **1. Issuance of New Shares by way of Offering (Public Offering)**

- |  |   |
|--|---|
| (1) Class and Number of Shares to be Offered | 174,000,000 shares of common stock of the Company.  |
| (2) Method of Determining Payment Amount     | The payment amount will be determined on a date between July 10, 2012 (Tuesday) and July 12, 2012 (Thursday) (the "Pricing Date") in accordance with the method set forth in Article 25 of the Regulations concerning Underwriting of Securities, etc. promulgated by the Japan Securities Dealers Association (the |

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- "JSDA").
- (3) Increase in Stated Capital and Additional Paid-in Capital      The increase in stated capital will be half of the maximum increase amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The increase in additional paid-in capital will be calculated by subtracting the amount of increase in stated capital from the maximum increase amount of stated capital.
- (4) Offering Method      The offering will be by a public offering (the "Public Offering"). All shares will be acquired and underwritten by the underwriting syndicate (hereinafter referred to as "the underwriters") The issue price with regard to the Public Offering (offer price) will be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, etc., of the JSDA, on the Pricing Date based on the preliminary pricing terms calculated by multiplying the closing price of the shares of common stock of the Company in regular trading on the Tokyo Stock Exchange on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with any fraction less than one yen being rounded down), while taking into account market demand and other conditions.
- (5) Considerations for Underwriters      Underwriting commissions will not be paid, although the aggregate amount of the difference between (a) the issue price (offer price) in each offering and (b) the amount to be paid to the Company by the Underwriters will constitute proceeds to the Underwriters.
- (6) Subscription Period      The subscription period will be from the business day immediately following the Pricing Date to the second business day following the Pricing Date.
- (7) Payment Date      The payment date will be a date between July 18, 2012 (Wednesday) and July 20, 2012 (Friday), provided, however, that such date shall be the fifth business day following the Pricing Date.
- (8) Subscription Unit      1,000 shares
- (9) The payment amount, the increase in stated capital and the increase in additional paid-in capital, the issue price (the offer price), and any other matters necessary for the Issuance of New Shares by way of Offering will be determined at the discretion of President & CEO or Senior Managing Executive Officer in charge of Finance.
- (10) The foregoing items shall be subject to the effectiveness of filings in accordance with the Financial Instruments and Exchange Act.

2. Secondary Offering of Shares (the "Offering by way of Over-Allotment") (See Reference item 1 below)

- (1) Class and Number of Shares to be Offered      26,000,000 shares of common stock of the Company. The number of shares referenced above is the maximum number of shares to be sold. The above number may decrease, or the Offering by way of Over-Allotment itself may be cancelled, depending on market demand of the Public Offering. Furthermore, the number of shares to be sold will be determined on the Pricing Date, taking into account market demand of the Public Offering.

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- (2) Seller The Lead Manager
- (3) Selling Price To be determined. (The selling price will be determined on the Pricing Date; and such selling price will be the same as the issue price (the offer price) in the Public Offering.)
- (4) Offering Method Taking into account market demand of the Public Offering for the Public Offering, the Lead Manager will make a secondary offering in Japan of up to 26,000,000 shares, which will be borrowed from a certain shareholder of the Company.
- (5) Subscription Period The subscription period will be the same as the subscription period in the Public Offering.
- (6) Delivery Date The delivery date will be the business day immediately following the payment date in the Public Offering.
- (7) Subscription Unit 1,000 shares
- (8) The selling price and any other matters necessary for the Offering by way of Over-Allotment shall be determined at the discretion of President & CEO or Senior Managing Executive Officer in charge of Finance.
- (9) The foregoing items shall be subject to the effectiveness of filings in accordance with the Financial Instruments and Exchange Act.
- (10) In the event the Public Offering is cancelled, the Offering by way of Over-Allotment will also be cancelled.

3. Issuance of New Shares by way of Third-Party Allotment (the "Third-Party Allotment") (See Reference item 1 below)

- (1) Class and Number of Shares to be Offered 26,000,000 shares of common stock of the Company.
- (2) Method of Determining Payment Amount The payment amount will be determined on the Pricing Date; and such amount will be the same as the payment amount for the Public Offering.
- (3) Increase in Stated Capital and Additional Paid-in Capital The increase in stated capital will be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The increase in paid-in capital will be calculated by subtracting the amount of increase in stated capital from the maximum increase amount of stated capital.
- (4) Allottee The Lead Manager
- (5) Subscription Period July 27, 2012 (Friday)
- (6) Delivery Date July 30, 2012 (Monday)
- (7) Subscription Unit 1,000 shares
- (8) Shares not subscribed for within the subscription period in (5) above will not be issued.
- (9) The payment amount, the increase in stated capital and the increase in additional paid-in capital, the issue price (the offer price), and any other matters necessary for the Issuance of New Shares by way of Offering will be determined at the discretion of President & CEO or Senior Managing Executive Officer in charge of Finance.
- (10) The foregoing items shall be subject to the effectiveness of filings in accordance with the Financial Instruments and Exchange Act.
- (11) In the event the Public Offering is cancelled, the Third-Party Allotment will also be cancelled.

4. Use of Proceeds

The net proceeds in the maximum total amount of 28,610,000,000 yen obtained from the current public offering and third party allotment is planned to be used entirely by fiscal year ending March

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2013 for capital expenditure purposes such as dry bulk and car carrier fleets that are specialized in bulk shipments.

The current capital expenditure plan for our group (as of March 2012) is as follows:

Segment	Facility Description	Planned Investment Amount		Method of Financing	Construction and Planned Completion		Added Capacity upon Completion Dead-weight in Tons (1,000kg per Metric Ton)
		Total (million yen)	Already Paid (million yen)		Construction (Start)	Completion (Finish)	
Container-ship Vessels	Fleet	29,522	8,700	Loan, bonds, cash at hand, additional capital raised	Jan 2012 ~Mar 2012	Sep 2012 ~Dec 2014	195
Bulk shipping vessels		201,620	58,329		Jul 2011 ~Sep 2014	Apr 2012 ~Jul 2015	3,911

Note : Description above refers only to those vessels with construction agreements in place as of March end 2012 out of the vessels that our group (the Company and its consolidated subsidiaries) intends to procure under the current plan.

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### III. Subordinated Loan:

#### 1. Characteristics of the Subordinated Loan

The Subordinated Loan is hybrid financing, the characteristics of which place it midway between equity and debt: although it is a debt, it also has aspects and characteristics similar to equity, such as optional deferral of interest payments, an especially long repayment period (however, there are provisions that allow prepayment of the Subordinated Loan after a certain period), and treatment that is subordinated with respect to insolvency proceedings and the like. It is expected that Rating and Investment Information, Inc. (R&I) and Japan Credit Rating Agency, Limited (JCR) will recognize 50% of the total value of the financing as "equity credit attributes" for the purpose of rating. The Company believes that financing funds in the form of the Subordinated Loan and applying the funds so financed partly to the repayment of existing interest-bearing debts concurrently with the public offering and the Capital Increase by Third-Party Allotment as described in II. above will enable the Company to strengthen the stability of its financial base while avoiding dilution of its capital stock. The investors (lenders) participating in the Subordinated Loan will be several of the Company's primary financial institutions (as set out in "2. Overview of the Subordinated Loan" below).

#### 2. Overview of the Subordinated Loan

(1) Amount to be borrowed 30 billion yen

(2) Agreement execution date July 2, 2012

(3) Drawdown date July 20, 2012

(4) Due date September 20, 2072

Provided, however, the Company may make an early repayment of all of the principal of the Subordinated Loan on any interest payment date on or after September 20, 2017. Furthermore, the Company may also make an early repayment of all of the principal of the Subordinated Loan on any interest payment date if (i) the interest on the Subordinated Loan becomes treated materially adversely from the Company's perspective for the purpose of taxation, which is unavoidable despite the Company's reasonable efforts or (ii) all of the ratings institutions decide and announce or communicate that they will treat the Subordinated Loan as having equity credit attributes lower than the Subordinated Loan is expected to have at the time of execution of the Agreement on the Subordinated Loan (the "Agreement"). In addition, the Company may make an early repayment of all or some of the principal of the Subordinated Loan (however, in case of some, the payment must be at least 100 million yen, and in 100 million yen increments) upon unanimous consent among all lenders and agents.

#### (5) Replacement restrictions

The Company intends to make an early repayment of the Subordinated Loan with the funds raised, only when the common stock or other securities or debts that was raised within a 6-month period prior to the date on which it will make that early repayment have been approved by all of the ratings institutions as having equity credit attributes equal to or greater than the Subordinated Loan.

#### (6) Applicable Interest Rate

- (a) From July 20, 2012 to September 19, 2012  
2-month Euro Yen LIBOR + 5.9%
- (b) From September 20, 2012 to September 19, 2017  
Euro Yen LIBOR + 5.9%
- (c) On and after September 20, 2017  
Euro Yen LIBOR + 6.9%

#### (7) Interest payment dates

The first interest payment date is to be September 20, 2012, and subsequent interest payment dates are to be the date that occurs every six months thereafter until and including the due date

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(provided, however, if an interest payment date is not a business day, interest will be paid on the immediately following business day, and if that immediately following business day falls in the following calendar month, interest will be paid on the immediately preceding business day.)

(8) Limitations on payments of interest

(a) Optional suspension of interest payment

Excluding item (b)(i) below describing the payment of interest on Subordinated Loan subject to Mandatory Payment Obligation, the Company may, at its discretion, defer all or some of the payment of interest on the Subordinated Loan (each deferred interest payment referred to as "Optionally Suspended Amount," hereinafter).

(b) Efforts to pay the Optionally Suspended Amount in the event that Mandatory Payment Obligation is activated

If the Company, (i) pays a dividend on or repurchases its own shares (however, excluding repurchase required by law or ordinance or other such cases), or (ii) pays interest (including payment of interests being deferred) on any debt whose subordination and the like are similar in substance to those of the Subordinated Loan (for clarity, these include those liabilities that are of the Company's and their terms are practically similar in nature to the subordination clause of the Subordinated Loan, or rights associated with the interest, termination, or repayment terms are in practice equivalent to the terms described in the agreement attributable to the Subordinated Loan or will be decided subject to the Company's financial condition and performance), then the Company will, in accordance with the agreement attributable to the Subordinated Loan, and in appropriate manner with respect to each case, make reasonable endeavors to the extent commercially practicable to pay, together with the additional interest thereon, all or some of the Optionally Unpaid Balance (Optionally Suspended Amount existing at that point plus any additional interests thereon).

(9) Acceleration Event

The agent or lenders may not accelerate the Company's obligations relating to the Subordinated Loan in any case whatsoever.

(10) Subordination clause

If proceedings are commenced to liquidate the Company or a court decides to commence proceedings for the bankruptcy, corporate reorganization, civil rehabilitation, or the like of the Company, each and every lender of the Subordinated Loan will be entitled to receive payment of the principal and interest on the Subordinated Loan in accordance with the agreement associated with the only Subordinated Loan, only after full payment has been made on all of the Company's debt other than the Subordinated Loan and the Subordinated Debt of Equal Priority.

(11) Equity credit attributes of the Subordinated Loan evaluated by a Ratings Institution (expected)  
Class 3 / 50% (Rating and Investment Information, Inc.)  
「middle」 / 「50」 (Japan Credit Rating Agency, Ltd.)

(12) Investors (lenders) participating in the Subordinated Loan

Mizuho Corporate Bank, Ltd. , Development Bank of Japan Inc. , Mizuho Trust & Banking Co., Ltd. , Sumitomo Mitsui Trust Bank, Limited , Century Tokyo Leasing Corporation

3. Use of Proceeds

The proceeds obtained from the issuance of the Subordinated Loan is planned to be used partly for ship construction and acquisition as well as for repayment of any interest bearing debt outstanding.

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[Reference]

#### 1. The Offering by way of Over-Allotment

The Offering by way of Over-Allotment in "2. Secondary Offering of Shares (the "Offering by way of Over-Allotment")" above is a secondary offering in Japan to be made in conjunction with the Public Offering in "1. Issuance of New Shares by way of Offering" in an amount not to exceed 26,000,000 shares, which will be borrowed by the Lead Manager of the Public Offering from a certain shareholder of the Company (the "Borrowed Shares") taking into account market demand for the offerings and other conditions. It is estimated that the number of shares in the Offering by way of Over-Allotment will be 26,000,000 shares which represents the maximum number of shares to be sold, and depending on market demand and other conditions, such amount may decrease, or the Offering by way of Over-Allotment may be cancelled all together.

In connection with the Offering by way of Over-Allotment, the board of directors of the Company resolved, at the meeting held today, that the Company will issue 26,000,000 shares of its common stock as is necessary to return the Borrowed Shares to a certain shareholder, by way of third-party allotment (the "Third-Party Allotment") to the Lead Manager with the payment date of July 30, 2012 (Monday).

Furthermore, the Lead Manager may also purchase shares of common stock of the Company on the Tokyo Stock Exchange, in an amount up to the number of shares to be offered in the Offering by way of Over-Allotment (the "Syndicate Cover Transactions"). Shares of the Company's common stock purchased through Syndicate Cover Transactions will be used to return the Borrowed Shares. Such Syndicate Cover Transactions, if any, will be made during the period beginning on the date immediately following the last day of the Subscription Period and ending on July 23, 2012 (Monday) (the "Syndicate Cover Transaction Period"). During the Syndicate Cover Transaction Period, Syndicate Cover Transactions may not be conducted nor may any Syndicate Cover Transactions be terminated before the number of shares purchased is equal to the number of shares offered in the Offering by way of Over-Allotment.

Moreover, the Lead Manager may conduct stabilizing transactions in conjunction with the Public Offering and the Offering by way of Over-Allotment. The shares of common stock of the Company acquired through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Shares.

The Lead Manager plans to accept the allotment under the Third-Party Allotment of an equivalent number of shares of common stock of the Company obtained by subtracting (a) the number of shares purchased through stabilization transactions and Syndicate Cover Transactions that are to be used to return the Borrowed Shares from (b) the number of shares to be offered in the Over-Allotment. Accordingly, all or a part of the shares to be issued under the Third-Party Allotment may not be subscribed for, which may result in a decrease in the maximum number of shares to be issued under the Third-Party Allotment, or in the cancellation of the entire issuance due to forfeiture.

Whether or not the Offering by way of Over-Allotment is to be conducted, as well as the number of shares to be sold in the event that the Offering by way of Over-Allotment is to be conducted, will be determined on the Pricing Date. In the event that the Offering by way of Over-Allotment is cancelled entirely, the Lead Manager will not conduct the borrowing of shares of common stock of the Company from a certain shareholder of the Company mentioned above. Accordingly, no new shares will be issued under the Third-Party Allotment due to forfeiture, since the Lead Manager will not accept the allotment and will not subscribe for shares under the Third-Party Allotment. Also, no Syndicate Cover Transactions on the Tokyo Stock Exchange, Inc. will be made.

#### 2. Changes in the number of issued shares as a result of this offering of new shares and third-party allotment are as follows:

Total number of current issued shares:	765,382,298 shares	(as of June 29, 2012)
Increase in number of shares by way of offering of new shares:	174,000,000 shares	
Total number of issued shares after the offering of new shares:	939,382,298 shares	
Increase in number of shares by way of third-party allotment:	26,000,000 shares	(Note)
Total number of issued shares after the third-party allotment:	965,382,298 shares	(Note)

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Note: Assumes that the new shares to be issued as described in "III. 3. Issuance of New Shares by way of Third-Party Allotment" are all subscribed by the Allottee described therein and issued.

### 3. Use of proceeds

#### (1) Use of proceeds from the offering

As set forth in "II. 4. Use of Proceeds" above, with respect to the Public Offering and the Capital Increase by way of Third-Party Allotment. With respect to the Subordinated Loan, as set forth in "III. 3. Use of Proceeds" above.

#### (2) Change in the use of proceeds raised previously

Not applicable.

#### (3) Expected impact on business performance

Due to the current public offering and subordinated loan, the Company aims at improving its financial structure, thereby contributing a mid to long term growth in its profitability

### 4. Distribution of Profits to Shareholders

#### (1) Basic Policy on the Distribution of Profits

The Company has positioned the maximization of profits to shareholders as a key management policy while the Company applies some of its proceeds to capital expenditure towards sustainable growth and also ensuring that the Company has the internal reserves necessary for strengthening of financial base.

The Company sets annual dividend (based on March 31) by resolution of annual general meetings of the shareholders of the Company. The Company can set interim dividend based on September 30 by resolution of the board of directors in accordance with Articles of Incorporation of the Company, which the Company actually executed.

#### (2) Concept of Determination of Dividends

The concept of determination of dividends is as described in (1) above.

#### (3) Use of Retained Earnings

The Company is considering using retained earnings mainly for investments required for sustainable growth.

#### (4) Dividends for the Past Three Fiscal Years

Fiscal year ended	March 31, 2010	March 31, 2011	March 31, 2012
Consolidated net profit (loss) per share	(106.24 yen)	40.08 yen	(54.14 yen)
Annual dividend per share	—	9.50 yen	—
Interim dividend per share	—	4.00 yen	—
Actual consolidated dividend payout ratio	—	23.7%	—
Consolidated return on shareholders' equity ratio	-21.4%	10.2%	-15.5%
Consolidated dividend on net assets ratio	—	2.4%	—

Notes: 1. Consolidated net profit (loss) per share is the figure derived by dividing the consolidated net profit (loss) by the average issued common stock (less treasury stock) for the relevant fiscal year.

2. Actual consolidated dividend payout ratio is the figure derived by dividing the annual dividend per share by consolidated net profit (loss) per share. The actual consolidated dividend payout ratio figures for the fiscal year ending March 2010 and fiscal year ending March 2012 are not shown because the Company posted a net consolidated

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loss in those years.

3. Consolidated return on shareholders' equity ratio is the figure derived by dividing consolidated net profit or net loss for the relevant fiscal year by shareholders' equity in the consolidated balance sheet (the average of shareholders' equity at the beginning of the fiscal year and shareholders' equity at the end of the fiscal year).
4. Consolidated dividend on net assets ratio is the figure by dividing the annual dividend per share of common stock for the relevant fiscal year by consolidated net assets per share (the average of consolidated net assets per share at the beginning of the fiscal year and consolidated net assets per share at the end of the fiscal year).

#### 5. Other matters

- (1) Designation of party to receive allocation  
Not applicable.

- (2) Information on dilutive shares

The Company has issued bonds with stock acquisition rights. The balance of such bonds with stock acquisition rights as of March 31, 2012 is as described below.

Euro yen-denominated notes with convertible bond-type stock acquisition rights and conversion restrictions due 2013

Balance of Bonds with Stock Acquisition Rights	Payment Date	Redemption Date	Conversion Price	Paid-in Capital
25,496 million yen	April 4, 2005	April 4, 2013	851 yen	426 yen

The Company adopted stock option plans in accordance with the former Commercial Code of Japan (the "Code"). The plans are dependent on the method to issue stock acquisition right in accordance with Article 280, Paragraph 20 and Paragraph 21 of the Code.

Share numbers underlying the stock option plans as of March 31, 2012 are as follows:

Date of grant	Share numbers underlying the stock option plan	Exercise price	Paid-in Capital	Exercisable period
June 27, 2002	17,000 shares	156 yen	78 yen	From June 28, 2004 up to and including June 27, 2012
June 27, 2003	236,000 shares	278 yen	139 yen	From June 28, 2005 up to and including June 27, 2013
June 29, 2004	106,000 shares	633 yen	317 yen	From June 30, 2006 up to and including June 29, 2014
June 29, 2005	187,000 shares	693 yen	347 yen	From June 30, 2007 up to and including June 29, 2015

The percentage of dilutive shares in the number of issued shares (965,382,298 shares) after the Public Offering and the Third-Party Allotment is estimated to be 3.16%. For the calculation of such percentage, the number of dilutive shares based on the above conversion price is used.

- (3) Information on past equity financing

- (i) Equity financing within past three years

Date	Amount Raised	Shareholder Capital Post-Financing	Capital Reserve Post-Financing	Remarks
March 2, 2010	Public Offering 33,325 million yen	62,532 million yen	47,377 million yen	Note (1)
March 24, 2010	Third-Party Allotment 4,998 million yen	65,031 million yen	49,876 million yen	Note (2)

Note: This press release has been prepared for the sole purpose of publicly announcing that Kawasaki Kisen Kaisha has resolved matters relating to the issuance of its new shares and the secondary offering of its shares in concert with the issuance of subordinated loan, and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. Investors should carefully review the prospectus and supplements or amendments thereto (if any) prepared by Kawasaki Kisen Kaisha prior to making any investment decisions. This press release does not constitute or form a part of any offer of securities for sale in the United States. The securities referred to above have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. No offering of the securities will be made in the United States.

- Notes: 1. Public offering of common stock  
 2. Overallotment associated with Note 1. above conducted as secondary offering by way of third party allotment

(ii) Change in share prices for past three fiscal years and as of the most recently available date.

Fiscal year ended	March 2010	March 2011	March 2012	March 2013
Opening	310 yen	381 yen	309 yen	185 yen
High	475 yen	408 yen	310 yen	195 yen
Low	238 yen	253 yen	118 yen	127 yen
Closing	373 yen	307 yen	182 yen	156 yen
Price/earnings ratio (consolidated basis)	—	7.66 times	—	—

- Notes: 1. Above prices were referenced by the Tokyo Stock Exchange.  
 2. Share prices for the fiscal year ending March 31, 2013 are shown as of June 29, 2012 (Friday).  
 3. Price/earnings ratio (Consolidated) is the share price (closing price) as at the end of each fiscal year divided by the current net income per share for the relevant fiscal year. The price/earnings ratio (consolidated) figures for the fiscal year ending March 2010 and fiscal year ending March 2012 are not shown because the Company posted a net consolidated loss in those years

(4) Lock-up

In connection with the Public Offering, the Company has agreed that for a period commencing on the issue price determination date and continuing until the day that falls 180 days after the delivery date for the Public Offering, without the prior written consent of the Lead Manager, it will not issue any capital stock or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, capital stock, among other things, except that the Company may issue shares of common stock pursuant to the Public Offering, the Third-Party Allotment, any stock split of common stock, stock acquisition right in accordance with stock option plans, shares of common stock pursuant to exercise of stock option plans and shares of common stock pursuant to exercise of convertible bond-type stock acquisition rights. The Company also may issue share options (the "Share Options") without contribution pursuant to "Plan on Countermeasures to Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)" which was resolved in the annual general meeting on June 26, 2012, shares of common stock by exercise of the Share Options, and shares of common stock in exchange for the Company's acquisition of the Share Options.

In the event that the above occurs, the Lead Manager has the right to rescind some or all of the relevant agreement at its discretion, even during the Lock-Up Period.

For further information, please contact:

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