

3. Share exchange ratio, its calculation method, number of shares granted and its valuation amount
(a) Share exchange ratio

	The Company (Wholly Owning Parent Company)	Sun Wave (Wholly Owned Subsidiary)
Allotment of shares from the share exchange	1 common share	0.19 common shares

Note: Allotment ratio—Under the contract, 0.19 shares of the Company common stock will be allotted for each share of Sun Wave common stock. The Company will not exchange the 18,750,000 shares of Sun Wave it owns.

- (b) Calculation method of share exchange ratio

Duff & Phelps Corporation was commissioned by the Company and Daiwa Securities SMBC Co. Ltd. (changed corporate name to Daiwa Securities Capital Markets Co. Ltd. from January 1, 2010) was commissioned by Sun Wave for the calculation of share exchange ratio as disinterested third parties. Based on such evaluations, the two companies held talks and decided on the ratio.

- (c) Number of own shares granted and its evaluation amount
Number of own shares granted:
8,312,833 shares
Evaluation amount of the own shares granted:
¥15,993 million

4. Gain from step acquisition
¥3,009 million

5. Amount of goodwill, reason of goodwill recording, method of depreciation and period of depreciation
It is not definitive at this moment.

6. Acquired assets and liabilities on the date of acquisition
It is not definitive at this moment.

(2) Sun Wave share transfer to Nisshin Steel

Nisshin Steel long-held Sun Wave shares and it supports Sun Wave by dispatching manpower, supplying steel, giving technological support and so forth. Based on such background, the Company, Sun Wave and Nisshin Steel decided that developing and maintaining amicable relationships contribute to enhancing corporate value of all related companies. Therefore, the Company and Nisshin Steel agreed and signed the Share Transfer Contract. The Company transferred 12,523,000 shares of Sun Wave (equal to approximately 20.04% of Sun Wave's total shares outstanding) to Nisshin Steel on April 7, 2010 at ¥4,577 million.

b. Shin Nikkei Company, Ltd. Becoming a Subsidiary of the Company

The Company acquired all shares of Shin Nikkei Company, Ltd. ("Shin Nikkei") on April 1, 2010 based on the share transfer contract signed with Nippon Light Metal Co., Ltd. on March 9, 2010 and Shin Nikkei became a subsidiary of the Company.

1. Overview of the acquired company, major reasons for the acquisition, date of the acquisition, legal form of the transaction, name of the acquired company after the transaction and ownership ratio acquired

- (a) The name of the acquired company and its business (as of March 31, 2010)

Name of the company: Shin Nikkei Company, Ltd.
Location of the headquarters: 2-7-5, Minamisuna, Koto-ku, Tokyo

Representative: President Masakazu Sugimoto

Major business: Manufacture and sales of aluminum building materials and products

Capital stock: ¥16,404 million

Net assets: ¥10,771 million (consolidated base)

Total assets: ¥112,923 million (consolidated base)

- (b) Major reasons for the acquisition

The Company acquired 100% shares of Shin Nikkei under the decision that the Company and Shin Nikkei will be able to generate synergy effects by effectively using mutual product brands, sales networks, production facilities, human resources, and so on.

- (c) Date of the acquisition
April 1, 2010

- (d) Legal form of transaction and name of the acquired company after the transaction

Legal form: Share acquisition

Name of the company after the acquisition:
Shin Nikkei Company, Ltd.

- (e) Percentage of ownership ratio acquired
100%

2. Acquisition cost and its breakdown

	Millions of Yen
Cost of acquisition:	
Cash	¥ 1
Expenditure directly required for acquisition	101
Acquisition cost	¥102

3. Amount of goodwill, reason of goodwill recording, method of depreciation and period of depreciation
It is not definitive at this moment.

4. Acquired assets and liabilities on the date of acquisition
It is not definitive at this moment.

c. Appropriation of Retained Earnings

The following appropriation of retained earnings at March 31, 2010 was approved at the Board of Directors meeting held on May 17, 2010:

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥20 (\$0.21) per share	¥5,578	\$59,951