

[Translation]

Public Notice of Commencement of Tender Offer

To whom it may concern:

September 26, 2008
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Fujita Holdings Co., Ltd. (the “Tender Offeror”) announces that it will launch a tender offer (the “Tender Offer”) under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “Act”).

Description

1. Purpose of the Tender Offer

(1) Outline of the Tender Offer

The Tender Offeror is a joint stock company (Kabushiki-Kaisha) (special limited liability company (Tokurei-Yugen-Kaisha)) incorporated under the laws of Japan and is a wholly owned subsidiary of The Goldman Sachs Group, Inc., which is a juridical person incorporated under the laws of Delaware State, the U.S.A.

The Tender Offeror holds 13,664,445 shares of the Common Stock of the Target as of the date hereof, and it now intends to make the Target its wholly owned subsidiary and conducts the Tender Offer for the purpose of acquiring 100% of the issued Common Stock of the Target (including the Target’s Common Stock which are issued or otherwise or may be issued or otherwise by exercise of the Share Purchase Warrant by the last day of the period for purchase regarding the Tender Offer (the “Tender Offer Period”), but excluding treasury shares of the Target. The same shall apply hereinafter) and all of the Share Purchase Warrants given by the Target.

The Target has passed a resolution at its board of directors meeting held on September 25, 2008 to confirm that it will endorse the Tender Offer.

(2) Background of the Tender Offer

The Target was incorporated as a succession company of the construction division of AC Real Estate Corporation (the former name: Fujita Corporation) which was implemented by means of an Incorporation-type Company Split, in which the stocks of the new company are distributed to the shareholders (Bunkatsu-Gata-Bunkatsu), on October 1, 2002. The Target is a company which undertakes contracts for architectural, construction and other building operations for private companies, central ministries and agencies and local public government. It is responsible for executing construction, and conducting other real estate development projects such as urban-development projects and area development projects.

The Tender Offeror subscribed for 24,444,445 Common Stocks (55% of the total issued Common Stocks of the Target) and 44,444,445 Class C Preferred Stocks(100% of the total issued Class C Preferred Stocks of the Target) in exchange for 41 billion yen on September 29 2005 by means of the third party allotment(the “Third Party Allotment”).

In order to avoid the criteria for delisting from the Tokyo Stock Exchange, the Target repurchased from the Tender Offeror and cancelled 10,780,000 own shares on September 28, 2006 by a resolution of both a shareholders’ meeting and a meeting of the board of directors

held on September 27, 2006. Therefore the number of the Target shares owned by the Tender Offeror amounted to 13,664,445 Common Stocks (44.88% of the total issued Common Stocks of the Target) and 44,444,445 Class C Preferred Stocks (100% of the total issued Class C Preferred Stocks of the Target) on March 31, 2007. As a result, the total number of issued Class C Preferred Stocks of the Target (44,444,445) became over a half of the number of the total issued shares (the aggregate of the total issued Common Stocks and the total issued Class C Preferred Stocks). Since Article 115 of the Companies Act of Japan (Law No. 86 of 2005, as amended) (“the Companies Act”) provides that if the number of shares of a certain class with restrictions on voting rights at shareholders’ meetings exceeds one half of the total number of the issued shares, the joint stock company shall immediately take measures necessary to reduce the number of such shares with restriction on voting rights to below one half of the total number of the issued shares, the Target made a resolution to approve a reverse stock split which combines every 5 Class C Preferred Stocks to one share at the fifth shareholders’ meeting held on June 28, 2007. Accordingly, on June 29, 2007, the number of Target shares owned by the Tender Offeror became 8,888,889 Class C Preferred Stocks (100% of the total issued Class C Preferred Stocks of the Target).

As of the date hereof, the percentage of the Tender Offeror’s voting rights is approximately 46.15% (When calculating this percentage, the number of shares of Parties having Special Relationships with the Tender Offeror which are subject to the Share Purchase Warrants is not counted in the denominator and the number of shares provided to the Tender Offeror when it exercised the conversion rights (Shutoku-Seikyu-Ken), with which the Class C Preferred Stocks shall be changed into Common Stocks, for all of the Class C Preferred Stocks held by the Tender Offeror are not counted in the numerator and denominator) and the Tender Offeror held 13,664,445 Common Stocks (44.86% of the total issued Common Stocks of the Target) and 8,888,889 Class C Preferred Stocks (100% of the total issued Class C Preferred Stocks of the Target).

If as of the date hereof, the Tender Offeror exercises the conversion rights of the Class C Preferred Stocks all of which are currently exercisable, the Tender Offeror will acquire 346,706,892 Common Stocks of the Target in total and the percentage of ownership of voting rights will become approximately 95.76% (When calculating this percentage, the number of shares of Parties having Special Relationships with the Tender Offeror which are subject to the Share Purchase Warrants is not counted in denominator.).

Goldman Sachs Japan Co., Ltd. and Goldman Sachs International, which are affiliate companies of the Tender Offeror, do not have any shares in the Target as of September 22, 2008.

The Goldman Sachs Group, Inc. which invested in the Tender Offeror is detaching Tetsuo Naraha as vice president of the Target, Taneki Ono and Ankur Sahu as part-time directors of the Target as of the date hereof.

(3) Purpose of the Tender Offer

After the Third-Party Allotment was implemented, the Target carried out wide-ranging management reforms to date, with assistance from the Tender Offeror. These management reforms mainly consisted of establishing management policies that emphasize the ensuring of profits rather than the expansion of its scale, and creating an advanced business management system to embody such management policies. Specifically, in FY 2006, the Target was able to reach goals under its “New Mid-Term Plan” ahead of schedule with maximizing earnings possibilities by (i) focusing management resources on specific areas such as logistics and factories with leading technological strength and a competitive edge, (ii) drastically reviewing its business strategy, and (iii) improvement of planning and proposal skills, and with increasing its earning capacity by (iv) reducing costs through centralization of purchasing and others, (v) improvement of strictness and accuracy in profit and loss management, and (vi) reinforcing “VE (value engineering) Activities.” In July 2007, the Target established its “Fujita Step-up Plan” (FY 2007-2009) as a management plan subsequent to the “New Mid-Term Plan”, focusing mainly on further strengthening the construction business that formed

the base for a stable income through reinforcing its client base and profit base and improving the organization, and strengthening and expanding the urban regeneration business that is the Target's strongest area as its driving power for growth. In the management plan, the Target aims to be an urban reorganization corporation that is beyond the framework of traditional general construction company, and will strive to increase and reinforce high added value and business with high returns through proactive proposals to effectively utilize corporate real estate (CRE), initiatives in equal value exchange business, proactive initiatives in development-type securitization, increased participation in large projects for urban redevelopment and complex business initiatives such as the business of soil environment and dealing with town office requests, while further reinforcing its know-how of the urban reorganization business that is the Target's established strongest area.

In contrast, construction investment decreased in FY 2007 to less than 50 trillion yen, equivalent to 60% of the levels achieved during the peak period of FY 1992. Further, the management environment in FY 2008 is following the decline from the last year such as the drastic deterioration in the real estate investment climate caused by the subprime crisis. Effects from the subprime crisis were seen in the real estate industry which followed with legal liquidation of real estate companies, and the construction industry which also saw construction companies greatly affected by debt collection and being driven to legal liquidation. Based on these circumstances, it is believed that the extent of deterioration in the management environment of the real estate and construction industries was comparatively worse than other types of industry.

In order to enhance the Target's corporate value under such management environment, it is necessary that the management team and employees are working together towards its management reformations such as further selection of and concentration on specific business fields and flexible organizational reforms to adapt with the current management environment, to ensure the realization of the Fujita Step-up Plan. We believe that the Tender Offer and subsequent transaction to go private (the Target becoming a whole-owned subsidiary by the Tender Offeror) will enhance the Target's corporate value from the view of quickly and swiftly implementing the Target's organizational reforms and ensuring the realization of the Fujita Step-up Plan.

Further, Goldman Sachs, which is in the same group as the Tender Offeror, has established itself as a world-leading financial institution. Goldman Sachs is prepared to provide the Target with comprehensive support for ensuring financial credibility and social reliability of the Target after going private by establishing a strategic partnership. The Target, the Tender Offeror and Goldman Sachs have a common understanding that it is essential to maintain and develop the relationship of trust with the Target's clients and suppliers and a good manager-worker relationship in order to enhance the Target's corporate value, and the promotion of further cooperation with the Tender Offeror and Goldman Sachs is also considered to contribute to the enhancement of the Target's corporate value.

In addition, under the said management environment, the Target understands that it is an important management challenge to remove any distortion on its capital structure in order to overcome its competition and perform its commitment to society in general and its stakeholders. More specifically, the Target's capital structure as of the date hereof is composed of 30,463,619 shares of Common Stock and 8,888,889 shares of Class C Preferred Stock. As set out in (2) above, the Class C Preferred Stock was issued upon the Third-Party Allotment in the course of the Target's corporate restructuring process, and was thus structured to enable the stock to be convertible to Common Stock at the same time as its issuance. That means that the total number of issued and outstanding shares of Common Stock of the Target would be approximately 12 times more than the present number if all shares of the Class C Preferred Stock were converted to Common Stock. We consider that such capital structure is

of much distortion. If the above-mentioned conversion of the Class C Preferred Stock to Common Stock takes place, the value of equity interest of the existing shareholders of the Common Stock would be significantly diluted and a substantial number of the converted Common Stock would flow into the market, raising concerns about an imbalance in supply and demand and possibly allowing for a drop in the stock price for a short period of time irrespective of the market conditions or the Target's performance. It could also be said that such a distorted capital structure acts as a factor for the low liquidity of the Target's Common Stock in the stock market (N.B., the daily average trading volume of the Target's issued and outstanding shares of Common Stock for the past one year ending on September 22 2008, is approximately 0.10%). Furthermore, due to this distortion on the capital structure, it has been substantially difficult for the Target to raise finance in the capital markets.

Therefore, the Target believes that removing the distortion on its capital structure is an urgent issue in order to solve the problems of stock dilution and low liquidity, and at the same time in order to enable the Target to raise finance in the capital markets in the future.

As methods of restructuring its capital structure, the Target has been carefully considering and discussing (i) the retirement of the Class C Preferred Stock without delisting the Target's stock and (ii) the conversion of the Class C Preferred Stock to Common Stock without delisting.

First, with respect to the retirement of the Class C Preferred Stock (referred in item (i) above), since the amount distributable to the required fund for the retirement of the shares as of March 31, 2008, is merely 18,200,000,000 yen composed of 1,700,000,000 yen capital surplus and 16,500,000,000 yen earned surplus, it is difficult for the Target to retire all shares of the Class C Preferred Stock at present. Even in the case that a part of its outstanding shares being retired, this would not fundamentally solve the concerns about dilution caused by the possible conversion of the Class C Preferred Stock remaining after such partial retirement.

Second, with respect to the conversion of the Class C Preferred Stock (referred in item (ii) above), the total number of issued and outstanding shares of Common Stock would become approximately 12 times that of the current number after the conversion of the Class C Preferred Stock to the Common Stock, and a drop in the stock price is highly anticipated irrespective of the Target's performance due to a significant dilution in the value of equity interest of the existing common shareholders and the flow of the converted Common Stock into the market.

As has been described above, the Target, in light of the concern of impairing its shareholders' profit by the above-mentioned restructuring of its capital structure without delisting the Target's stock, has determined, upon consultation with its parent company, the Tender Offeror, that it would be of most benefit to maximize the Target's corporate value to become the wholly-owned subsidiary of the Tender Offeror, which is holding whole of the Class C Preferred Stock, and then restructure the Target's capital structure by extinguishing the total number of issued and outstanding Class C Preferred Stock through cancellation or otherwise thereof.

Consequently, upon consultation with the Target, the Tender Offeror decided to conduct the Tender Offer in light of various factors, comprehensively determining that the Tender Offer will benefit the Target and its shareholders as it not only removes the distortion on the Target's capital structure but also enables the Target to realize speedy management reforms.

(4) Plan for Corporate Restructuring and Management Policy after the Tender Offer

As mentioned above, the Tender Offeror intends to make the Target a wholly owned subsidiary of the Tender Offeror. If the Tender Offeror cannot acquire all shares of the Target through the Tender Offer, the Tender Offeror will make the Target a wholly owned subsidiary of the Tender Offeror while offering opportunities to sell shares of the Target to the shareholders according to the procedure below.

Specifically, after the successful completion of the Tender Offer, the Tender Offeror intends to require the Target (i) to amend the articles of incorporation of the Target to newly add to the terms and conditions applying to the Common Stocks a provision stating that the Target may acquire all of such class shares (the “Wholly Call Clause”, “Zembu-Shutoku-Joko” in Article 108 (1) (vii) under the Companies Act) and other provisions, (ii) to distribute shares of a different class in exchange for acquisition of all Common Stocks with Wholly Call Clause as mentioned in item (i) above and (iii) to hold a shareholders’ meeting to consider the matters including those mentioned in items (i) and (ii) above. Also, upon implementation of the procedure to make the Target a wholly owned subsidiary of the Tender Offeror, a resolution of a class shareholders’ meeting of Common Stocks (the “Class Shareholders’ Meeting”) would be necessary pursuant to article 111 (2) (i) of the Companies Act. Therefore, the Tender Offeror will also require the Target (iv) to hold the Class Shareholders’ Meeting at the same date as the shareholders’ meeting.

In the case of the successful completion of the Tender Offer, the Tender Offeror will independently approve each proposal mentioned in the preceding paragraph at the shareholders’ meeting and the Class Shareholders’ Meeting.

If these procedures are consummated upon the approval of each proposal mentioned above, the Wholly Call Clause will be attached to all the Common Stocks issued by the Target and the Target will acquire all such Common Stocks with Wholly Call Clause issued by it, and shares of a different class will be distributed to shareholders of the Target as consideration for such acquisition. The number of shares which will be distributed to shareholders of the Target as consideration for acquisition of the Common Stocks with Wholly Call Clause is not yet determined as of the date hereof, but the Tender Offeror will require the Target to determine the number, so that the shareholders of the Target other than the Tender Offeror who did not tender their shares in the Tender Offer will receive only fractional shares less than one unit in order to have the Tender Offeror acquire all of the issued shares of the Target (except for treasury shares of the Target). Accordingly, the shareholders of the Target other than the Tender Offeror will receive cash obtained from the sale of shares corresponding to aggregate number of such fractional shares less than one unit (rounded down to nearest single digit) pursuant to Article 234 of the Companies Act and the Enforcement Regulations of the Companies Act (The Target itself might possibly buy all or a part of them). The amount of cash to be distributed to these shareholders as a result of the sale of the shares corresponding to aggregate number of such fractional shares less than one unit will be calculated in line with the Tender Offer Price for Common Stocks, unless any circumstance otherwise requires. However, this amount may differ from the Tender Offer Price due to the fluctuation of value caused by the lapse of time and other causes.

In connection with above procedures, the Companies Act provides for the purpose of protection of rights of minority shareholders (i) that shareholders have appraisal rights and may demand that the company purchase the shares held by such shareholders pursuant to Articles 116 and 117 of the Companies Act and other applicable laws upon amendment of articles of incorporation to add the Wholly Call Clause to the terms and conditions for Common Stocks of the Target, and (ii) that if the shareholders’ meeting approves acquisition by the Target of all of the Common Stocks with the Wholly Call Clause, shareholders may file a petition to the court for a determination of the Tender Offer price of such shares in accordance with Article 172 of the Companies Act and other provisions of the relevant laws. The purchase price or the acquisition price per share in the manner described in (i) or (ii) may

differ from the Tender Offer Price for Common Stocks as the court makes the final decision. In making a demand or filing in accordance with these manners, each shareholder is required to confirm and determine the necessary procedures at his/her own responsibility.

In addition, the Tender Offeror may take other methods of making the Target a wholly owned subsidiary of the Tender Offeror instead of the above way if the interpretation of authorities of applicable laws or regulations or shareholdings of Tender Offeror or shareholders other than the Tender Offeror, changes.

If The Tender Offeror cannot acquire all the Share Purchase Warrants despite the Tender Offer being successfully completed, the Tender Offeror intends to extinguish the Share Purchase Warrants by repurchase, distribution of cash in organizational restructuring or other measures, which are yet to be determined at this point.

Please consult with your tax advisors as to the tax implications regarding tendering for the Tender Offer, receiving cash upon the Tender Offeror making the Target a wholly owned subsidiary, sale of the shares by exercise of appraisal right and other way of disposal of shares.

The Target determined at the board of directors meeting held on September 25, 2008 that, provided that the Tender Offer is successfully completed, it will not declare a year-end dividend for the fiscal year ending in March 2009 and will abolish a shareholder benefit plan.

(5) Expectation of being Delisted

The Target is currently listed on the 2nd Section of the Tokyo Stock Exchange, however, as the Tender Offeror does not limit the maximum number of the share certificates to be purchased through the Tender Offer, the stocks of the Target may, depending on the result of the Tender Offer, be delisted according to Securities Listing Regulations (Yukashoken-Jojo-Kitei) of the Tokyo Stock Exchange Group, Inc. after following certain procedures. Also, the Target is planning to become a wholly owned subsidiary of the Tender Offeror via the procedures for making the Target a wholly owned subsidiary, and therefore, in such a case, the stocks of the Target are expected to be delisted according to Securities Listing Regulations (Yukashoken-Jojo-Kitei) of the Tokyo Stock Exchange Group, Inc. after following certain procedures. The stock of the Target may not be exchanged at the Tokyo Stock Exchange after delisting. In the procedures for making the Target a wholly owned subsidiary, it is not planned to make a listing application of stocks of a different class of the Target which would be provided as consideration for acquisition of Common Stocks with Wholly Call Clause.

(6) Reasons for Aiming at Delisting

As described above, the stocks of the Target may be delisted depending on the result of the Tender Offer, and are expected to be delisted in the case where the Target became a wholly owned subsidiary of the Tender Offeror due to the procedures for making the Target a wholly owned subsidiary. The reasons for this are that (i) as described in “(3) Purpose of the Tender Offer,” the Target itself determined that in order to realize a capital restructuring, which is an urgent and important issue of the Target, without damaging the interests of the existing shareholders, the best method is to temporarily delist from exchanges; and (ii) in response to such judgment of the management of the Target, the Tender Offeror also determined that for the purpose of the management and employees of the Target unifying to further improve the enterprise value of the Target, it is best to acquire all of the stocks of the Target, delist them, and restructure the capital structure of the Target.

In order to protect interests of minority shareholders of the Target, the Tender Offeror intends to make the Target a wholly owned subsidiary while providing shareholders of the Target other than the Tender Offeror itself with opportunities to sell the stocks of the Target according to the method described in the “(4) Plan for Corporate Restructuring and Management Policy after the Tender Offer.” The amount of cash to be provided to shareholders except for the Tender Offeror in the process of making the Target a wholly owned

subsidiary is planned to be calculated in line with the Tender Offer Price for Common Stocks, unless any circumstance otherwise requires.

(7) Measures to Ensure Appropriateness of the Purchase Price, Measures for Avoidance of Conflict of Interests

(i) Stock Value Analysis Report Obtained from Independent Third-Party Appraiser

In order to examine the rationality of the Purchase Price per share of the Common Stock offered by the Tender Offeror (the "Purchase Price"), the Target's board of directors decided to obtain a stock value analysis report from a third-party appraiser which is independent from the Tender Offeror and the Target, appointed KPMG FAS Co., Ltd., as its third-party appraiser, and so obtained the "Stock Value Analysis Report" regarding the value of the Target's Common Stock on September 22, 2008.

KPMG FAS Co., Ltd., the third-party appraiser, conducted an analysis of the Target's stock value by using the market value method, the discounted cash flow method (the "DCF method"), and the performance indicator multiple based valuation method after thoroughly considering the analysis method for the Tender Offer. The market value method is a method for analyzing the stock value based on the average stock price over a certain period of time, and it is considered to be an objective appraisal index in securities markets. The DCF method is a method for analyzing the corporate value from the cash flow that the Target is expected to earn in the future, and is considered to be the method that best reflects the going concern value of the Target taking into consideration its growth potential. The performance indicator multiple based valuation method is a method of analysis based on the multiplication constant of the corporate value to the price-earnings ratio or other kind of ratio of listed companies conducting a similar business with the Target. The result of the analysis in the Stock Value Analysis Report regarding the analysis of stock value of the Target by each method is as follows:

(a) Using the market value method, KPMG FAS analyzed the value of the Target's Common Stock per share to be from 121 yen to 184 yen by using September 22, 2008 as the record date and based on the arithmetic average closing price for one month and three months on the Second Section of the Tokyo Stock Exchange, the market in which the Target is listed.

(b) Using the DCF method, KPMG FAS analyzed the value of the Target's Common Stock per share as being from 186 yen to 218 yen, assuming several factors such as the Target's earnings estimates, discounting the estimated future cash flow of the Target by a certain discount rate to produce the present value, and analyzing the stock value.

(c) Using the performance indicator multiple based valuation method, KPMG FAS analyzed the value of the Target's Common Stock per share to be from 176 yen to 210 yen by comparing market value and price-earnings ratio of listed companies conducting a similar business to the Target.

The Target has received explanations by KPMG FAS Co., Ltd. on the meanings of the analysis results obtained by each analysis method mentioned above.

After referring to the analysis results in the Stock Value Analysis Report set out above and carefully deliberating on the Purchase Price offered by the Tender Offeror, the Target's board of directors came to a conclusion that the Purchase Price is within an appropriate range by generally taking into consideration the following matters: (i) the

Purchase Price is significantly in excess of the maximum stock value of the Target analyzed by the market value method; (ii) the Purchase Price is around the middle range of the stock value of the Target analyzed by the DCF method; and (iii) the actual circumstances of the Tender Offer.

(ii) Inquiry by Directors Without an Interest

In making a decision regarding the transaction, a careful examination was conducted by the Target's board of directors, which consisted only of directors without an interest in the Tender Offeror, in order to prevent unreasonable arbitrary judgements being made, and in order to increase fairness, transparency, and objectivity of the judgement. Specifically, from September 9 to September 25, 2008, meetings of the board of directors were held a total of 8 times by directors and auditors, excluding Vice President and Director Tetsuo Naraha, Director Taneki Ono, and Director Ankur Sahu, who could possibly have a conflict of interest regarding the transaction because they also hold posts as employees at affiliate companies of the Tender Offeror. Through these meetings, careful investigations and discussions were held from a variety of perspectives regarding the Tender Offer and the subsequent transaction to go private, with reference to the analysis results in the Stock Value Analysis Report submitted by the third-party appraiser, KPMG FAS Co., Ltd., and to legal advice provided by the Target's legal advisor, Mori Hamada & Matsumoto. The principal contention of these investigations and discussions was to determine how to best enhance the Target's corporate value with the least damage to shareholders' interests, considering merits, demerits and effects to all stakeholders of respective methods of restructuring the capital structure of the Target as described below: (i) retirement of the Class C Preferred Stock without delisting the Target's stock; (ii) conversion of the Class C Preferred Stock to Common Stock without delisting the Target's stock; and (iii) disposal of the issued and outstanding Class C Preferred Stock, after the Target becomes the wholly-owned subsidiary of the Tender Offeror, which is the shareholder of the Class C Preferred Stock.

(iii) Method of Approval at the Board of Directors' Meeting

After the repeated careful discussions at the board of directors' meetings attended by all directors and auditors except those that could possibly have a conflict of interest as described in (iii) above, we have reached to a resolution to approve the Tender Offer with the consent of all directors in attendance, including outside directors by taking the Tender Offer as the best contribution to the interests of the Target and its shareholders in a comprehensive manner based on the following considerations: (i) the Tender Offer can eliminate the imbalance in the Target's capital structure, which is the Target's business challenge, and to realize fast management reform, (ii) the purchase price and the other conditions for the Tender Offer are reasonable and the Tender Offer can provide the Target's shareholders with an opportunity to sell the Target's shares at a reasonable price, and (iii) other various matters being favorable to the Tender Offer. Further, all of the auditors, including outside auditors, have expressed their approval to the resolution of the board of directors regarding the Tender Offer. Vice President and Director Tetsuo Naraha, Director Taneki Ono, and Director Ankur Sahu could possibly have a conflict of interest regarding the transaction because they also hold posts as employees at affiliate companies of the Tender Offeror, and therefore they have not participated in any way in the discussions or resolutions regarding the transaction.

(iv) Objectivity to Ensure Appropriateness of the Purchase Price

By setting a comparatively long offer period for the Tender Offer of 35 business days, the Tender Offeror ensures that opportunities should be provided for a third party to

acquire the Target's shares. Further, there is no agreement between the Target and the Tender Offeror that will possibly obstruct the other acquirors' offers or implementation of other acquisitions of the Target's shares.

As detailed above, we believe that the appropriateness of the Tender Offer is objectively secured by ensuring opportunities for acquisition by a third party.

2. Outline of the Tender Offer

(1) Name of the Target: Fujita Corporation

(2) Type of Shares, etc. subject to the Tender Offer:

(i) Common Stock

(ii) The share purchase warrant issued by the resolution of the extraordinary shareholders' meeting held on April 20, 2006 and the resolution of the board of directors meeting held on April 20 of the same year ("Share Purchase Warrant").

(Note) The Target has issued Class C Preferred Stock other than those mentioned above, however, the Tender Offeror owns 100% of such issued stock and therefore such stock is not subject to the Tender Offer.

(3) Period of Tender Offer

(i) From September 26, 2008 (Friday) to November 17, 2008 (Monday) (35 business days)

(ii) Possibility of Extension upon Request of the Target
Not applicable.

(iii) Contact to Confirm Period Extension
Not Applicable.

(4) Tender Offer Price

200 yen per Share of Common Stock

58 yen per Share Purchase Warrant

(5) Number of Shares, etc. Subject to the Tender Offer

Number of Shares Planned to be Purchased Converted into Number of Shares	Minimum Number of Shares Planned to be Purchased Converted into Number of Shares	Maximum Number of Shares Planned to be Purchased Converted into Number of Shares
18,098,461 (shares)	- (shares)	- (shares)

(Note 1) Any conditions stipulated in each item of Article 27-13, Paragraph 4 of the Act are not applied in the Tender Offer and therefore all of the tendered shares, etc., will be purchased.

(Note 2) Stocks of the Target which are issued or otherwise or may be issued or otherwise as a result of the exercise of the Share Purchase Warrants by the last day of the Tender Offer Period are also subject to the Tender Offer.

- (Note 3) The maximum number of shares to be purchased by the Tender Offeror through the Tender Offer (which is converted into number of shares) is, as set forth under “Number of Shares Planned to be Purchased Converted into Number of Shares,” 18,098,461. This number of shares (18,098,461 shares) is calculated by summing (i) the total number of issued Common Stocks of the Target as of June 30, 2008 (30,459,319 shares), as set forth in the quarterly report for the first quarter of the 7th financial year of the Target (filed on August 11, 2008) and (ii) the total number of shares which are subject to the Share Purchase Warrants as of June 30, 2008 (1,358,303 shares) as set forth in said quarterly report (including those concerning the Share Purchase Warrants exercised on and after July 1, 2008 and by the date of public notice), and deducting therefrom (iii) the number of treasury shares held by the Target as of June 30, 2008 (54,716 shares) as set forth in said quarterly report and (iv) the number of shares held by the Tender Offeror as of the date of public notice (13,664,445 shares) (the “Maximum Number of Shares to be Purchased”).
- (Note 4) Shares constituting less than one unit (*Tangen*) are also subject to the Tender Offer. However, a submission of share certificates is necessary at the time of tendering the shares (provided, if shares constituting less than one unit are deposited with the Japan Securities Depository Center, Inc. (the “JASDEC”) through the tender offer agent or the sub-agent (those described under the following “(1) Procedure for Tendering Shares” in “7. Procedure for Tendering and Canceling of Agreement”), it is not necessary to submit share certificates). The Target may repurchase its shares during the Tender Offer Period in compliance with the procedures prescribed by laws and regulations from any shareholder who exercises a shareholder’s right under the Companies Act to require the Target to repurchase its shares constituting less than one unit. In such case, the Target will make any such repurchases in compliance with the procedures prescribed by relevant laws and regulations. If the Target repurchases such shares during the Tender Offer Period, the Tender Offeror will disclose the number of shares repurchased in the Tender Offer report.
- (Note 5) It is not planned to purchase the treasury shares owned by the Target through the Tender Offer.
- (6) Ratio of Voting Rights Represented by Shares, etc. to be Purchased to the Total Number of Voting Rights of All Shareholders: 56.98%
- (Note 1) “Number of Voting Rights Represented by the Number of Shares Planned to be Purchased” is calculated as the number of voting rights represented by the number of shares planned to be purchased through the Tender Offer (18,098,461 shares).
- (Note 2) In calculating the abovementioned ratio, stocks of the Target issued or otherwise or may be issued by exercise of the Share Purchase Warrant by the last day of the Tender Offer period are also subject to the Tender Offer.
- (Note 3) In calculating the “Ratio of Voting Rights Represented by Shares, etc. to be Purchased to the Total Number of Voting Rights of the Target,” the “Total Number of Voting Rights of All Shareholders of the Target” is the number of voting rights of all shareholders as of June 30, 2008 set forth in the Target’s quarterly report for the first quarter of the 7th financial year (filed on August 11, 2008). However, since shares constituting less than one unit and mutually held shares (*Sogo-Hoyu-Kabushiki*) and the Target’s Common Stocks issued or otherwise or may be issued by exercise of the Share Purchase Warrants by the last day of the Tender Offer Period are also subject to the Tender Offer, the following method is taken to calculate the “Ratio of Voting Rights Represented by Shares, etc. to be Purchased to the Total Number of Voting Rights of All Shareholders:” the “Total Number of

Voting Rights of All Shareholders of the Target” is figured as 317,629, which is the number of voting rights represented by 31,762,906 shares, calculated by summing (i) the total number of issued Common Stocks of the Target as of June 30, 2008 (30,459,319 shares), as set forth in the quarterly report for the first quarter of the 7th financial year (filed on August 11, 2008) and (ii) the total number of shares which are subject to the Share Purchase Warrants as of June 30, 2008 (1,358,303 shares) as set forth in said quarterly report (including those concerning the Share Purchase Warrants exercised on and after July 1, 2008 and by the date of public notice), and deducting therefrom (iii) the number of treasury shares held by the Target as of June 30, 2008 (54,716 shares) as set forth in said quarterly report, which are not planned to be purchased through the Tender Offer (the same applies to (8) below).

(Note 4) The Tender Offeror owns Class C Preferred Stocks issued by the Target, and therefore, if to calculate the “Ratio of Voting Rights Represented by Shares, etc. to be Purchased to the Total Number of Voting Rights of All Shareholders” by figuring the “Total Number of Voting Rights of All Shareholders of the Target” as 3,784,697, which is the number of voting rights represented by 378,469,798 shares, calculated by summing (i) the total number of issued Common Stocks of the Target as of June 30, 2008 (30,459,319 shares), as set forth in the quarterly report for the first quarter of the 7th financial year (filed on August 11, 2008) and (ii) the total number of shares which are subject to the Share Purchase Warrants as of June 30, 2008 (1,358,303 shares) as set forth in said quarterly report (including those concerning the Share Purchase Warrants exercised on and after July 1, 2008 and by the date of filing of public notice) and (iii) number of shares provided to the Tender Offeror when it exercised the conversion rights, with which the Class C Preferred Stocks shall be changed into the Common Stocks, for all of the Class C Preferred Stocks held by the Tender Offeror (346,706,892 shares) and deducting therefrom (iv) the number of treasury shares held by the Target as of June 30, 2008 (54,716 shares) as set forth in said quarterly report, which are not planned to be purchased through the Tender Offer, the ratio is 4.78%.

(Note 5) Numbers are rounded to the nearest 0.01, if the result is equidistant from two consecutive multiples of 0.01, to the higher of them (the same applies to (7) and (8) below.)

(7) Percentage of Ownership of Shares, etc. Owned by the Tender Offeror as of the Public Notice; Percentage of Ownership of Shares, etc. Owned by Parties having Special Relationships with the Tender Offeror as of the Public Notice; and the Total Percentage:

Tender Offeror:	95.76%
Parties having Special Relationships with Tender Offeror:	0.01%
Total:	95.77%

(8) Percentage of Ownership of Shares, etc. Owned by the Tender Offeror after the Tender Offer; and the Total Percentage of such Percentage, and Percentage of Ownership of Shares, etc. Owned by Parties having Special Relationships with the Tender Offeror as of the Public Notice:

Tender Offeror:	100.00%
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Total: 100.00%

(9) Procedure for Tendering Shares

- (a) Tender offer agent
Daiwa Securities SMBC Co., Ltd. 1-9-1, Marunouchi, Chiyoda-ku,
Tokyo

The tender offer agent appointed the following sub-agent and delegated part of its business:

Daiwa Securities Co. Ltd. 1-9-1, Marunouchi, Chiyoda-ku,
Tokyo

- (b) Any person who accepts the Tender Offer or offers to sell shares, etc. with regard to the Tender Offer (the “Tendering Shareholders, etc.”) must fill out the required items in the designated “Tender Offer Acceptance Form” and submit this form together with the tendering shares, etc. (including share purchase warrants) to the head office or domestic branches of the tender offer agent or sub-agent (the Transacting Branch, if Tendering Shareholders already have an account therein the tender offer agent or sub-agent) by 16:00 of the last day of the Tender Offer Period. If the share certificates, etc. are in the custody of the tender offer agent or sub-agent (or the JASDEC through the tender offer agent or sub-agent), Tendering Shareholders, etc. are not required to submit share certificates. If there are any certificates of deposit issued with respect to the share certificates in custody, please submit such certificates, etc. of deposit as well.
- (c) Shares tendered through financial instruments business operators other than the tender offer agent or sub-agent will not be accepted in the Tender Offer.
- (d) Each Tendering Shareholder, etc. must bring his or her seal when submitting the “Tender Offer Acceptance Form” mentioned above. Tendering Shareholders, etc. may be required to submit identification documents upon accepting or offering to sell in the Tender Offer (Note 1) (Note 2).
- (e) Any tender of shares by shareholders residing outside of Japan (including corporate shareholders; collectively, “Non-Japanese Shareholders, etc.”) shall be made through a standing proxy in Japan (the power of attorney of Non-Japanese Shareholders, etc. or a “copy” of the agreement with the certificate of original shall be submitted by a standing proxy).
- (f) For individual shareholders, the difference between the sale price of the Tendered Shares and the acquisition costs of such shares will be subject to separate self-assessment taxation with regard to capital gains on the transfer of shares (Note 3).
- (g) Each Tendering Shareholder, etc. shall be delivered a “receipt slip for deposited shares, etc” at the time of tender.
- (h) Tender must be received at the head office and domestic branches of the tender offer agent and the sub-agent by 16:00 of the last day of the Tender Offer Period.

(Note 1) Identification Documents

The following identification documents (which allow confirmation of identifying items) will be required when a Tendering Shareholder, etc. opens a new account with the tender offer agent or the sub-agent, or when any Non-Japanese Shareholder, etc. submits an acceptance of the Tender Offer through his or her standing proxy in Japan. (For corporations, in addition to the identification documents of the corporation itself, identification documents of the “person actually in charge of the transactions” shall be required.) For the particulars of identification documents, please inquire with the tender offer agent or the sub-agent:

Individuals: Certificate of seal impression, health insurance card, driver’s license, passport, etc.

Identification matters: (1) name, (2) address, (3) date of birth.

Corporations: Certified copy of the register, documents issued by a governmental agency.

Identification matters: (1) name, (2) location of head office or major place of business.

Non-Japanese Shareholders, etc: In case of non-Japanese individuals (excluding residents) or corporations with head office or major place of business outside of Japan, documents issued by a foreign government approved by the Japanese government or an authorized international institution or other similar documents, which are equivalent to the identification documents required for Japanese individuals or corporations (limited to those with descriptions of name, address, and date of birth in case of natural person, and those with descriptions of name, location of head office or major place of business in case of corporations).

(Note 2) Delivery of transaction related documents by post

In order to notify the completion of the identification, the transaction related documents will be delivered by post to the address described in such identification documents.

(Note 3) Separate self-assessment taxation regarding capital gains, etc., from the disposition of shares (for individual shareholders)

Individual shareholders are subject to separate self-assessment taxation with regard to capital gains from the transfer of shares. Please consult tax advisors and other specialists as to specific tax-related questions and make your own individual decisions.

(10) Name of Head Office of Financial Instruments Business Operator to Settle the Tender Offer

Daiwa Securities SMBC Co., Ltd. 1-9-1, Marunouchi, Chiyoda-ku, Tokyo

Daiwa Securities Co. Ltd. 1-9-1, Marunouchi, Chiyoda-ku, Tokyo

(11) Commencement Date of Settlement

Wednesday, November 26, 2008

(12) Settlement Procedure and Location

A written notice regarding purchase, etc. will be mailed to the address or location of each Tendering Shareholder, etc. (or the address of the standing proxy in the case of a Non-Japanese Shareholder, etc.) without delay after the expiration of the Tender Offer Period.

Purchases shall be settled in cash. The tender offer agent or the sub-agent will remit to the place designated by each Tendering Shareholder, etc. (or by the standing proxy in the case of a Non-Japanese Shareholder, etc.) or pay at the head office or a domestic branch of the tender offer agent or the sub-agent which accepted the tender, the sales price with regard to the shares purchased in accordance with the instructions given by the Tendering Shareholders, etc. without delay on or after the commencement date of settlement.

(13) Procedure for Returning Share Certificates, etc.

In the event that shares, etc. are not purchased under the terms set forth in “(a) Existence (or Non-existence) and Details of Conditions Listed in the Items of Paragraph 4 of Article 27-13 of the Act” or “(b) Existence (or Non-existence) of Conditions for Withdrawal of the Tender Offer, Details thereof, and Manner of Disclosure of Withdrawal” of “(14) Other Conditions and Procedures Relating to the Tender Offer” below, the relevant deposited share certificates shall be returned without delay on or after the second business day following the last day of the Tender Offer Period (or in case where the Tender Offer is withdrawn, the date of withdrawal of the Tender Offer) in accordance with the instructions given by each relevant Tendering Shareholder, etc. in accordance with the following manner:

- (a) If share certificates, etc. have been submitted to the tender offer agent or the sub-agent at the time of tender, the share certificates, etc. representing the shares which are not purchased shall be delivered to the relevant Tendering Shareholders, etc. or sent by mail to the addresses of such Tendering Shareholders, etc. (address of the standing proxy in the case of Non-Japanese Shareholders, etc.).
- (b) If the share certificates of the tendered shares are held in custody by the tender offer agent or the sub-agent (or JASDEC through the tender offer agent or the sub-agent), the share certificates representing the shares which are not purchased will be returned to their original state of custody immediately prior to the tender.

(14) Other Conditions and Procedures Relating to the Tender Offer

- (a) Existence (or Non-existence) and Details of Conditions Listed in the Items of Paragraph 4 of Article 27-13 of the Act

Not applicable. The Tender Offeror will purchase all the Tendered Shares.

- (b) Existence (or Non-existence) of Conditions for Withdrawal of the Tender Offer, Details thereof, and Manner of Disclosure of Withdrawal.

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1(i) through (ri) and (wo) through (so), Item 2, Items 3(i) through (chi), Item 5, and Article 14, Paragraph 2, Items 3 through 6 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended; the “Enforcement Order”), the Tender Offeror may make a withdrawal of the Tender Offer.

When making a withdrawal of the Tender Offer, the Tender Offeror will give an electronic public notice and announce in *The Nihon Keizai Shimbun* newspaper that such public notice has been given; provided, however, that if it is deemed difficult to give such public notice by the last day of the Tender Offer Period, a public announcement pursuant to Article 20 of the Cabinet Office Ordinance Concerning Disclosure of the Tender Offer of Shares, Etc., by Non-Issuer (Ordinance of Minister of Finance No. 38 of 1990, as amended; the “Cabinet Office Ordinance”) shall be made, and public notice shall be given promptly thereafter.

- (c) Existence (or Non-existence) of Conditions for Reducing Tender Offer Price, Details thereof, and Manner of Disclosure of Reduction

If the Target engages in any act stipulated in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period under the provision of Article 27-6, Paragraph 1, Item 1 of the Act, the Tender Offeror may reduce the Tender Offer Price as set forth in Article 19, Paragraph 1 of the Cabinet Office Ordinance.

When reducing the Tender Offer Price, the Tender Offeror will give an electronic public notice and announce in *The Nihon Keizai Shimbun* newspaper that such public notice has been given; provided, however, if it is deemed difficult to give such public notice by the last day of the Tender Offer Period, a public announcement pursuant to Article 20 of the Cabinet Office Ordinance shall be made, and public notice shall be given promptly thereafter. If the Tender Offer Price is so reduced, all Tendered Shares on and prior to the date of such public announcement shall also be purchased at the reduced prices.

- (d) Matters regarding Right of Tendering Shareholders, etc. to Cancel Agreement

Tendering Shareholders, etc. may cancel any agreement concerning the Tender Offer at any time during the Tender Offer Period. Tendering Shareholders, etc. are required to deliver or send the Cancellation Notice (a receipt slip issued for deposited shares and a written notice for cancellation of the relevant agreement concerning the Tender Offer) to the head office or a domestic branch of the tender offer agent which accepted the tender (or the sub-agent if the sub-agent accepted the tender) by 16:00 of the last day of the Tender Offer Period. However, any Cancellation Notice sent must be received by the tender offer agent or the sub-agent above by 16:00 of the last day of the Tender Offer Period.

The Tender Offeror will not seek payment of monetary damages or civil penalties against Tendering Shareholders, etc. who cancel agreements relating to the Tender Offer. The Tender Offeror will be responsible for all expenses incurred in returning the Tendered Shares. Tendered Shares shall be returned promptly after completion of the procedures in the manner described in “(13) Procedure for Returning Share Certificates, etc.” under “10. Settlement Procedure” above in the event of application for cancellation.

- (e) Manner of Disclosure in case of Modification of Conditions, etc. of the Tender Offer

The Tender Offeror may modify the conditions, etc. of the Tender Offer except as prohibited in Article 27-6, Paragraph 1 of the Act.

When modifying the conditions, etc. of the Tender Offer, the Tender Offeror will give public notice electronically and announce in *The Nihon Keizai Shimbun* newspaper that such public notice has been given; provided, however, that if it is deemed difficult to give such public notice by the last day

of the Tender Offer Period, a public announcement pursuant to Article 20 of the Cabinet Office Ordinance shall be made, and public notice shall be given promptly thereafter. If any conditions, etc. is modified, all Tendered Shares tendered both on and prior to the date of such public notice shall be purchased in accordance with the modified conditions, etc. of the Tender Offer.

(f) Manner of Disclosure upon Filing of Amendment to Registration Statement

If the Tender Offeror files any Amendment to this Registration Statement with the Director General of the Kanto Local Finance Bureau, the Tender Offeror shall promptly make a public announcement regarding such amendment to the extent that it relates to any information contained in the Public Notice of the Commencement of the Tender Offer pursuant to Article 20 of the Cabinet Office Ordinance. The Tender Offeror shall immediately amend the Tender Offer Explanatory Statement and provide the amended Tender Offer Explanatory Statement to the Tendering Shareholders, etc. who have received the original Tender Offer Explanatory Statement. However, if only limited amendments are made, instead of providing an amended Tender Offer Explanatory Statement, the Tender Offeror shall prepare and provide a document stating the reasons for such amendments, the items that have been amended, and the amended information.

(g) Manner of Disclosure of Results of the Tender Offer

The results of the Tender Offer will be publicly announced pursuant to Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Office Ordinance on the date immediately following the last day of the Tender Offer Period.

3. Existence and Details of Agreements between the Tender Offeror and the Target or its Directors or Officers

- (1) The Target resolved at the meeting of the board of directors held on September 25, 2008 to endorse the Tender Offer.
- (2) The Tender Offeror and the Target executed a Capital Partnership Agreement dated June 8, 2005 upon the Tender Offeror's subscription on September 29, 2005, of the Common Stocks and Class C Preferred Stocks of the Target through third party allotment. The contents of such Agreement are: (i) that the Tender Offeror shall subscribe the above stocks of the Target and make effort to strengthen the financial condition of the Target; (ii) that the Tender Offeror shall sufficiently honor the "New Mid-term Management Plan" dated March 31, 2005 of the Target; and (iii) that the Target purports the rehabilitation and development of the business in accordance with the New Mid-term Management Plan.
- (3) Process of Determination of Intent to Conduct the Tender Offer

After the Third-Party Allotment was implemented, the Target carried out wide-ranging management reforms to date, with assistance from the Tender Offeror. These management reforms mainly consisted of establishing management policies that emphasize the ensuring of profits rather than the expansion of its scale, and creating an advanced business management system to embody such management policies. Specifically, in FY 2006, the Target was able to reach goals under its "New Mid-Term Plan" ahead of schedule with maximizing earnings possibilities by (i) focusing management resources on specific areas such as logistics and factories with leading technological strength and a competitive edge, (ii) drastically reviewing its business

strategy, and (iii) improvement of planning and proposal skills, and with increasing its earning capacity by (iv) reducing costs through centralization of purchasing and others, (v) improvement of strictness and accuracy in profit and loss management, and (vi) reinforcing “VE (value engineering) Activities.” In July 2007, the Target established its “Fujita Step-up Plan” (FY 2007-2009) as a management plan subsequent to the “New Mid-Term Plan”, focusing mainly on further strengthening the construction business that formed the base for a stable income through reinforcing its client base and profit base and improving the organization, and strengthening and expanding the urban regeneration business that is the Target’s strongest area as its driving power for growth. In the management plan, the Target aims to be an urban reorganization corporation that is beyond the framework of traditional general construction company, and will strive to increase and reinforce high added value and business with high returns through proactive proposals to effectively utilize corporate real estate (CRE), initiatives in equal value exchange business, proactive initiatives in development-type securitization, increased participation in large projects for urban redevelopment and complex business initiatives such as the business of soil environment and dealing with town office requests, while further reinforcing its know-how of the urban reorganization business that is the Target’s established strongest area.

In contrast, construction investment decreased in FY 2007 to less than 50 trillion yen, equivalent to 60% of the levels achieved during the peak period of FY 1992. Further, the management environment in FY 2008 is following the decline from the last year such as the drastic deterioration in the real estate investment climate caused by the subprime crisis. Effects from the subprime crisis were seen in the real estate industry which followed with legal liquidation of real estate companies, and the construction industry which also saw construction companies greatly affected by debt collection and being driven to legal liquidation. Based on these circumstances, it is believed that the extent of deterioration in the management environment of the real estate and construction industries was comparatively worse than other types of industry.

In order to enhance the Target’s corporate value under such management environment, it is necessary that the management team and employees are working together towards its management reformations such as further selection of and concentration on specific business fields and flexible organizational reforms to adapt with the current management environment, to ensure the realization of the Fujita Step-up Plan. We believe that the Tender Offer and subsequent transaction to go private (the Target becoming a wholly-owned subsidiary by the Tender Offeror) will enhance the Target’s corporate value from the view of quickly and swiftly implementing the Target’s organizational reforms and ensuring the realization of the Fujita Step-up Plan.

Further, Goldman Sachs, which is in the same group as the Tender Offeror, has established itself as a world-leading financial institution. Goldman Sachs is prepared to provide the Target with comprehensive support for ensuring financial credibility and social reliability of the Target after going private by establishing a strategic partnership. The Target, the Tender Offeror and Goldman Sachs have a common understanding that it is essential to maintain and develop the relationship of trust with the Target’s clients and suppliers and a good manager-worker relationship in order to enhance the Target’s corporate value, and the promotion of further cooperation with the Tender Offeror and Goldman Sachs is also considered to contribute to the enhancement of the Target’s corporate value.

In addition, under the said management environment, the Target understands that it is an important management challenge to remove any distortion on its capital structure in order to overcome its competition and perform its commitment to society in general and its stakeholders. More specifically, the Target's capital structure as of the date hereof is composed of 30,463,619 shares of Common Stock and 8,888,889 shares of Class C Preferred Stock. As set out in (2) above, the Class C Preferred Stock was issued upon the Third-Party Allotment in the course of the Target's corporate restructuring process, and was thus structured to enable the stock to be convertible to Common Stock at the same time as its issuance. That means that the total number of issued and outstanding shares of Common Stock of the Target would be approximately 12 times more than the present number if all shares of the Class C Preferred Stock were converted to Common Stock. We consider that such capital structure is of much distortion. If the above-mentioned conversion of the Class C Preferred Stock to Common Stock takes place, the value of equity interest of the existing shareholders of the Common Stock would be significantly diluted and a substantial number of the converted Common Stock would flow into the market, raising concerns about an imbalance in supply and demand and possibly allowing for a drop in the stock price for a short period of time irrespective of the market conditions or the Target's performance. It could also be said that such a distorted capital structure acts as a factor for the low liquidity of the Target's Common Stock in the stock market (N.B., the daily average trading volume of the Target's issued and outstanding shares of Common Stock for the past one year ending on September 22 2008, is approximately 0.10%). Furthermore, due to this distortion on the capital structure, it has been substantially difficult for the Target to raise finance in the capital markets.

Therefore, the Target believes that removing the distortion on its capital structure is an urgent issue in order to solve the problems of stock dilution and low liquidity, and at the same time in order to enable the Target to raise finance in the capital markets in the future.

As methods of restructuring its capital structure, the Target has been carefully considering and discussing (i) the retirement of the Class C Preferred Stock without delisting the Target's stock and (ii) the conversion of the Class C Preferred Stock to Common Stock without delisting.

First, with respect to the retirement of the Class C Preferred Stock (referred in item (i) above), since the amount distributable to the required fund for the retirement of the shares as of March 31, 2008, is merely 18,200,000,000 yen composed of 1,700,000,000 yen capital surplus and 16,500,000,000 yen earned surplus, it is difficult for the Target to retire all shares of the Class C Preferred Stock at present. Even in the case that a part of its outstanding shares being retired, this would not fundamentally solve the concerns about dilution caused by the possible conversion of the Class C Preferred Stock remaining after such partial retirement.

Second, with respect to the conversion of the Class C Preferred Stock (referred in item (ii) above), the total number of issued and outstanding shares of Common Stock would become approximately 12 times that of the current number after the conversion of the Class C Preferred Stock to the Common Stock, and a drop in the stock price is highly anticipated irrespective of the Target's performance due to a significant dilution in the value of equity interest of the existing common shareholders and the flow of the converted Common Stock into the market.

As has been described above, the Target, in light of the concern of impairing its shareholders' profit by the above-mentioned restructuring of its capital structure without delisting the Target's stock, has determined, upon consultation with its parent company, the Tender Offeror, that it would be of most benefit to maximize the Target's corporate value to become the wholly-owned subsidiary of the Tender Offeror, which is holding whole of the Class C Preferred Stock, and then restructure the Target's capital structure by extinguishing the total number of issued and outstanding Class C Preferred Stock through cancellation or otherwise thereof.

Consequently, upon consultation with the Target, the Tender Offeror decided to conduct the Tender Offer in light of various factors, comprehensively determining that the Tender Offer will benefit the Target and its shareholders as it not only removes the distortion on the Target's capital structure but also enables the Target to realize speedy management reforms.

(4) Measures for Avoidance of Conflict of Interests

(i) Stock Value Analysis Report Obtained from Independent Third-Party Appraiser

In order to examine the rationality of the Purchase Price per share of the Common Stock offered by the Tender Offeror (the "Purchase Price"), the Target's board of directors decided to obtain a stock value analysis report from a third-party appraiser which is independent from the Tender Offeror and the Target, appointed KPMG FAS Co., Ltd., as its third-party appraiser, and so obtained the "Stock Value Analysis Report" regarding the value of the Target's Common Stock on September 22, 2008.

KPMG FAS Co., Ltd., the third-party appraiser, conducted an analysis of the Target's stock value by using the market value method, the discounted cash flow method (the "DCF method"), and the performance indicator multiple based valuation method after thoroughly considering the analysis method for the Tender Offer. The market value method is a method for analyzing the stock value based on the average stock price over a certain period of time, and it is considered to be an objective appraisal index in securities markets. The DCF method is a method for analyzing the corporate value from the cash flow that the Target is expected to earn in the future, and is considered to be the method that best reflects the going concern value of the Target taking into consideration its growth potential. The performance indicator multiple based valuation method is a method of analysis based on the multiplication constant of the corporate value to the price-earnings ratio or other kind of ratio of listed companies conducting a similar business with the Target. The result of the analysis in the Stock Value Analysis Report regarding the analysis of stock value of the Target by each method is as follows:

(a) Using the market value method, KPMG FAS analyzed the value of the Target's Common Stock per share to be from 121 yen to 184 yen by using September 22, 2008 as the record date and based on the arithmetic average closing price for one month and three months on the Second Section of the Tokyo Stock Exchange, the market in which the Target is listed.

(b) Using the DCF method, KPMG FAS analyzed the value of the Target's Common Stock per share as being from 186 yen to 218 yen, assuming several factors such as the Target's earnings estimates, discounting the estimated future cash flow of the Target by a certain discount rate to produce the present value, and analyzing the stock value.

(c) Using the performance indicator multiple based valuation method, KPMG FAS analyzed the value of the Target's Common Stock per share to be from 176 yen to 210 yen by comparing market value and price-earnings ratio of listed companies conducting a similar business to the Target.

The Target has received explanations by KPMG FAS Co., Ltd. on the meanings of the analysis results obtained by each analysis method mentioned above.

After referring to the analysis results in the Stock Value Analysis Report set out above and carefully deliberating on the Purchase Price offered by the Tender Offeror, the Target's board of directors came to a conclusion that the Purchase Price is within an appropriate range by generally taking into consideration the following matters: (i) the Purchase Price is significantly in excess of the maximum stock value of the Target analyzed by the market value method; (ii) the Purchase Price is around the middle range of the stock value of the Target analyzed by the DCF method; and (iii) the actual circumstances of the Tender Offer.

(ii) Inquiry by Directors Without an Interest

In making a decision regarding the transaction, a careful examination was conducted by the Target's board of directors, which consisted only of directors without an interest in the Tender Offeror, in order to prevent unreasonable arbitrary judgements being made, and in order to increase fairness, transparency, and objectivity of the judgement. Specifically, from September 9 to September 25, 2008, meetings of the board of directors were held a total of 8 times by directors and auditors, excluding Vice President and Director Tetsuo Naraha, Director Taneki Ono, and Director Ankur Sahu, who could possibly have a conflict of interest regarding the transaction because they also hold posts as employees at affiliate companies of the Tender Offeror. Through these meetings, careful investigations and discussions were held from a variety of perspectives regarding the Tender Offer and the subsequent transaction to go private, with reference to the analysis results in the Stock Value Analysis Report submitted by the third-party appraiser, KPMG FAS Co., Ltd., and to legal advice provided by the Target's legal advisor, Mori Hamada & Matsumoto. The principal contention of these investigations and discussions was to determine how to best enhance the Target's corporate value with the least damage to shareholders' interests, considering merits, demerits and effects to all stakeholders of respective methods of restructuring the capital structure of the Target as described below: (i) retirement of the Class C Preferred Stock without delisting the Target's stock; (ii) conversion of the Class C Preferred Stock to Common Stock without delisting the Target's stock; and (iii) disposal of the issued and outstanding Class C Preferred Stock, after the Target becomes the wholly-owned subsidiary of the Tender Offeror, which is the shareholder of the Class C Preferred Stock.

(iii) Method of Approval at the Board of Directors' Meeting

After the repeated careful discussions at the board of directors' meetings attended by all directors and auditors except those that could possibly have a conflict of interest as described in (iii) above, we have reached to a resolution to approve the Tender Offer with the consent of all directors in attendance, including outside directors by taking the Tender Offer as the best contribution to the interests of the Target and its shareholders in a comprehensive manner based on the following considerations: (i) the Tender Offer can eliminate the imbalance in the Target's capital structure, which is the Target's business challenge, and to realize fast management reform, (ii) the purchase price and the other conditions for the Tender Offer are reasonable and the Tender Offer can

provide the Target's shareholders with an opportunity to sell the Target's shares at a reasonable price, and (iii) other various matters being favorable to the Tender Offer. Further, all of the auditors, including outside auditors, have expressed their approval to the resolution of the board of directors regarding the Tender Offer. Vice President and Director Tetsuo Naraha, Director Taneki Ono, and Director Ankur Sahu could possibly have a conflict of interest regarding the transaction because they also hold posts as employees at affiliate companies of the Tender Offeror, and therefore they have not participated in any way in the discussions or resolutions regarding the transaction.

(iv) Objectivity to Ensure Appropriateness of the Purchase Price

By setting a comparatively long offer period for the Tender Offer of 35 business days, the Tender Offeror ensures that opportunities should be provided for a third party to acquire the Target's shares. Further, there is no agreement between the Target and the Tender Offeror that will possibly obstruct the other acquirors' offers or implementation of other acquisitions of the Target's shares.

As detailed above, we believe that the appropriateness of the Tender Offer is objectively secured by ensuring opportunities for acquisition by a third party.

4. Place of Public Inspection for Copies of the Tender Offer Registration Statement

Fujita Holdings Co., Ltd.
10-1, Roppongi 6-chome, Minato-ku, Tokyo

Tokyo Stock Exchange Group, Inc.
4-9, Kayaba-cho 1-chome, Nihonbashi, Chuo-ku, Tokyo

5. Purpose, Business and Amount of Stated Capital of the Tender Offeror

(1) Purpose and Business of the Offering Corporation

1. Acquisition and holding of securities;
2. investment in Tokumei Kumiai, etc. and management and operation of Tokumei Kumiai's assets;
3. and any other business incidental to or connected with the aforementioned businesses.

(2) Business

The main business of the Tender Offeror is to acquire and hold the securities of the Target.

(3) Amount of Stated Capital

3,000,000 yen (as of September 26, 2008)