

September 28, 2007

Company: Imperial Hotel, Ltd.  
Representative: Tetsuya Kobayashi  
(President & Representative Director)  
Securities code: 9708 (Second section, TSE)  
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General Manager of Hotel Business)  
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Company: Mitsui Fudosan Co., Ltd.  
Representative: Hiromichi Iwasa  
(President & CEO)  
Securities code: 8801 (First Section, TSE;OSE)  
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## **Notice Regarding Capital Participation and Basic Agreement**

On September 28, 2007, Imperial Hotel Ltd. (Imperial Hotel) and Mitsui Fudosan Co., Ltd. (Mitsui Fudosan) held Board meetings. At those meetings, the two companies resolved to conclude a basic agreement regarding cooperation following Mitsui Fudosan's acquisition of Imperial Hotel shares held by Kokusai Kogyo Co., Ltd (President: Takamasa Osano; Location: Chuo-ku, Tokyo). The details are as shown below.

### **1. Purpose of share acquisition and conclusion of basic agreement**

The acquisition of a 33.16% stake in Imperial Hotel by Mitsui Fudosan will make Mitsui Fudosan the largest shareholder in Imperial Hotel. Having confirmed their basic stance regarding their future cooperative relationship and the significance of this share acquisition, both companies have taken this opportunity to conclude a basic agreement regarding their intention to examine cooperation on resort and hotel businesses, consistent with the fundamental principles and the current management policy of Imperial Hotel.

### **2. Share acquisition details**

- (1) Mitsui Fudosan's acquisition of Imperial Hotel shares  
9,850,000 common shares (33.16% of total shares)
- (2) Purchase price  
¥86,187,500,000 (¥8,750 per share)

### **3. Details of basic agreement**

#### (1) Purpose of basic agreement

To confirm the basic stance and fundamental principals regarding the future cooperative relationship of the two companies, based on the management policies of

Imperial Hotel.

(2) Imperial Hotel's fundamental principles

Upon Mitsui Fudosan's acquisition of shares in Imperial Hotel, Mitsui Fudosan shall hold the fundamental principles of Imperial Hotel in the highest regard. These fundamental principles include continuation of the hotel's 117-year history, support of current management policies, upholding the autonomy of management, and maintaining employees' motivation and loyalty.

(3) Friendly share acquisition

Both companies acknowledge that this acquisition of shares is friendly. Imperial Hotel welcomes Mitsui Fudosan, which understands the above fundamental principles, as its largest shareholder.

(4) Examination of cooperation on redevelopment projects and hotel and resort businesses

Both companies shall, while acknowledging these fundamental principles, examine a redevelopment project for the Hibiya area, including the Tokyo Imperial Hotel, from a medium-to-long-term perspective.

Both companies shall also examine cooperation on hotel and resort businesses, leveraging the Imperial Hotel's brand power and expertise in hotel operation. Imperial Hotel shall examine accepting officials from Mitsui Fudosan.

#### **4. Profile of Imperial Hotel**

(1) Company name: Imperial Hotel Ltd.

(2) Main business: Operation of hotels and leasing of real estate

(3) Date of establishment: December 14, 1887

(4) Head office: 1-1, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo

(5) Representative: Tetsuya Kobayashi, President and Representative Director

(6) Capital: ¥1,485 million

(7) Number of employees: 1,430

(8) Major shareholders and ownership ratios (as of March 31, 2007)

Kokusai Kogyo Co., Ltd.	39.58%
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Daiwa Securities Co., Ltd.	5.12%
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Mizuho Corporate Bank, Ltd.	4.96%
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Asahi Breweries Ltd.	4.55%
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Nippon Life Insurance Company	4.40%
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(9) Relationships with Mitsui Fudosan

No particular capital, personnel or business relationships

#### **5. Profile of Mitsui Fudosan**

(1) Company Name: Mitsui Fudosan Co., Ltd.

(2) Main business: Leasing of office buildings and retail facilities, sale of commercial facilities, consulting related to real estate development, etc.

(3) Date of establishment: July 15, 1941

(4) Head office: 1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

(5) Representative: Hiromichi Iwasa, President and CEO

(6) Capital: ¥174,296 million

(7) Number of employees: 1,018

(8) Major shareholders and ownership ratios (as of March 31, 2007)

The Master Trust Bank of Japan, Ltd.	7.72%
Japan trustee Services Bank, Ltd.	5.61%
State Street Bank & trust Company	3.83%
The Chuo Mitsui Trust and Banking Company, Ltd.	2.49%
Sumitomo Mitsui Banking Corporation	2.10%

(9) Relationships with Imperial Hotel

No particular capital, personnel or business relationships

## 6. Agenda

September 28, 2007: Signing of share transfer agreement and Board meeting regarding basic agreement (Mitsui Fudosan)

September 28, 2007: Signing of share transfer agreement (Mitsui Fudosan)

September 28, 2007: Board meeting regarding basic agreement (Imperial Hotel)

September 28, 2007: Signing of basic agreement (Imperial Hotel and Mitsui Fudosan)

October 5, 2007: Transfer of shares (Mitsui Fudosan)

## 7. Outlook

As of a result of this share acquisition, Imperial Hotel will become an equity-method affiliate of Mitsui Fudosan. This will have minimal impact on the performance of both companies in the current year ending March 2008.

Both companies intend to earnestly examine future cooperation according to the basic agreement. An announcement on the outlook will be made as soon as the situation becomes clear.

(Disclaimer)

The above press release was originally written in Japanese, with the English translation prepared independently by Mitsui Fudosan Co., Ltd. If questions arise regarding any of the details contained in the release, the Japanese-language original shall take precedence.