

[English Translation]

**TENDER OFFER EXPLANATORY STATEMENT**

February 2007

NA CO., LTD.

THIS ENGLISH TRANSLATION OF THE TENDER OFFER EXPLANATORY STATEMENT HAS BEEN PREPARED SOLELY FOR THE CONVENIENCE OF NON-JAPANESE SPEAKING SHAREHOLDERS OF NISSAN DIESEL MOTOR CO., LTD. WHILE THIS ENGLISH TRANSLATION IS BELIEVED TO BE GENERALLY ACCURATE, IT IS SUBJECT TO, AND QUALIFIED BY, IN ITS ENTIRETY, THE OFFICIAL JAPANESE-LANGUAGE ORIGINAL FILED WITH THE DIRECTOR OF THE KANTO LOCAL FINANCE BUREAU. SUCH JAPANESE-LANGUAGE ORIGINAL SHALL BE THE CONTROLLING DOCUMENT FOR ALL PURPOSES.

## TENDER OFFER EXPLANATORY STATEMENT

The tender offer pursuant to this tender offer explanatory statement (this "Statement") is subject to the provisions of Chapter II-2, Section 1 of the Securities and Exchange Law of Japan (Law No.25 of 1948, the "Law"). This Statement is prepared in accordance with Article 27-9 of the Law.

[Name of Filing Party]	NA Co., Ltd.
[Address of Filing Party]	4F Toranomom 4-chome MT Bldg. 4-1-8, Toranomom, Minato-ku, Tokyo
[Place to Contact]	Same as above
[Telephone Number]	03-5404-0733
[Name of Contact Person]	Shigeki Miyake
[Name of Attorney-in-fact]	N/A
[Address of Attorney-in-fact]	N/A
[Place to Contact]	N/A
[Telephone Number]	N/A
[Name of Contact Person]	N/A
[Place where a Copy of the Tender Offer Registration Statement is Available for Public Inspection]	NA Co., Ltd. (4F Toranomom 4-chome MT Bldg., 4-1-8, Toranomom, Minato-ku, Tokyo) Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

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- (Note 1) In this Statement, the term “Offeror” or “Company” means NA Co., Ltd.
- (Note 2) In this Statement, the term “Target Company” or “Nissan Diesel” means Nissan Diesel Motor Co., Ltd.
- (Note 3) In any tables in this Statement, the amount indicated in the total column may not always coincide with the sum of all relevant figures, due to rounding.
- (Note 4) Unless otherwise specified, numbers of days or dates and times in this Statement mean the number of days or date and time in Japan.
- (Note 5) In this Statement, the term “Law” means the Securities and Exchange Law (Law No. 25, 1948), as amended.
- (Note 6) In this Statement, the term “Enforcement Order” means the Securities and Exchange Law Enforcement Order (Cabinet Order No. 321, 196), as amended.
- (Note 7) In this Statement, the term “Cabinet Ordinance” means the Cabinet Ordinance with respect to Disclosure of a Tender Offer for Share Certificates, etc. by an Offeror other than the Issuing Company (Ministry of Finance Ordinance No. 38, 1990), as amended.
- (Note 8) All procedures related to the tender offer in respect to which this Statement is filed (the “Tender Offer”) shall be undertaken in the Japanese language, unless otherwise specifically stated herein. Where any documents are prepared in the English language in connection with this Tender Offer and there is any contradiction between such English documents and the Japanese documents, the Japanese documents shall prevail. Unless otherwise specified, all financial statements contained in this Statement have been prepared in accordance with the accounting principles in Japan and may not be comparable to those of U.S. companies.
- (Note 9) The conversion of Swedish Krona into Japanese yen is calculated by reference to the middle rate of telegraphic transfer selling and buying rates quoted by the Bank of Tokyo-Mitsubishi UFJ, Ltd. on December 29, 2006, which is SEK1.00 = ¥17.31. The amount in yen is rounded down to the nearest whole yen.
- (Note 10) Sections 13(e) and 14(d) of the U.S. Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder shall not apply to the Tender Offer.
- (Note 11) This Statement includes “forward-looking statements” as defined in Article 27A of the U.S. Securities Act of 1933 and Article 21E of the U.S. Securities Exchange Act of 1934. Depending on the known or unknown risk, uncertainty or other factors, actual results may be substantially different from the forecasts made expressly or impliedly in this Statement as “forward-looking statements”. The Offeror and its affiliates do not assure the results of the forecasts made expressly or impliedly in this Statement as “forward-looking statements”. “Forward-looking statements” in this Statement are made based on the information available to the Offeror as of the date hereof. Unless required by laws and ordinances, the Offeror and its affiliates are not be obliged to update or modify such statements in order to reflect future events and conditions.

**I. [Terms and Conditions of Tender Offer]**

**1. [Name of the Target Company]**

Nissan Diesel Motor Co., Ltd.

**2. [Class of Share Certificates, etc. to be Purchased]**

(1) Common stock

(2) Stock acquisition rights

(i) Stock acquisition rights issued pursuant to the resolution of the annual general meeting of shareholders held on June 25, 2004 and the resolution of the meeting of the Board of Directors held on July 1 of the same year (the "first series stock acquisition rights")

(ii) Stock acquisition rights issued pursuant to the resolution of the annual general meeting of shareholders held on June 28, 2005 and the resolution of the meeting of the Board of Directors held on June 29 of the same year (the "second series stock acquisition rights")

(iii) Stock acquisition rights issued pursuant to the resolution of the annual general meeting of shareholders held on June 28, 2005 and the resolution of the meeting of the Board of Directors held on April 14, 2006 (the "third series stock acquisition rights")

(Note) With respect to the first class preferred stock, second class preferred stock and fourth class preferred stock (the "Preferred Stock") issued by the Target Company, the Offeror has received from Aktiebolaget Volvo ("Volvo"), the sole owner of each class of such Preferred Stock, a notice to give consent that no offer to purchase or solicitation of an offer to sell be made.

**3. [Purpose of Tender Offer]**

(1) Outline of the Tender Offer

The Offeror, which is a wholly-owned subsidiary of Volvo (Head Office: Göteborg, Sweden, President and CEO: Leif Johansson) as of the date hereof, is a Special Purpose Company established for the purposes of this acquisition.

The Offeror shall conduct the Tender Offer for the purposes of acquiring all issued and outstanding shares of the Target Company, excluding the Preferred Stock and treasury stock held by the Target Company, and all stock acquisition rights of the Target Company. With respect to Preferred Stock issued by the Target Company, the Offeror has received from Volvo, the sole owner of such Preferred Stock, a notice to give consent that no offer to buy or solicitation of offer to sell be made. The Offeror shall supply the necessary financing required to settle the Tender Offer from its own funds as well as a loan from Volvo to be acquired by the commencement date of the settlement of the Tender Offer.

(2) Background to the Tender Offer

Volvo (i.e. the parent company of the Offeror) and its affiliates (together, the "Volvo Group") are one of the world's leading producers of trucks, buses, construction equipment, drive systems for marine and industrial applications and components for aircraft engines. The Volvo Group also provides financial services to its customers.

The Volvo Group has approximately 83,000 employees, production facilities in 18 countries and sales in approximately 185 countries. In the fiscal year ended December 31, 2006, the Volvo Group's sales were approximately SEK 248.1 billion (approximately JPY 4,295.2 billion). Shares issued by Volvo are listed on the Stockholm Stock Exchange in Sweden and on the NASDAQ in the United States. As of December 29,

2006, Volvo's market capitalization was approximately SEK 200 billion (approximately JPY 3,462 billion) and its largest shareholder was Renault SA, which held 21.8% of the shares and 21.3% of the voting rights.

The Volvo Group is divided into the following eight business areas: Volvo Trucks, Renault Trucks, Mack Trucks, Buses, Construction Equipment, Volvo Penta, Volvo Aero, and Financial Services. In particular, the Volvo Group is Europe's largest and the world's second largest manufacturer of heavy trucks. All three truck companies in the Volvo Group have a unique and distinct brand-specific character and compete in specific markets as follows:

- Volvo Trucks manufactures medium-heavy to heavy trucks for long-haul and regional transport and construction operations. Volvo Trucks' products are marketed and sold globally.
- Renault Trucks offers many types of vehicles from light trucks for delivery to heavy trucks for long haulage, with its strongest position in Europe.
- Mack Trucks manufactures heavy-duty trucks primarily for the vocational segment, heavy regional transports and refuse collection, with a focus on the North American market.

The Volvo Group is also the world's largest manufacturer of heavy-duty diesel engines. All development and production of diesel engines and gearboxes is concentrated into one single organization, Volvo Powertrain.

The Target Company manufactures and sells diesel engines, light, medium and heavy duty diesel trucks, buses, bus chassis and special-purpose vehicles. Nissan Diesel and its affiliates (the "Nissan Diesel Group") have approximately 8,900 employees and are manufacturing products and providing services globally with focus in Japan. In the fiscal year ended March 31, 2006, the Nissan Diesel Group's sales were approximately JPY 483 billion and its market capitalization as of December 29, 2006 was approximately JPY 122.1 billion.

In March 2006, Volvo acquired 40,000,000 shares of common stock of the Target Company from Nissan Motor Co., Ltd. ("Nissan") (approximately 13.1% of the common stock then issued) as well as an option to additionally acquire an additional 18,211,000 shares of common stock (approximately 5.9% of the common stock then issued). In June 2006, Mr. Jorma Halonen, Volvo Group's Deputy Chief Executive Officer, assumed his current position of Vice Chairman of Nissan Diesel's Board of Directors. Further, in September 2006, Volvo exercised its rights under an option agreement with Nissan and increased its ownership of common stock of the Target Company to 58,211,000 shares (approximately 19.0% of the common stock then issued). At the same time, Volvo acquired all of the issued and outstanding Preferred Stock of the Target Company. Assuming full conversion occurred as of the date hereof, the Preferred Stock would represent 165,060,286 shares of common stock of Nissan Diesel, which would be equal to approximately 46.5% of the common stock of Nissan Diesel if combined with Volvo's current holding of common stock after taking into consideration the dilution effect from outstanding stock options.

### (3) Purpose of the Tender Offer

Volvo considers the Japanese market to be strategically important and recognizes Nissan Diesel's positive operational and financial development in recent years, despite Nissan Diesel's somewhat limited resources.

However, within the commercial vehicle industry, product development and manufacturing costs are rapidly increasing as a result of stringent environmental requirements and other factors. Substantial investments are now required for research and development into new technologies to reduce vehicle emissions, and to develop alternative fuels and drivelines. This is encouraging further consolidation in the truck industry to achieve economies of scale and makes this Tender Offer more attractive to both parties.

Since April 2006, Volvo and Nissan Diesel have been examining different ways of achieving synergies in five main areas covering products, research and development, manufacturing, distribution and purchasing. However, significant investments will be required over the next two to four years to achieve these potential

synergies. In this respect, Volvo believes that the financial stability offered to Nissan Diesel as a part of the Volvo Group would be beneficial in realizing and securing these potential synergies as well as further developing Nissan Diesel's business globally while still maintaining its Japanese base and heritage. Further, through 100% ownership by the Volvo Group, Volvo and Nissan Diesel will be able to make necessary decisions quickly and efficiently with a view to maximizing Nissan Diesel's long term corporate value.

Nissan Diesel would complement the Volvo Group both in terms of products and geographical coverage. As part of the Volvo Group, Nissan Diesel would be positioned to capture growth opportunities both within the Asia Pacific region and globally, thereby reducing its current large dependence on the Japanese market. In particular, Volvo believes that it would be in Volvo's and Nissan Diesel's best interest to conduct the Tender Offer at this time and to further increase integration between the two companies in order to be able to make the necessary decisions, as well as to plan and develop competitive products, ahead of the new Japanese emission regulations coming into effect in 2009 and 2010.

For the reasons stated above, the Offeror has decided to carry out the Tender Offer with the aim of acquiring all of the shares of the Target Company (excluding Preferred Stock held by Volvo and treasury stock held by the Target Company) and stock acquisition rights of the Target Company.

The Board of Directors of the Target Company has appointed Mizuho Securities Co., Ltd., a financial adviser independent of the Volvo Group, as a third party financial expert and requested it to undertake a share valuation. After sufficient consultation and negotiation with Volvo based on the advice from the financial adviser and the legal counsel, etc., the Board of Directors of the Target Company determined that the purchase price for the Tender Offer is fair and reasonable, and has resolved to approve the Tender Offer at the meeting of the Board of Directors held on February 20, 2007 with the approval of all directors present. However, Mr. Jorma Halonen, the Executive Vice President of Volvo (Deputy Chief Executive Officer of Volvo Group) and a director of the Target Company, did not participate in the discussion and resolution at the meeting because there is an issue of conflict of interest. Also, each of all the statutory auditors of the Target Company including outside statutory auditors expressed their support for the approval of the Tender Offer by the Board of Directors of the Target Company.

#### (4) Policy for Organizational Restructuring and Management Policies after the Tender Offer

Nissan Diesel will be integrated into the Volvo Group in the same way as business areas in the group, i.e. group-wide support functions within powertrain, purchasing, product development, product planning and IT, etc. will be introduced. Furthermore, key components such as engines and gearboxes, etc. will gradually be consolidated among all truck companies in the Volvo Group into common platforms. It is also Volvo's intention that the future funding needs of Nissan Diesel will be managed within the overall funding and treasury operations of the Volvo Group, thereby providing financial support for Nissan Diesel going forward.

Nissan Diesel is expected to extensively manage the Volvo Group's truck activities in Japan, including the sale of Volvo branded trucks. In addition, Volvo will introduce Nissan Diesel's products to a number of markets globally where Nissan Diesel is not currently active. Nissan Diesel's own products will continue to be sold under the Nissan Diesel and UD brand names.

Volvo currently intends to keep the current Nissan Diesel management in place and expects that Nissan Diesel will continue to be run by Nissan Diesel's existing management after completion of the Tender Offer.

The Offeror will conduct the Tender Offer for the purpose of acquiring all of the share certificates, etc. (excluding the share certificates, etc. of the Preferred Stock held by Volvo and the treasury stock held by the Target Company) of the Target Company. However, if the Offeror fails to acquire all of the share certificates, etc. of the Target Company excluding Preferred Stock held by Volvo and the treasury stock held by the Target Company through the Tender Offer, the Offeror plans to acquire all of the common stock of the Target Company in the following manner while ensuring its ability to provide the shareholders of the Target Company with the opportunity to receive consideration for their stock.

If the Offeror acquired a substantial number of share certificates, etc. as a result of the Tender Offer, the Offeror currently intends to request the Target Company to hold (i) a shareholders' meeting at which the following proposals will be submitted: (a) to amend the Articles of Incorporation of the Target Company to impose an option to call all shares on all shares of common stock issued by the Target Company, and (b) to deliver other common stock of the Target Company in exchange for acquiring all of the class shares with an option to call all shares, and (ii) a class shareholders' meeting of the holders of common stock of the Target Company at which the proposal to amend the Articles of Incorporation of the Target Company as set out in (i)(a) will be submitted. The Offeror and its special related persons together intend to vote for approval of each of the above proposals at the shareholders' meeting and the class shareholders' meeting. If the foregoing procedures are conducted, all of the common stock issued by the Target Company will be converted into class shares with an option to call all shares by the Target Company. Although other common stock of the Target Company will be issued to the shareholders of the Target Company upon exercise of the call options, an application to list such common stock is not expected. Further, the shareholders of the Target Company who will receive fractions of a share of the common stock of the Target Company will be delivered cash obtained by selling the shares corresponding to such fractions in accordance with the procedures set forth in Japanese laws and regulations. The amount of money to be delivered to the shareholders as a result of the sale of shares corresponding to the total number of such fractions is expected to be calculated on the same basis as the purchase price for the Tender Offer. The number of shares of common stock of the Target Company to be delivered in consideration for the acquisition of class shares with an option to call all shares has not been determined as of the date hereof, but will be determined so that the common stock of the Target Company to be delivered to the shareholders of the Target Company who did not tender their shares in the Tender Offer other than the Offeror will be fractions of a share in order for the Offeror to be able to acquire all of the common stock of the Target Company.

For the purpose of protecting minority shareholders, Article 116 and Article 117 of the Corporate Law and other provisions of relevant laws and regulations provide that shareholders may request the purchase of their shares if amendments are made to the articles of incorporation to impose an option to call all shares on common stock. Also, for similar reasons, Article 172 of the Corporate Law and other relevant laws and regulations provide that the shareholders may file a petition to determine the acquisition price of their shares if a comprehensive acquisition of shares with an option to call all shares is resolved at a shareholders' meeting. The purchase price and acquisition price per share determined in the above manner, however, may be different from the purchase price for the Tender Offer. To make a request or petition in the above manner, each shareholder should confirm and determine the necessary procedures at its own discretion.

The above method (i) to convert all common stock issued by the Target Company into class shares with an option to call all shares, and (ii) to deliver other common stock of the Target Company in exchange for acquiring all of such class shares with an option to call all shares may be replaced with another method with almost similar effect depending on the circumstances, including the interpretation of relevant laws and regulations by the relevant authorities, proportion of ownership of shares by the Offeror and by the Target Company's shareholders (other than the Offeror) after the Tender Offer and tax and financial effects in the consolidation of the Target Company and the Offeror. Even if such other method is adopted, the Offeror intends to ultimately adopt a method to cash out the Target Company's shareholders other than the Offeror.

If any stock acquisition rights remain outstanding after the successful completion of the Tender Offer, the Offeror intends to extinguish all the remaining stock acquisition rights (if any) pursuant to applicable laws and regulations.

The Offeror intends to acquire all the share certificates, etc. (excluding the Preferred Stock held by Volvo and the treasury stock held by the Target Company) of the Target Company. If the number of shareholders of the Target Company falls below a certain number or if the shareholding ratio of the ten largest shareholders exceeds 90% as a result of the Tender Offer, the shares of the Target Company will be delisted through prescribed procedures in accordance with the criteria for delisting stock on the Tokyo Stock Exchange. The shares of the Target Company will also be delisted if the Target Company acquires all of its listed stock.

After such delisting, it will not be possible to trade the shares of the Target Company on the Tokyo Stock Exchange, and it is expected to be difficult to sell the shares of the Target Company thereafter.

The Tender Offer is not intended to solicit the approval of shareholders of the Target Company at the shareholders' meeting referred to above. Please consult with a tax expert with respect to specific tax treatment of each of above procedures at your own discretion.

**4. [Duration, Price and Number of Share Certificates, etc. for Tender Offer]**

(1) [Duration of tender offer]

(i) Duration at time of filing of registration statement

Duration of the tender offer	From February 21, 2007 (Wednesday) through March 23, 2007 (Friday) (22 business days)
Date of public notice	February 21, 2007 (Wednesday)
Name of newspaper in which public notice is to appear	Public notice will be made by way of electronic public notice, via the internet, as will be announced in a notice to be published in the <i>Nihon Keizai Shimbun</i> (electronic notice address: <a href="https://info.edinet.go.jp/EdiHtml/main.htm">https://info.edinet.go.jp/EdiHtml/main.htm</a> )

(ii) Possible extension of tender offer period based on Target Company's request

If the Target Company submits an opinion report requesting an extension of the tender offer period pursuant to Article 27-10, Paragraph 3 of the Law, the period for the tender offer shall be 30 business days and it shall end on April 4, 2007 (Wednesday).

(iii) Contact information in case of extension of the tender offer period

- a. Contact  
Mitsubishi UFJ Securities Co., Ltd. ("Mitsubishi UFJ Securities")  
2-4-1, Marunouchi, Chiyoda-ku, Tokyo  
TEL: 0120-5323-47
- b. Service hours  
From 9 to 17 on weekdays

(2) [Price of purchase, etc.]

Share certificate	Common stock: 540 yen per share
Certificate of stock acquisition rights	(i) First series stock acquisition rights: 224,000 yen per stock acquisition right (ii) Second series stock acquisition rights: 184,000 yen per stock acquisition right (iii) Third series stock acquisition rights: 127,000 yen per stock acquisition right
Certificate of bond with stock acquisition rights	-
Deposit receipt for share certificates, etc. ( )	-
Basis of calculation	(1) Common stock

	<p>In determining the purchase price of shares of common stock in the Tender Offer, the Offeror requested that Mitsubishi UFJ Securities Co., Ltd., the financial advisor to the Offeror, calculate the share value of the Target Company in order to use it as reference data for determining the purchase price. Having conducted a review of which valuation method should be adopted; Mitsubishi UFJ Securities conducted valuations by the average market price method, the discounted cash flow (DCF) method, and the comparable company method, and calculated the value per share of common stock of the Target Company, comprehensively taking into consideration the calculations resulting from each of these methods. The ranges of value per share of common stock of the Target Company calculated by each of these methods are as follows.</p> <p>Average market price method: from 406 yen to 437 yen  DCF method: from 413 yen to 590 yen  Comparable company method: from 410 yen to 510 yen</p> <p>The Offeror promoted the examination of the purchase price within the ranges stated above based on the results of the calculations referred to above and the advice of Mitsubishi UFJ Securities. The Offeror then determined the purchase price of 540 yen, comprehensively taking into consideration factors such as the synergies that would be created between the Target Company and Volvo, whether the Target Company would agree to the Tender Offer, and prospects of the Tender Offer, as well as taking into account the results of discussions and negotiations with the Target Company. The purchase price in the Tender Offer is equal to the average of the closing sale prices of shares of the Target Company quoted on the first section of the Tokyo Stock Exchange for the past three month period ending on February 19, 2007 (410 yen, rounded to the nearest whole yen) plus a premium of approximately 32 %.</p> <p>(2) Stock acquisition rights</p> <p>In determining the purchase price of the first series stock acquisition rights, second series stock acquisition rights and third series stock</p>
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	<p>acquisition rights, the Offeror used the Black-Scholes option-pricing formula as its valuation technique pursuant to the Accounting Standard for Stock Options (ASBJ Statement No.8) and Guidance on Accounting Standards for Stock Options (ASBJ Guidance No.11) and determined the purchase price of the stock acquisition rights, taking into consideration various factors such as the exercise price, exercise period, exercise conditions and other particulars for each of the stock acquisition rights, stock price volatility, the purchase price for shares of common stock in the Tender Offer stated above, and that the potential dilution of share holding of the Offeror to the Target Company would be prevented by the Offeror acquiring the stock acquisition rights, as well as taking into an account the results of discussions and negotiations with the Target Company. The difference of purchase prices among each of the series is due to differences in the exercise prices (the exercise price per share is 335 yen for the first series stock acquisition rights, 442 yen for the second series stock acquisition rights and 661 yen for the third series stock acquisition rights as of the date hereof.), exercise period (from July 1, 2006 to June 30, 2011 for the first series stock acquisition rights, from July 1, 2007 to June 30, 2012 for the second series stock acquisition rights, and from July 1, 2007 to March 31, 2013 for the third series stock acquisition rights) and other conditions. The purchase price of each series of stock acquisition rights exceeds the difference between the purchase price (540 yen) for shares of common stock in the Tender Offer stated above and the exercise price of each series because the purchase price of the stock acquisition rights includes the option value. The option value is determined based on the estimated remaining period calculated on the basis of the exercise period and the stock price volatility.</p>
<p>Process of calculation</p>	<p>(1) Common stock</p> <p>In determining the purchase price of shares of common stock in the Tender Offer, the Offeror requested that Mitsubishi UFJ Securities, the financial advisor to the Offeror, calculate the share value of the Target Company in order to use it as reference data for determining the purchase price. Upon receiving this request, Mitsubishi UFJ Securities conducted a review of which valuation method should be adopted, and, in light of various factors including the financial and operating conditions of the Target Company and</p>

	<p>the potential earning capacity of the Target Company resulting from elements such as the synergies that are expected to arise between the Target Company and Volvo by a series of transactions after the Tender Offer, conducted valuations by the average market price method, the discounted cash flow (DCF) method, and the comparable company method, and calculated the share value of the Target Company. The Offeror and Volvo commenced negotiations with the Target Company from around January 18, 2007, and had subsequent discussions with respect to the purchase price of the Tender Offer.</p> <p>As a result, from around January 18, 2007, the Target Company had discussed the pros and cons of the Tender Offer and the adequacy of its terms. The Target Company then appointed Mizuho Securities Co., Ltd., which is a third-party financial institution independent from Volvo, as its financial advisor, and in light of its valuation of share value, and with the advice of Mizuho Securities Co., Ltd. and an independent law firm, it conducted discussions and negotiations with Volvo and the Offeror and both parties finally agreed on the purchase price for the Tender Offer as 540 yen.</p> <p>Following this agreement, Volvo determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 19, 2007. Following such determination, the Offeror determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 20, 2007.</p> <p>Also, in light of the results of the calculation of share value by the financial advisor and the results of the discussions and negotiations with Volvo and the Offeror stated above, the Board of Directors of the Target Company determined that the purchase price in the Tender Offer was fair and reasonable, and resolved to approve the Tender Offer at the meeting of the Board of Directors held on February 20, 2007 with the approval of all directors present (but excluding a person with a conflict of interest). Each of the statutory auditors of the Target Company, including outside statutory auditors, expressed their support for the approval of the Tender Offer by the Board of Directors of the Target Company. However, Mr. Jorma Halonen, who is a director of</p>
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	<p>the Target Company and executive of Volvo Group, did not participate in the deliberation and resolution at the meeting of the Board of Directors of the Target Company stated above because of a conflict of interest.</p> <p>The purchase price for shares of common stock is equal to the average of the closing sale prices for shares of the Target Company quoted on the Tokyo Stock Exchange for the past three month period ending on February 19, 2007 (410 yen, rounded to the nearest whole yen) plus a premium of approximately 32%. Also, the purchase price for shares of common stock under the Tender Offer is within the range of the share value of the Target Company calculated by Mitsubishi UFJ Securities.</p> <p>(2) Stock acquisition rights</p> <p>In determining the purchase prices of the first series stock acquisition rights, second series stock acquisition rights and third series stock acquisition rights under the Tender Offer, the Offeror used the Black-Scholes option-pricing formula as its valuation technique pursuant to the Accounting Standard for Stock Options (ASBJ Statement No.8) and Guidance on Accounting Standards for Stock Options (ASBJ Guidance No.11) and determined the purchase price of the stock acquisition rights, taking into consideration various factors such as the exercise price, exercise period, exercise conditions and other particulars for each of the stock acquisition rights, stock price volatility, the purchase price for shares of common stock in the Tender Offer stated above, and that the potential dilution of share holding of the Offeror to the Target Company would be prevented by the Offeror acquiring the stock acquisition rights, as well as taking into account the results of discussions and negotiations with the Target Company. Determination of the purchase price of stock acquisition rights has also been preceded by the discussions and negotiations between the Offeror and the Target Company, and is supported by the resolution of the board of directors of the Target Company.</p>
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(Note 1) With respect to each Preferred Stock issued by the Target Company, the Offeror has received from Volvo, the sole owner of each class of such Preferred Stock, a notice to give consent that no offer to buy or solicitation of an offer to sell be made.

(Note 2) The prices determined by dividing the purchase price of first through third stock acquisition rights by the number of shares of common stock delivered upon exercise of one stock acquisition right as of the date hereof (1,000 shares) are 224 yen for the first series stock acquisition rights, 184 yen for the second series stock acquisition rights and 127 yen for the third series stock acquisition rights.

## (3) [Number of share certificates, etc. to be purchased]

Number scheduled to be purchased converted into shares	Number scheduled to be over purchased converted into shares	Total of number scheduled to be purchased and number to be over purchased converted into shares
- (shares)	- (shares)	- (shares)

(Note 1) The number (converted into common stock) of share certificates, etc. to be purchased through the Tender Offer is 314,976,949 shares which is 306,634,106 (the number of issued common stock as of September 30, 2006 described in the semi annual report in the 82<sup>nd</sup> Term submitted by the Target Company on December 26, 2006), plus 8,422,000 (the maximum number of common stock of the Target Company which may be issued or transferred upon the exercise of the first through third series stock acquisition rights (including the common stock of the Target Company already issued or transferred by the exercise of the first series stock acquisition rights since October 1, 2006 through the date hereof)), minus 79,157 (the amount of treasury stock beneficially held by the Target Company as of September 30, 2006).

(Note 2) In the Tender Offer, there is no upper limit or lower limit of the number of share certificates, etc. to be purchased. Thus, the Offeror will purchase all the Tendered Share Certificates, etc. (including the certificates of stock acquisition rights tendered, hereinafter the same).

(Note 3) The Offeror does not intend to acquire the treasury stock held by the Target Company through the Tender Offer.

(Note 4) Shares less than one unit are also subject to the Tender Offer. The share certificates representing the shares to be tendered will be required to be submitted (shares less than one unit kept in custody by Japan Securities Depository Center (“JASDEC”)) do not have to be submitted because they may be tendered in the Tender Offer by transferring them to Mitsubishi UFJ Securities through the transfer system of JASDEC. The Target Company may purchase its own shares during the period for the tender offer from any shareholder who exercises the right under the Corporation Law to require the Target Company to purchase shares constituting less than a whole unit pursuant to the applicable law. The Target Company intends to make such purchases at the market price.

(Note 5) It is possible that the first series stock acquisition rights may be exercised during the period for the tender offer, and the common stock of the Target Company to be issued or transferred as a result of such exercise is also subject to the Tender Offer.

## 5. [Ownership Percentage of Share Certificates, etc. after Purchase, etc.]

Details	Number of voting rights
Number of voting rights represented by the share certificates, etc. to be purchased: (a)	314,976
Number of voting rights represented by the latent share certificates, etc. included in a: (b)	8,422
Number of voting rights represented by deposit receipts for share certificates, etc. included in b: (c)	-
Number of voting rights represented by the share certificates, etc. held by the Offeror as of the date hereof: (d)	-
Number of voting rights represented by the latent share certificates, etc. included in d: (e)	-
Number of voting rights represented by deposit receipts for share certificates, etc. included in e: (f)	-

Number of voting rights represented by the share certificates, etc. held by special related persons as of the date hereof: (g)	223,269
Number of voting rights represented by the latent share certificates, etc. included in g: (h)	165,058
Number of voting rights represented by deposit receipts for share certificates, etc. included in h: (i)	-
Total number of voting rights of all shareholders of the Target Company: (j) (as of September 30, 2006)	306,151
Percentage of the number of voting rights represented by the share certificates, etc. to be purchased to the total number of voting rights of all shareholders of the Target Company ((a)/(j)) (%)	102.75
Ownership percentage of shares after purchase, etc. ((a+d+g)/(j+(b-c)+(e-f)+(h-i))×100) (%)	100.00

(Note 1) “Number of voting rights represented by the share certificates, etc. to be purchased: (a)” is the number of voting rights represented by share certificates, etc. to be purchased described in Note 1 of “(3) Number of share certificates, etc. to be purchased” of “4. Duration, Price and Number of Share Certificates, etc. for Tender Offer” described above.

(Note 2) “Number of voting rights represented by the share certificates, etc. held by special related persons as of the date hereof: (g)” is the total number of voting rights represented by the share certificates, etc. held by the Offeror’s special related person, Volvo.

(Note 3) “Total number of voting rights of all shareholders of the Target Company (j)” is the total number of voting rights of all shareholders of the Target Company as of September 30, 2006 set out in the semiannual report for the 82nd Term filed by the Target Company on December 26, 2006. However, as shares constituting less than one unit are also subject to the Tender Offer, in calculating “Percentage of the number of voting rights represented by the share certificates, etc. to be purchased to the total number of voting rights of all shareholders of the Target Company” and “Ownership percentage of shares after purchase, etc.”, “Total number of voting rights of all shareholders of the Target Company: (j)” is calculated as 306,554, which is 306,151 plus the number of the voting rights (403) with respect to 403,949 shares, which is the number of shares less than one unit (404,106) as of September 30, 2006 less 157 shares of shares less than one unit held by the Target Company.

(Note 4) “Percentage of the number of voting rights represented by the share certificates, etc. to be purchased as against the total number of voting rights of all shareholders of the Target Company” and “Ownership percentage of shares after purchase, etc.” shall be rounded to two decimal places.

(Note 5) Volvo, the special related person of the Offeror, holds the Preferred Stock as well as the common stock of the Target Company. The Preferred Stock does not entail voting rights, but does entail the right to request that the Target Company acquire the Preferred Stock in exchange for the common stock of the Target Company. Thus, “Number of voting rights represented by the share certificates, etc. held by special related persons as of the date hereof: (g)” includes the number of voting rights (165,058 voting rights) represented by the common stock to be delivered upon exercise of the right to request that the Target Company acquire the Preferred Stock based on the purchase price as of the date hereof as well as the number of voting rights (58,211 voting rights) represented by the common stock currently held by Volvo, and in the “Number of voting rights represented by the latent share certificates, etc. included in g: (h)” the number of voting rights represented by the common stock to delivered is described. The number of voting rights represented by shares of Preferred Stock is calculated without aggregating the number of shares less than one unit arising upon exercise of the right to request acquisition of shares of each class of Preferred Stock.

(Note 6) Because the share certificates, etc. representing the common stock held by the special related person are also subject to the Tender Offer, “Number of voting rights represented by the latent share certificates, etc. included in g: (h)” is used in lieu of “Number of voting rights represented by the share certificates, etc. held by special related persons as of the date hereof: (g)” in the numerator in the calculation of “Percentage of ownership of shares after purchase, etc.”

**6. [Approval, etc. Concerning Acquisition of Share Certificates, etc.]**

- (1) [Class of share certificates, etc.]
  - (a) Common Stock
  - (b) Stock acquisition rights
    - (i) First series stock acquisition rights
    - (ii) Second series stock acquisition rights
    - (iii) Third series stock acquisition rights

(2) [Applicable law]

- (i) [U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976]

The Offeror must file a notification concerning the combination of enterprises prior to the acquisition of the shares by the Tender Offer (hereinafter in this paragraph, the “Share Acquisition”) with the Antitrust Division of the Department of Justice or the Federal Trade Commission (collectively, the “Antitrust Division”) under the U.S. Hart-Scott-Rodino Antitrust Improvements Act of 1976), as amended (the “U.S. Antitrust Act”). Unless the Antitrust Division takes measures to prohibit the Share Acquisition during a certain waiting period (generally 15 days but it may be extended) from the date on which the notification is accepted, the Offeror may, in the context of the U.S. Antitrust Act, conduct the Share Acquisition after the waiting period is over. The notification has been filed on or before the date hereof.

- (ii) Competition Act of South Africa

The Offeror may be required to obtain the unconditional approval of the South African Competition Tribunal pursuant to the Section 14A of the Competition Act of 1998, as amended, or, if such approval is conditional, to wait until the conditions are satisfied.

If the waiting period referred to in (i) has not ended or have been extended, if any measures under the U.S. Antitrust Act have been taken to prohibit or suspend, etc., the Share Acquisition, or if the approval under the Competition Act of South Africa referred to in (i) has not been obtained or the conditions for such approval have not been satisfied, by the day prior to the expiration of the period of the Tender Offer, the Tender Offer may be withdrawn as an event under Article 14, Paragraph 2, Item 4 of the Enforcement Order has occurred as described in “(2) Conditions of withdrawal, etc., of the Tender Offer, details thereof and method of disclosure of withdrawal, etc.” described in “11. Other conditions and methods of purchase, etc.” below.

(2) [Date and Number of Approval, etc.]

N.A.

**7. [Method of Tendering Shares under the Tender Offer and Cancellation Thereof]**

(1) [Method of tendering shares under the Tender Offer]

- a. Tender Offer Agent

Mitsubishi UFJ Securities Co., Ltd.  
2-4-1, Marunouchi, Chiyoda-ku, Tokyo

- b. Tendering Shareholders, etc. (shareholders and holders of stock acquisition rights, hereinafter the same) will be required to fill out the prescribed “Form for Tender” and submit it together with the Tendered Share Certificates, etc. to the head office or any Japanese branch of the Tender Offer Agent by 4 p.m. on the last day of the term of the tender offer (the “Tender Offer Period”). Tendering Shareholders, etc. will need to produce their seals at the time of tender.
- c. Tenders of shares through securities firms other than the Tender Offer Agent shall not be accepted under the Tender Offer.
- d. Share certificates kept in custody by the Tender Offer Agent (or by JASDEC through the Tender Offer Agent) do not have to be submitted. However, any depositary receipt issued for the share certificates kept in custody must be submitted. Holders tendering stock acquisition rights which have a restriction that requires an approval by the Board of Directors of the Target Company for the acquisition of the stock acquisition rights by transfer must submit a transfer approval notice issued by the Target Company. Further, if the Tendered Share Certificates, etc. have not been issued, the Offeror shall have the Target Company issue such certificates and tender such certificates to the head office or any Japanese branch of the Tender Offer Agent by 4 p.m. of the last day of the Tender Offer Period.
- e. Tendering Shareholders, etc. who do not have an account with the Tender Offer Agent are required to open a new account therewith. Tendering shareholders opening a new account with the Tender Offer Agent must submit identification documents (see Note 1 below). Tendering Shareholders, etc. who have already opened an account may also be required to submit identification documents. Please contact the Tender Offer Agent with respect to the details of the identification documents, etc.
- f. Upon receiving a tender from Tendering Shareholders, etc., the Tender Offer Agent shall deliver a receipt of tender under the Tender Offer to such Tendering Shareholder.
- g. In the case of individual shareholders residing in Japan, the difference between the sale price of the Tendered Share Certificates, etc. purchased by the Offeror and the acquisition costs is subject to separate self-assessment taxation concerning capital gains from transfer of shares, etc (see Note 2 below).
- h. Shareholders (including corporate shareholders) residing in foreign countries (the “Foreign Shareholders”) must tender through their standing agents in Japan. Foreign Shareholders must submit appropriate identification documents (see Note 1 below).

(Note 1) Identification Documents

Parties opening a new account with the Tender Offer Agent must provide the following identification documents.

Individuals:

Copy of residence certificate (an original prepared within past six months), health insurance policy, driver’s license, etc. (documents that identify the individual’s name, address and birth date)

Corporations:

a certified copy of corporate registration or documents issued by governmental institutions (prepared within the past six months that identify both the corporation’s name and the address of

the head office or principal office)

In addition to the identification of the corporate shareholder, personal identification of each person responsible for the transaction (or representative of the corporation if such representative effects the transaction) will be required.

Foreign Shareholders:

In the case of foreigners (excluding residents of Japan) or corporations who have their head office or principal office in foreign countries, documents issued by a foreign government or competent international organizations approved by the Japanese government or other similar documents which are equivalent to the identification documents of residents of Japan

(Note 2) Separate self-assessment taxation concerning capital gains from transfer of shares, etc. (for individual shareholders residing in Japan)

In general, individual shareholders residing in Japan will be subject to separate self-assessment taxation with respect to capital gains from transfer of shares, etc. Sales through tender under the tender offer will be treated as ordinary sales through securities companies. Please consult with a tax accountant or other experts with respect to specific tax matters at your own discretion.

(2) [Method of cancellation of tenders under the Tender Offer]

Tendering Shareholders, etc. may, at any time during the Tender Offer Period, cancel their tender under the Tender Offer. Tendering Shareholders etc, who wish to cancel their tender must deliver, or send by mail, a cancellation notice stating that such Tendering Shareholder, etc. cancels its tender under the Tender Offer (the “Cancellation Notice”) together with a receipt of tender under the Tender Offer to the head office or any Japanese branch of the party specified below by no later than 4 p.m. on the last day of the Tender Offer Period. The cancellation of tender will take effect at the time when the Cancellation Notice is delivered to, or reaches, the party stated below. However, if the Cancellation Notice is sent by mail, it must reach the party stated below by no later than 4 p.m. on the last day of the Tender Offer Period.

Party authorized to receive the Cancellation Notice:

Mitsubishi UFJ Securities Co., Ltd. 2-4-1, Marunouchi, Chiyoda-ku, Tokyo  
(or any other Japanese branch of Mitsubishi UFJ Securities Co., Ltd.)

(3) [Method of return of share certificates, etc.]

If Tendering Shareholders, etc. give notice to cancel their tender in the manner described in “(2) Method of cancellation of tenders under the Tender Offer”, the relevant Tendered Share Certificates, etc. will be returned immediately following the completion of the cancellation procedures in accordance with the method indicated in “(4) Method of return of share certificates, etc.” in the section entitled “10. Method of Settlement”.

(4) [Name and location of the head office of securities company/bank, etc. holding in trust and returning share certificates, etc.]

Mitsubishi UFJ Securities Co., Ltd. 2-4-1, Marunouchi, Chiyoda-ku, Tokyo

## 8. [Funds Required for Purchase, etc.]

(1) [Funds, etc. required for purchase, etc.]

Aggregate purchase price (yen): (a)	168,339,843,460
Type of consideration other than cash:	-
Total amount of considerations other than cash:	-
Purchase commission: (b)	800,000,000
Others: (c)	15,000,000
Total (a)+(b)+(c):	169,154,843,460

(Note 1) “Aggregate purchase price (yen): (a)” is the total amount (maximum value) of (i) all 306,634,106 issued common shares of the Target Company as of September 30, 2006 less the 79,157 shares of treasury stock held beneficially by the Target Company as of September 30, 2006 plus the maximum 2,451,000 shares that may be issued or delivered upon the exercise of the first series stock acquisition rights by the end of the Tender Offer Period, multiplied by the purchase price per share, and (ii) the sum of the 2,451 stock acquisition rights of the first series stock acquisition rights, the 2,970 stock acquisition rights of the second series stock acquisition rights and the 3,001 stock acquisition rights of the third series stock acquisition rights, multiplied by their respective purchase prices.

(Note 2) “Purchase commission: (b)” consists of estimated commissions to be paid to the Tender Offer Agent.

(Note 3) “Others: (c)” consists of the estimated amount of fees and expenses for printing the public notice of the Tender Offer, the explanatory statement of the Tender Offer and other necessary documents, and any other fees and expenses.

(Note 4) Although there are other expenses, such as reimbursement of payments to the Tender Offer Agent and attorney’s fees, etc., the actual amount thereof will not be determined until the completion of the Tender Offer.

(Note 5) The above amounts exclude consumption tax and local consumption tax and similar charges.

(2) [Deposits or loans, etc. allocable for funds required for purchase, etc.]

(i) Deposits as of one or two days preceding the date hereof

Type of deposit	Amount (thousand yen)
Ordinary deposit	49,826,320
TOTAL (a)	49,826,320

(ii) Borrowings before the date hereof

(a) Financial institutions

	Category of business of lender	Name of lender	Terms of contract	Amounts (thousand yen)
1	-	-	-	-
2	-	-	-	-
TOTAL				-

(b) Others

Category of business of lender	Name of lender	Terms of contract	Amounts (thousand yen)

-	-	-	-
TOTAL			-

(iii) Funds to be borrowed on or after the date hereof

(a) Financial institutions

	Category of business of lender	Name of lender	Terms of contract	Amounts (thousand yen)
1	-	-	-	-
2	-	-	-	-
TOTAL (b)				-

(b) Others

Category of business of lender	Name of lender	Terms of contract	Amounts (thousand yen)
Manufacturing	Volvo	Borrowing to be utilized as funds to purchase shares (note)	120,000,000
TOTAL (c)			120,000,000

(Note) The timing, method, term, interest rate and other details of the above loan will be determined after further consultation between the Offeror and the lender. The Offeror has obtained a certificate from Viking, as evidence of the above financing commitment, to the effect that Volvo is prepared to lend up to 120,000,000,000 yen to the Offeror.

(iv) Other methods of financing

Contents	Amounts (thousand yen)
-	-
TOTAL (d)	-

(v) Total of deposits or borrowings, etc. allocable for funds required for purchase, etc.

$$169,826,320 \text{ thousand yen} = (a)+(b)+(c)+(d)$$

(3) [Relationship between the Offeror and the issuer of the securities to be used as consideration for the purchase, etc.]

N/A

9. [Conditions of the Issuer of Securities to be Used as Consideration for the Purchase, etc.]

N/A

10. [Method of Settlement]

- (1) [Name and address of head office of securities company/bank etc. in charge of settlement of purchase, etc.]

Mitsubishi UFJ Securities Co., Ltd. 2-4-1, Marunouchi, Chiyoda-ku, Tokyo

- (2) [Commencement date of settlement]

March 29, 2007 (Thursday)

(Note) If the Tender Offer Period is extended pursuant to Article 27-10, Paragraph 3 of the Law, the commencement date of settlement will be April 12, 2007 (Thursday).

- (3) [Method of settlement]

A notice of purchase, etc. under the tender offer will be mailed to the address of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, to the address of their standing agents) without delay after the expiration of the Tender Offer Period.

The purchase will be conducted in cash. The Tender Offer Agent shall remit the sale price for the purchased share certificates, etc. to the location designated by the Tendering Shareholders, etc. (in the case of Foreign Shareholders, to the location designated by their standing agents) without delay from the commencement date of settlement, in accordance with the direction of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, the direction of their standing agents).

- (4) [Method of return of share certificates, etc.]

In the event that the Tendered Share Certificates, etc. will not be purchased under the terms as specified in “(2) Conditions of withdrawal, etc., of the Tender Offer, details thereof and method of disclosure of withdrawal, etc.” in the section entitled “11. Other Conditions and Methods of Purchase, etc.”, the Tender Offer Agent will, in accordance with the direction of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, their standing agents) and without delay from the date of withdrawal, etc. of the Tender Offer, return the share certificates, etc. that must be returned by delivering them to the Tendering Shareholders, etc. or sending them by mail to the address of the Tendering Shareholders, etc. (in the case of Foreign Shareholders, to the addresses of their standing agents), or, with respect to the share certificates, etc. kept in custody by the Tender Offer Agent (or by JASDEC through the Tender Offer Agent) at the time of tender, return such share certificates, etc. to the same condition of custody as at the time of tender.

## 11. [Other Conditions and Methods of Purchase, etc.]

- (1) [Conditions set forth in each item of Article 27-13, Paragraph 4 of the Law and the details thereof]

N/A. The Offeror will purchase all of the Tendered Share Certificates, etc.

- (2) [Conditions of withdrawal, etc., of the Tender Offer, details thereof and method of disclosure of withdrawal, etc.]

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and Item 1.12 through 1.18, Item 2, Item 3.1 through 3.8, Item 4, Item 5 as well as Article 14, Paragraph 2, Items 3 through 6 of the Enforcement Order, the Offeror may withdraw the Tender Offer.

Should the Offeror intend to withdraw the Tender Offer, it will give electronic public notice and publish notice thereof in *The Nihon Keizai Shimbun*; provided, however, if it is deemed difficult to give such notice by the last day of the Tender Offer Period, the Offeror will make a public

announcement pursuant to Article 20 of the Cabinet Ordinance, and forthwith give public notice.

(3) [Conditions of reduction of purchase price, details thereof and method of disclosure of reduction]

The Offeror may reduce the purchase price in accordance with the standards prescribed by the Cabinet Ordinance if the Target Company splits its shares or conducts some other action prescribed by government ordinances. Should the Offeror intend to reduce the purchase price, the Company will give an electronic public notice and publish a notice thereof in *The Nihon Keizai Shimbun*. However, if it is deemed difficult to make such notice by the last day of the Tender Offer Period, the Company will make a public announcement in accordance with Article 20 of the Cabinet Ordinance, and forthwith give public notice. If the purchase price is reduced, the Company will purchase the Tendered Share Certificates, etc. tendered prior to such public notice in accordance with the conditions of the purchase, etc. so changed.

(4) [Matters concerning tendering shareholders' right to cancel tender]

Tendering Shareholders, etc. may cancel their tender under the Tender Offer at any time during the Tender Offer Period. The method of cancellation shall be as described in "(2) Method of cancellation of the tender under the Tender Offer" in the section entitled "7. Method of Tendering Shares under the Tender Offer and Cancellation Thereof". No claim for indemnification or penalty payment will be made by the Company against Tendering Shareholders, etc. should they cancel their tenders. Further, the cost of returning Tendered Share Certificates, etc. to the Tendering Shareholders, etc. will be borne by the Company.

(5) [Method of disclosure if the conditions, etc. of the purchase, etc. are changed]

The Company may change any conditions of the purchase, etc. during the Tender Offer Period except as set forth in Article 27-6, Paragraph 1 of the Law. Should such changes be made, the Company will give an electronic public notice and publish a notice thereof in *The Nihon Keizai Shimbun*. However, if it is deemed difficult to make such notice by the last day of the Tender Offer Period, the Company will make a public announcement in accordance with Article 20 of the Cabinet Ordinance, and forthwith give public notice. If the conditions of the purchase, etc. are changed, the Company will purchase the Tendered Share Certificates, etc. tendered prior to such public notice in accordance with the conditions of the purchase, etc. so changed.

(6) [Method of disclosure if an amendment statement is filed]

If the Company files an amendment statement with the Director of the Kanto Local Finance Bureau, it will forthwith make a public announcement of the contents thereof which are relevant to the contents of the public notice of the Tender Offer, in accordance with the manner set forth in Article 20 of the Cabinet Ordinance. The Company will also amend the explanatory statement of the Tender Offer forthwith and provide the amended explanatory statement to the tendering shareholders who have received the former explanatory statement. If the amendments are made limited in extent, the Company may, instead of providing an amended explanatory statement, prepare and deliver to tendering shareholders a document stating the reason for the amendments, the matters having been amended and the details thereof.

(7) [Method of disclosure of results of the tender offer]

The results of the Tender Offer will be made public in accordance with Article 9-4 of the Enforcement Order and Article 30-2 of the Cabinet Ordinance on the day following the last day of the Tender Offer Period.

**II. [Information on the Offeror]**

**1. [If the Offeror is a Corporation]**

(1) [Outline of the Offeror]

(i) [History of the Offeror]

January 30, 2007: Established with the capital amount of 1,500,000 yen and the main office at Marunouchi Kitaguchi Building, 1-6-5 Marunouchi, Chiyoda-ku, Tokyo

February 7, 2007: Increased the capital amount to 25,000,000,000 yen and moved the main office to 4F Toranomom 4-chome MT Bldg., 4-1-8, Toranomom, Minato-ku, Tokyo

(ii) [Business purpose of the Offeror and the details of its business]

Business purpose of the Offeror

The principal business of the Offeror is to conduct the following:

1. To acquire and hold shares or interests in companies engaging in the following businesses and to control and manage the operations of such companies.
  - (1) Design, manufacture, sale, repair, maintenance, recycling, remodeling and inspection of motor vehicles, parts for motor vehicles, installation onto motor vehicles and other mechanical equipments;
  - (2) Design, manufacture, sale, repair, maintenance, recycling and contracting for construction of engines, generators and their parts and integrated facilities and systems related thereto;
  - (3) Sale of various fuels, lubricating oils, other petroleum products and high-pressure gasses;
  - (4) Plan, design, management of and contracting for civil engineering work, facility work, and other general construction work;
  - (5) Maintenance and inspection of buildings, structures and mechanical equipment, contracting for building and repair work, and cleaning services;
  - (6) Wrapping, packaging and shipping of parts for motor vehicles, supplies for motor vehicles, and other mechanical equipment;
  - (7) Acquisition, operation and management of educational facilities, sports facilities, cultural facilities, exhibition facilities, accommodation, parking lots, film studios, etc. and related facilities such as restaurants and shops;
  - (8) Sale of consumer electronics, office equipment, communication equipment, clothing items, general goods, processed food products, alcoholic beverages, precious metals, interior and exterior accessories, toys, sporting goods and other goods;
  - (9) Consulting, investigation and research related to each of the above items, and development, use, sale, purchase, grant, brokerage and technical guidance of

industrial property rights, design, know-how and technical information;

- (10) Export and import of goods related to each of the above items;
  - (11) Sale, purchase, lease, brokerage, management and use of real estate;
  - (12) General leasing business, management consulting, printing, publishing, communication services, security and fire prevention services, landscaping and nursing care services;
  - (13) General temporary employment;
  - (14) Non-life insurance agency business, life insurance solicitation business, financial services and sale and purchase of securities;
  - (15) Land transportation, warehouse business, travel business, carwash business, and industrial waste disposal services;
  - (16) Information processing services, telecommunication services, information provision services, and development and sale of related software; and
  - (17) Any other business incidental or related to each of the above items.
2. Any and all businesses incidental or related to the foregoing items.

Details of the business of the Offeror

The Offeror aims to acquire and hold the shares of the Target Company and operate and manage the Target Company's business after the completion of the Tender Offer.

(iii) [Amount of stated capital and total number of issued shares]

(as of February 21, 2007)

Amount of capital	Total number of issued shares
25,000,000,000 yen	2 shares

(iv) [Major shareholders]

(as of February 21, 2007)

Name	Address	Number of shares held (shares)	Ratio (%) to the total number of issued shares
Volvo	VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN	2	100.00
Total	-	2	100.00

(v) [Employment histories of and number of shares held by directors and officers]

(as of February 21, 2007)

Title held	Position	Name	Date of birth	Employment history	Number of shares

					res hel d (tho usa nd sha res)	
Representative Director	-	Jan Magnusson	March 20, 1960	<p>January 1987</p> <p>October 1991</p> <p>April 2000</p> <p>August 2001</p> <p>April 2005</p> <p>February 2007</p>	<p>Rowika AB, Sales and Marketing</p> <p>Rowika AB, Managing Director</p> <p>Progona Ltd, Managing Director</p> <p>Volvo IT AB, Manager External Sales</p> <p>Volvo Nippon KK, President (present post)</p> <p>Representative Director of the Company (present post)</p>	-
Director	-	Inga Nilsson	July 11, 1948	<p>May 1973</p> <p>November, 1985</p> <p>February 1987</p> <p>May 1995</p> <p>October 1997</p> <p>February 2007</p>	<p>Tax Director, Swedish Tax Authorities</p> <p>Expert, Ministry of Finance of Sweden</p> <p>Senior tax director, Swedish National Tax Board</p> <p>Tax Expert, Volvo</p> <p>Vice President Volvo, Head of Corporate Taxes (present post)</p> <p>Director of the Company (present post)</p>	-
Director	-	Mikael Hagström	April 14, 1966	<p>June 1994</p> <p>October 1996</p> <p>January 2001</p> <p>August 2001</p>	<p>Head of Accounting, Eddo Restauranger AB</p> <p>CFO, Eddo Restauranger AB</p> <p>IS/IT Manager, Amica Group</p> <p>Business Controller,</p>	-

				October 2004	Volvo Head of Group Accounting, Volvo	
				November 2006	Vice President, Head of Financial Reporting, Volvo (present post)	
				February 2007	Director of the Company (present post)	
Statutory Auditor	-	Rune Alsterholm	December 20, 1947	April 1974	Corporate Finance, Liquidity Planning Manager, Volvo	-
				April 1979	Manager Financial Planning and Account, Volvo Svenska Bil	
				April 1986	CFO Volvo Bus Corp.	
				April 1990	CFO, Volvo Suisse SA	
				August 1993	CFO, Volvo Parts Corp.	
				August 1996	Acting President, Volvo Parts Corp.	
				August 1997	Executive Vice President & CFO, Volvo Trucks North America	
				May 2002	Executive Vice President & CFO, Mack Trucks and Volvo Trucks North America	
				September 2005	Vice President, Volvo, Head of Corporate Audit (present post)	
				February 2007	Statutory Auditor of the Company (present post)	
Total						-

(2) [Financial condition]

The Offeror was established on January 30 2007. Because the first fiscal year since the Offeror's establishment has not yet ended, financial statements of the Offeror have not been prepared.

**2. [If the Offeror is an Entity other than a Corporation]**

N/A

**3. [If the Offeror is an Individual]**

N/A

### III. Breakdown of Share Certificates, etc. Held and/or Traded by Offeror and Special Related Persons

#### 1. [Breakdown of Ownership of Share Certificates, etc. as of the Date Hereof]

(1) [Total number of share certificates, etc. held by the Offeror and the special related persons]

	Number of share certificates, etc. held	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificate	223,271,286 (shares)	- (shares)	- (shares)
Certificate of stock acquisition rights	-	-	-
Certificate of bond with stock acquisition rights	-	-	-
Deposit receipt for share certificates, etc. ( )	-	-	-
Total	223,271,286	-	-
Total number of share certificates, etc. held	223,271,286	-	-
(Total number of latent share certificates, etc.)	(165,060,286)	-	-

(Note) Total number of latent share certificates, etc. describes the number of shares of common stock to be delivered if the right to request that the Target Company acquire the Preferred Stock held by Volvo were exercised, based on the acquisition price as of the date hereof.

(2) [Share certificates, etc. held by the Offeror]

	Number of share certificates, etc. held	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificate	- (shares)	- (shares)	- (shares)
Certificate of stock acquisition rights	-	-	-
Certificate of bond with stock acquisition rights	-	-	-
Deposit receipt for share certificates, etc. ( )	-	-	-

Total	-	-	-
Total number of share certificates, etc. held	-	-	-
(Total number of latent share certificates, etc.)	-	-	-

- (3) [Share certificates, etc. held by special related persons (total shares owned by special related persons)]

	Number of share certificates, etc. held	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificate	223,271,286 (shares)	- (shares)	- (shares)
Certificate of stock acquisition rights	-	-	-
Certificate of bond with stock acquisition rights	-	-	-
Deposit receipt for share certificates, etc. ( )	-	-	-
Total	223,271,286	-	-
Total number of share certificates, etc. held	223,271,286	-	-
(Total number of latent share certificates, etc.)	(165,060,286)	-	-

(Note) Total number of latent share certificates, etc. describes the number of shares of common stock to be delivered if the right to request that the Target Company acquire the Preferred Stock held by Volvo were exercised, based on the acquisition price as of the date hereof.

- (4) [Share certificates, etc. held by each special related person (breakdown by each special related person)]

(i) Special related person

Name	Volvo
Address	VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN
Business Description	Manufacturing
Contact	Christer Johansson VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN +46 31 66 13 34
Relationship with the Offeror	Parent Company of the Offeror

(ii) Number of share certificates, etc. held

## Volvo

	Number of share certificates, etc. held	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 2 of the Enforcement Order	Number of share certificates, etc. provided in Article 7, Paragraph 1, Item 3 of the Enforcement Order
Share certificate	223,271,286 (shares)	- (shares)	- (shares)
Certificate of stock acquisition rights	-	-	-
Certificate of bond with stock acquisition rights	-	-	-
Deposit receipt for share certificates, etc. ( )	-	-	-
Total	223,271,286	-	-
Total number of share certificates, etc. held	223,271,286	-	-
(Total number of latent share certificates, etc.)	(165,060,286)	-	-

(Note) Total number of latent share certificates, etc. describes the number of shares of common stock to be delivered if the right to request that the Target Company acquire the Preferred Stock held by Volvo were exercised, based on the acquisition price as of the date hereof.

**2. [Trading of Share Certificates, etc.]**

(1) [Trading during the 60-day period prior to the date hereof]

N/A

**3. [Material Contracts Concerning These Share Certificates, etc.]**

N/A

**4. [Contract of Purchase, etc. of Share Certificates, etc. on and after the Date Hereof]**

N/A

**IV. Transactions between the Offeror and the Target Company**

**1. [Transactions between the Offeror and the Target Company or Its Officers, and the Contents Thereof]**

N/A

**2. [Agreements between Offeror and the Target Company or Its Officers, and the Contents Thereof]**

In determining the purchase price of shares of common stock in the Tender Offer, the Offeror requested Mitsubishi UFJ Securities, the financial advisor to the Offeror, to calculate the share value of the Target Company in order to use it as reference data for determining the purchase price. Upon receiving this request, Mitsubishi UFJ Securities conducted a review of which valuation method should be adopted, and, in light of the various factors including the financial and operating conditions of the Target Company and the potential earning capacity of the Target Company resulting from elements such as the synergies that are expected to arise between the Target Company and Volvo by a series of transactions after the Tender Offer, conducted valuations by the average market price method, the discounted cash flow (DCF) method, and the comparable company method, and calculated the share value of the Target Company. The Offeror and Volvo commenced negotiations with the Target Company from around January 18, 2007, and had ongoing discussions with respect to the purchase price of the Tender Offer.

In response, from around January 18, 2007, the Target Company had discussed the pros and cons of the Tender Offer and the adequacy of its terms. At this time, the Target Company appointed Mizuho Securities Co., Ltd., which is a third-party financial institution independent from Volvo, as financial advisor, and in light of its valuation of share value, and with the advice of Mizuho Securities Co., Ltd. and an independent law firm, it conducted discussions and negotiations with Volvo and the Offeror and both parties finally agreed on the purchase price for the Tender Offer as 540 yen.

Following this agreement, Volvo determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 19, 2007. Following such determination, the Offeror determined the purchase price for shares of common stock in the Tender Offer as 540 yen at the meeting of the Board of Directors held on February 20, 2007.

Also, in the light of the results of the calculation of share value by the financial advisor and the results of the discussions and negotiations with Volvo and the Offeror stated above, the Board of Directors of the Target Company determined that the purchase price in the Tender Offer was fair and reasonable, and resolved to approve the Tender Offer at the meeting of the Board of Directors held on February 20, 2007 with the approval of all directors present (but excluding any party with a conflict of interest) resolved to approve the Tender Offer. Each of the statutory auditors of the Target Company, including outside statutory auditors, expressed their support for the approval of the Tender Offer by the Board of Directors of the Target Company. However, Mr. Jorma Halonen, who is a director of the Target Company and executive of Volvo Group, did not participate in the deliberation and resolution at the meeting of the Board of Directors of the Target Company stated above because of a conflict of interest.

The purchase price for shares of common stock is equal to the average of the closing sale prices for shares of the Target Company quoted on the Tokyo Stock Exchange for the past three month period ending on February 19, 2007 (410 yen, rounded to the nearest whole yen) plus a premium of approximately 32%. Also, the purchase price for shares of common stock under the Tender Offer is within the range of the share value of the Target Company calculated by Mitsubishi UFJ Securities.

In determining the purchase prices of the first series stock acquisition rights, second series stock

acquisition rights and third series stock acquisition rights under the Tender Offer, the Offeror used the Black-Scholes option-pricing formula as its valuation technique pursuant to the Accounting Standard for Stock Options (ASBJ Statement No.8) and Guidance on Accounting Standards for Stock Options (ASBJ Guidance No.11) and determined the purchase price of the stock acquisition rights, taking into consideration various factors such as the exercise price, exercise period, exercise conditions and other particulars for each of the stock acquisition rights, stock price volatility, the purchase price for shares of common stock in the Tender Offer stated above, and that the potential dilution of share holding of the Offeror to the Target Company will be prevented by the Offeror acquiring the stock acquisition rights, as well as taking into an account the results of discussions and negotiations with the Target Company. Determination of the purchase price of stock acquisition rights has also been preceded by the discussions and negotiations between the Offeror and the Target Company, and is supported by the resolution of the board of directors of the Target Company.

## V. Conditions of the Target Company

### 1. [Profit and Losses, etc. for the Past Three Years]

#### (1) [Profits and losses]

Fiscal year	(million yen)		
	March 2004 (79th Term)	March 2005 (80th Term)	March 2006 (81st Term)
Net sales	349,301	340,104	366,427
Cost of Sales	272,160	281,995	301,462
Selling, General and Administrative Expenses	53,444	43,132	39,642
Non-operating profit	3,396	3,661	3,354
Non-operating expenses	9,005	4,692	2,810
Net profit (loss)	(42,698)	17,817	24,380

(Note 1) Net sales exclude consumption tax.

(Note 2) The above information (including Note 1) is extracted from the Target Company's Securities Reports for the 79th Term (filed as of June 25, 2004), the 80th Term (filed as of June 28, 2005), and the 81st Term (filed as of June 28, 2006).

#### (2) [Profit and loss per share]

Fiscal year	(yen)		
	March 2004 (79th Term)	March 2005 (80th Term)	March 2006 (81st Term)
Net profit or loss per share	(169.12)	67.01	90.71

Dividend per share (Interim dividend per share)	-	Common stock 3.00	Common stock 3.00
	(-)	First class preferred stock 7.86	First class preferred stock 6.11
		Second class preferred stock 9.80	Second class preferred stock 7.61
		Third class preferred stock 11.73	Fourth class preferred stock 10.31
		Fourth class preferred stock 13.28	(Common stock -
		(Common stock -	First class preferred stock
		First class preferred stock	-
		-	Second class preferred stock
		Second class preferred stock	-
		-	Fourth class preferred stock
		Third class preferred stock	-)
		-	
		Fourth class preferred stock	
		-)	
Net assets per share	(113.23)	(45.76)	174.80

(Note 1) Net assets per share for the 79th Term, 80th Term and 81st Term have been calculated by dividing the net asset amount as of the end of each Term less “number of issued shares of preferred stock as of the end of Term x issue price per share” and “other amount not attributable to the common stockholder” by the number of issued shares of common stock as of the end of such Term (excluding “treasury stock”).

(Note 2) The above information (including Note 1) has been extracted from the Target Company’s Securities Reports for the 79th Term (filed as of June 25, 2004), the 80th Term (filed as of June 28, 2005), and the 81st Term (filed as of June 28, 2006).

## 2. [Share Price Information]

Names of stock exchange or securities dealers association	Tokyo Stock Exchange First Section						
	2006 August	2006 September	2006 October	2006 November	2006 December	2007 January	2007 February
Highest share price (yen)	497	488	469	397	425	459	523
Lowest share price (yen)	408	412	364	348	374	397	413

(Note 1) Highest and lowest share prices for February 2007 represent the highest and lowest share prices up to and including February 20, 2007.

(Note 2) The prices above are for the common stock. Preferred Stock has not been listed.

### 3. [Shareholder Information]

#### (1) [Breakdown by holders]

##### Common stock

(as of March 31, 2006)

Description	Status of Shares (1000 Shares constitute 1 unit)								Status of shares less than 1 unit (shares)
	National and local governments	Financial institutions	Securities companies	Other entities	Foreign Entities, etc.	Individuals from Foreign Entities, etc.	Individuals or Others	Total	
Number of shareholders	-	105	50	525	104	4	23,383	24,167	-
Number of shares owned (unit)	-	109,394	9,419	33,732	85,277	11	68,197	306,019	416,106
Proportion of number of shares owned (%)	-	35.75	3.08	11.02	27.87	0.00	22.28	100.00	-

(Note 1) 76 units out of the 76,487 shares of treasury stock are included in the column "Individuals or others", and the remaining 487 shares are included in "Status of shares less than 1 unit (shares)". The 76,487 shares of treasury stock is the number of shares entered in the shareholders' register, and the actual number of shares held as of March 31, 2006 is 75,487 shares.

(Note 2) 21 units of shares registered under the name of JASDEC are included in the column "Other entities".

##### First class preferred stock

(as of March 31, 2006)

Description	Status of Shares (1000 Shares constitute 1 unit)								Status of shares less than 1 unit (shares)
	National and local governments	Financial institutions	Securities companies	Other entities	Foreign Entities, etc.	Individuals from Foreign Entities, etc.	Individuals or Others	Total	

Number of shareholders	-	3	-	1	-	-	-	4	-
Number of shares owned (unit)	-	37,498	-	6,666	-	-	-	44,164	-
Proportion of number of shares held (%)	-	84.91	-	15.09	-	-	-	100.00	-

Second class preferred stock

(as of March 31, 2006)

Description	Status of Shares (1000 Shares constitute 1 unit)								Status of shares less than 1 unit (shares)
	National and local governments	Financial institutions	Securities companies	Other entities	Foreign Entities, etc.	Individuals from Foreign Entities, etc.	Individuals or Others	Total	
Number of shareholders	-	3	-	1	-	-	-	4	-
Number of shares owned (unit)	-	37,498	-	6,666	-	-	-	44,164	-
Proportion of number of shares held (%)	-	84.91	-	15.09	-	-	-	100.00	-

Fourth class preferred stock

(as of March 31, 2006)

Description	Status of Shares (1000 Shares constitute 1 unit)								Status of shares less than 1 unit (shares)
	National and local governments	Financial institutions	Securities companies	Other entities	Foreign Entities, etc.	Individuals from Foreign Entities, etc.	Individuals or Others	Total	

Number of shareholders	-	-	1	-	-	-	1	-
Number of shares owned (unit)	-	-	6,666	-	-	-	6,666	-
Proportion of number of shares held (%)	-	-	100.00	-	-	-	100.00	-

(Note) The above information (including Notes 1 and 2) has been extracted from the Target Company's Securities Report for the 81st Term (filed as of June 28, 2006).

(2) [Number of shares owned by major shareholders and officers]

(A) [Major shareholders]

Common stock

(as of March 31, 2006)

Name	Address	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Volvo (Standing Agent: Daiwa Securities SMBC Co., Ltd.) (Note 2)	VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN (1-8-1, Marunouchi, Chiyoda-ku, Tokyo)	40,000	13.05
Nissan Motor Co., Ltd. (Note 2)	2, Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	18,211	5.94
The Master Trust Bank of Japan, Ltd. (trust account) (Note 1)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	14,470	4.72
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	12,179	3.97
Japan Trustee Services Bank, Ltd. (trust account) (Note 1)	1-8-11, Harumi, Chuo-ku, Tokyo	11,723	3.83
Trust & Custody Services Bank, Ltd. (securities investment trust account) (Note 1)	1-8-12, Harumi, Chuo-ku, Tokyo	8,245	2.69
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	7,776	2.54
Japan Securities Finance Co., Ltd.	1-2-10, Kayaba-cho, Nihombashi, Chuo-ku, Tokyo	7,105	2.32
Resona Bank, Limited	2-2-1, Bingo-cho, Chuo-ku, Osaka-shi, Osaka	5,956	1.94

Barclays Global Investors Japan Trust & Banking Co., Ltd. (Note 3)	1-1-39, Hiroo, Shibuya-ku, Tokyo	4,813	1.57
Total	-	130,480	42.57

(Note 1) The number of shares held in relation to trust business is as follows.

The Master Trust Bank of Japan, Ltd. (trust account): 14,470,000 shares

Japan Trustee Services Bank, Ltd. (trust account): 11,723,000 shares

Trust & Custody Services Bank, Ltd. (securities investment trust account): 8,245,000 shares

(Note 2) Nissan Motor Co., Ltd. sold 40,000,000 shares it held to Volvo on March 27, 2006. As a result, Volvo became a major shareholder of the Company.

(Note 3) The number of shares held by Barclays Global Investors Japan Trust & Banking Co., Ltd. in relation to its trust business as of March 31, 2006 has not stated because it has not been confirmed by the Target Company

#### First class preferred stock

(as of March 31, 2006)

Name	Address	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	23,666	53.59
Resona Bank, Limited	2-2-1, Bingo-cho, Chuo-ku, Osaka-shi, Osaka	7,041	15.94
Mizuho Trust and Banking Co., Ltd.	1-2-1, Yaesu, Cho-ku, Tokyo	6,791	15.38
Nissan Motor Co., Ltd.	2, Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	6,666	15.09
Total	-	44,164	100.00

#### Second class preferred stock

(as of March 31, 2006)

Name	Address	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	23,666	53.59
Resona Bank, Limited	2-2-1, Bingo-cho, Chuo-ku, Osaka-shi, Osaka	7,041	15.94
Mizuho Trust and Banking Co., Ltd.	1-2-1, Yaesu, Cho-ku, Tokyo	6,791	15.38
Nissan Motor Co., Ltd.	2, Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	6,666	15.09
Total	-	44,164	100.00

#### Fourth class preferred stock

(as of March 31, 2006)

Name	Address	Number of	Ratio (%) to
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		shares held (thousands)	the total number of issued shares
Nissan Motor Co., Ltd.	2, Takara-cho, Kanagawa-ku, Yokohama-shi, Kanagawa	6,666	100.00
Total	-	6,666	100.00

(Note 1) The above information has been extracted from the Target Company's Securities Report for the 81st Term (filed as of June 28, 2006).

(Note 2) The Target Company filed its Semiannual Report for the 82nd Term on December 26, 2006. According to this Semiannual Report, the major shareholders of the Target Company as of September 30, 2006 were as follows.

#### Common stock

(as of September 30, 2006)

Name	Address	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Volvo (Standing Agent: Daiwa Securities SMBC Co., Ltd.) (Note 2)	VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN (1-8-1, Marunouchi, Chiyoda-ku, Tokyo)	58,211	18.98
The Master Trust Bank of Japan, Ltd. (trust account) (Note 1)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	15,080	4.92
Mizuho Corporate Bank, Ltd.	1-3-3, Marunouchi, Chiyoda-ku, Tokyo	12,179	3.97
Japan Trustee Services Bank, Ltd. (trust account) (Note 1)	1-8-11, Harumi, Chuo-ku, Tokyo	9,672	3.15
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	7,776	2.54
Trust & Custody Services Bank, Ltd. (securities investment trust account) (Note 1)	1-8-12, Harumi, Chuo-ku, Tokyo	7,324	2.39
Resona Bank, Limited	2-2-1, Bingo-cho, Chuo-ku, Osaka-shi, Osaka	5,956	1.94
Morgan Stanley & Co. International Limited (Standing Agent: Morgan Stanley Japan Securities Co., Ltd.)	25 Cabot Square, Canary Wharf, London E144QA England (4-20-3 Ebisu, Shibuya-ku, Tokyo)	5,387	1.76
SOMPO JAPAN INSURANCE INC.	1-26-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo	4,723	1.39
The Dai-ichi Mutual Life Insurance	1-13-1 Yurakucho, Chiyoda-ku, Tokyo	4,172	1.36

Company (Standing Agent: Japan Trustee Services Bank, Ltd.)	(1-8-11, Harumi, Chuo-ku, Tokyo)		
Total	-	130,032	42.40

(Note 1) The number of shares held in relation to trust business is as follows.

The Master Trust Bank of Japan, Ltd. (trust account): 15,080,000 shares

Japan Trustee Services Bank, Ltd. (trust account): 9,672,000 shares

Trust & Custody Services Bank, Ltd. (securities investment trust account): 7,324,000 shares

(Note 2) Volvo exercised its option to acquire 18,211,000 shares (6% of total issued shares of common stock) of common stock of the Company held by Nissan Motor Co., Ltd. on September 25, 2006. As a result, the number of shares of common stock of the Company held by Volvo became 58,211,000 shares.

#### First class preferred stock

(as of September 30, 2006)

Name	Address	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Volvo (Standing Agent: Daiwa Securities SMBC Co., Ltd.)	VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN (1-8-1, Marunouchi, Chiyoda-ku, Tokyo)	44,164	100.00
Total	-	44,164	100.00

#### Second class preferred stock

(as of September 30, 2006)

Name	Address	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Volvo (Standing Agent: Daiwa Securities SMBC Co., Ltd.)	VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN (1-8-1, Marunouchi, Chiyoda-ku, Tokyo)	6,666	100.00
Total	-	6,666	100.00

#### Fourth class preferred stock

(as of September 30, 2006)

Name	Address	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Volvo (Standing Agent: Daiwa Securities SMBC Co., Ltd.)	VOLVO BERGEGARDS VAG, SE-405 08 GÖTEBORG, SWEDEN (1-8-1, Marunouchi, Chiyoda-ku, Tokyo)	6,666	100.00
Total	-	6,666	100.00

(B) [Officers]

(as of June 28, 2006)

Name	Title	Job title	Number of shares held (thousands)	Ratio (%) to the total number of issued shares
Itaru Koeda	Chairman	-	4	0.00
Jorma Halonen	Vice Chairman	-	-	-
Iwao Nakamura	President	Representative Director	91	0.03
Satoru Takeuchi	Senior Managing Director	-	18	0.01
Hiroshi Masuda	Senior Managing Director	-	25	0.01
Takahisa Oniki	Senior Managing Director	-	4	0.00
Yusuke Sakaue	Senior Managing Director	-	2	0.00
Keishi Abe	Senior Managing Director	-	14	0.00
Tadamichi Harada	Senior Managing Director	-	4	0.00
Takeo Okusa	Statutory Auditor	Full-time	26	0.01
Ikuo Shishido	Statutory Auditor	Full-time	3	0.00
Isamu Kuwako	Statutory Auditor	-	8	0.00
Kenzo Ito	Statutory Auditor	-	1	0.00
Total	-	-	200	0.07

(Note 1) Mr. Ikuo Shishido, Mr. Isamu Kuwako and Mr. Kenzo Ito, statutory auditors, are all outside statutory auditors as prescribed in Article 2, Item 16 of the Corporate Law.

(Note 2) The above information (including Note 1 but excluding the ratio to the total number of issued shares) has been extracted from the Target Company's Securities Report for the 81st Term (filed as of June 28, 2006).

(Note 3) The ratio to the total number of issued shares has been rounded to two decimal places.

(Note 4) The Target Company filed its Semiannual Report for the 82nd Term on December 26, 2006. According to that report, since the filing date of the Securities Report for the 81st Term (filed as of June 28, 2006) and up to the filing date of the Semiannual Report for the 82nd Term (filed as of December 26, 2006), there had been no change to the directors and officers of the Target Company.

#### 4. [Other Matters]

- (1) The Offeror intends to make the Target Company a wholly-owned subsidiary through the Tender Offer and a series of subsequent procedures. As there is no upper limit on the number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the shares of the Target Company may be delisted through prescribed procedures in accordance with the criteria for delisting stock from the Tokyo Stock Exchange. After delisting, it will not be possible to trade the shares of the Target Company on the Tokyo Stock Exchange.
- (2) At the meeting of the Board of Directors of the Target Company held on February 20, 2007, the Target Company resolved to propose to the annual general meeting of shareholders scheduled to be held in the latter half of June 2007 that the Target Company shall not pay a year-end dividend as of March 31, 2007 on its common stock and the Preferred Stock.