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For release Immediately
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Notice on Continuation of the Countermeasures on the Large-Scale Acquisition of Company Shares etc. (Takeover Defense Measures)

TAKEFUJI CORPORATION (hereafter the “Company”) introduced the Countermeasures on the Large-Scale Acquisition of Company Shares etc. (the “Current Plan”) at the board of directors’ meeting held on October 25, 2006 and sustains the Current Plan upon shareholders’ approval at the 40th Annual General Shareholders’ Meeting held on June 28, 2007. The Current Plan is valid until the end of the 43rd Annual General Shareholders’ Meeting scheduled in June 2010 (the “AGM”). Even after the introduction of the Current Plan, the Company has been examining whether or not to sustain the Current Plan, as well as considering appropriate countermeasures on a large-scale acquisition of Company shares, given social and economic changes and based on the various movements and development in discussion over takeover defense measures.

As a result, we announce that, subject to shareholders’ approval at the AGM, the Company’s board of directors’ meeting held today decided to partly change the Current Plan and sustain it as the Countermeasures on the Large-Scale Acquisition of Company Shares (the “Plan”).

All of 4 corporate auditors indicate agreement to the Plan, providing that the Plan will be administered appropriately.

The situation of principal shareholders as of March 31, 2010 is as listed in attachment 1. As of today, we have not received any concrete proposal regarding large-scale acquisition of our company shares.

The changes from the Current Plan are as follows:

- 1) When the person or persons effecting or proposing a large-scale acquisition (the “Acquirer”) intends to purchase share or conduct similar action, the Acquirer shall first submit a letter of intent. Then the Company shall request necessary information within 10 business days from the day of receipt of the letter.
- 2) When the Acquirer provides necessary information, the Company’s board of directors or the Independent Committee may request the Acquirer for additional information within 60 days at the most.
- 3) When the Acquirer does not provide a part of the information additionally requested by the Company’s board of directors or the Independent Committee but gives a reasonable explanation for not providing information, the Company may terminate negotiation with the Acquirer over the information and may start examining the nature of acquisition.
- 4) As a general rule, the duration of examination may be extended by 30 days and may not be extended for the second time.

- 5) When triggering the countermeasure, the Independent Committee makes recommendation. If the committee reserves recommendation on a condition that the triggering should be approved at a shareholders' meeting for confirmation, a shareholders' meeting can be held.
- 6) Other revisions are made and phrases are arranged as follows: revisions in wordings in citation related to revision 1) to 5) above, necessary revisions due to improvement of related laws and regulations such as computerized management of shareholders' ownership rights in accordance with "Law Amending the Partial Revision of the Commercial Code Concerning Book-Entry Transfer Corporate Securities for Rationalization of Settlements Related to the Trading of Equities" (Law No. 88 of 2004) enforced on January 5, 2009 and necessary revisions due to the change from Securities and Exchange Act to Financial Instruments and Exchange Act.

1. Basic policy of management of the decisions of the Company's financial and business policies

(Basic policy of management of the decisions of a company's financial and business policies as defined in Item 3 of Article 118, Ordinance for Enforcement of the Companies Act)

In regard to how decisions on the Company's financial and business policies should be managed, the Company's view is that they are determined by free trading in the stock market. Consequently, judgment as to whether to respond to purchase proposals in conjunction with shifts in a joint stock company control rights should in the final analysis be based on the intention of all shareholders.

However, there are more than few cases of large purchases, in which the purchase does not contribute to improvement of corporate value or shareholders' common interests, such as the Acquirer is clearly detrimental to corporate value or shareholders' common interests; there is concern that shareholders are in effect coerced into selling; sufficient information and time are not provided for target company directors or shareholders to study the purchase terms or for the directors to propose alternatives; negotiations are necessary with the Acquirer to bring about more advantageous terms, and the like. Including the above examples, the Company's view is that persons or entities conducting inappropriate large purchases, or similar conduct raising concerns about injury to corporate value and the common interests of shareholders, are not appropriate for control of decisions about the Company's financial and business policies.

2. Special measures for basic policy implementation

In order to encourage ongoing long term investment by multiple investors, and measures to improve its corporate value and shareholders' common interests, the Company is already implementing the policies shown below. We believe that these measures contribute to realization of the basic policies in 1. above.

- (1) "Intermediate and long-term management strategy" measures to improve corporate value

In the consumer finance industry, revised Money Lending Business Law will soon be fully enforced including introduction of lower cap interest rate and aggregate debt control, while interest refund claims are remaining at a high level to make the situation harder than ever. In this environment, and inheriting its founding spirit of "Customer First" and "Efficient Management," the Company is stressing all-company improvement in corporate value and shareholders' common interests.

To be more specific, while decline in direct cash loans to customers and decrease in operating revenues are expected, we strive to secure stable profit by credit cost reduction through "improvement of loans receivable" and "streamlining of the organization," as well as front-loading allowance for losses for refund of interest received from customers. We will also promote diversification of earning sources through developing new business and

looking at business abroad. We are also moving to expand our IR activity in Japan and overseas, to implement timely and continuous fair disclosure, and to further enhance our corporate transparency.

(2) “Corporate governance reinforcement” measures to improve corporate value

As arrangements indispensable for improving corporate value and shareholders’ common interests, the Company has long positioned “Corporate governance reinforcement” as an important issue. We are implementing the Following policies as specific measures.

(a) Filling out corporate governance

Working to improve corporate value is the Company’s basic management policy, in which corporate ethics establishment and filling out corporate governance are considered essential for implementation. For this reason, “Takefuji Corporation Management Ethical Charter” was newly established in September, 2008, and it confirms corporate ethics. We are also promoting all-around strengthening of management transparency and efficiency, improving soundness, deepening compliance and accelerating disclosure.

TAKEFUJI CORPORATION Management Ethical Charter

1. Purpose

TAKEFUJI CORPORATION (“the Company” hereinafter) has long been striving to fulfill its social mission and enhance its credibility by helping people with smooth household finance through engaging in money lending business and contributing to proper operation of national economy since it was established in 1966. Although people's lifestyles change, Takefuji is convinced that consumer finance companies have unchangeable range of duties and responsibilities.

Based on this conviction, all directors and employees of the Company must become more acutely aware of our social role and responsibilities, observe relevant laws and ordinances in everyday business operations, and act upon social standards.

Accordingly, we hereby pledge to make continual efforts to earn the trust of society and establish the TAKEFUJI CORPORATION Management Ethical Charter as a concrete declaration of our long-cherished founding spirit since our foundation, in order to demonstrate our firm commitment.

2. Basic Philosophy

(1) In order to earn the trust of communities and to make positive contributions to society, we ensure strict adherence to our founding spirit of Customer First and provide high quality financial services.

(2) In order to achieve that aim, we establish not only strict compliance to laws and ordinances, but also high ethical standards and compliance system.

3. Charter

(1) We observe all relevant laws, ordinances and regulations, and conduct our corporate activities in accordance with fair and equal business practices.

(2) In money lending business, we make efforts to protect the interests of people including those who are in financial needs for the best results, while focusing on transparency of transactions, and contributing to the proper operation of national economy.

(3) We ensure open and comprehensive exchanges with customers and society through active and impartial disclosure of management information, aiming for well-functioning market discipline functions well.

(4) We aim to establish sound work environment in which personalities and values are mutually respected.

(5) We act upon our founding spirit of gratitude, remain aware of our position and responsibility as a corporate citizen, follow the dictates of conscience, and act in accordance with social standards.

- (6) We remain opposed to anti-social forces that threaten the order and safety of people and society.
- (7) We establish sound fiscal basis and risk management system based on our risk characteristics.
- (8) We continue sound and faithful two-way conversation and smooth communication with government.
- (9) We are well-aware that the development of the society is the basis of corporate growth, and we aim at co-existence and co-prosperity with the society, through active information emission and CSR activities.
- (10) We comply with and carry out this charter, not only in the Company, but also in the whole Company Group.

As shown in the chart, the Company has elected to have the Board of auditors (4 corporate auditors of which 2 outside corporate auditors), positioned with the Board of Directors (12 directors of which 2 outside directors) under the General Shareholders' Meeting, and has set up a Compliance Committee to which outside employed person are invited. With introduction of an executive officer system and establishment of Executive Committee, decision making and business operation are conducted promptly and accurately. The Company has facilitated a structure that realizes appropriate and efficient management.

In cooperation with the Board of auditors, the inspection department in charge of internal audits implements audits periodically and as necessary in relation to overall compliance with related laws and ordinances, protection of personally identifiable information and other internal controls, provides as necessary guidance and advice on improvements, and renders reports on the results to the Board of Directors and the Board of auditors.

(3) The Company has implemented the foregoing policies centered on intermediate/long-term management strategies, but going forward will continue carrying them out more effectively on a medium/long-term perspective, and thereby work to improve corporate value and secure shareholders' common interests.

3. Effort to prevent the control of the Company by persons deemed inappropriate in light of the Basic Policy

(1) Objectives of the Plan

The primary objective of the Current Plan is to secure and enhance corporate value and the common interests of shareholders. It was introduced in accordance with the basic policy mentioned in 1. above. The Plan is to partly revise the Current Plan and sustain it.

Since its foundation in 1966, the Company has nurtured as well as led the consumer finance industry in Japan as an independent consumer finance company, and making compliance with laws and regulations the backbone of management under the founding philosophy of "Customer First" and "Efficient Management," the Company has formulated its business model focusing on the unsecured loan business while accumulating its own unique know-how and systems. The environment surrounding the consumer finance industry has materially deteriorated due to recent revision of the law and due to interest refund claims, which stay at a high level. In this situation, the Company considers that it is necessary to proactively address medium/long-term measures. Such measures require the strength of our brand and expertise, earned from our long history in the business, as well as the trust and ties between the Company and the various stakeholders, such as shareholders, customers, local communities and employees.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control. Therefore, the Company does not necessarily deny large scale acquisition of our shares or proposal of the acquisition, if the purchase or the proposal contributes to the improvement of the corporate value and common interests of shareholders.

However, as mentioned in 1. above, there are some forms of corporate acquisition that benefit neither our corporate value nor the common interests of the shareholders, judging from their objectives. Unless the Acquirer of a proposed large scale acquisition would ensure achieving measures over the medium/long-term, the corporate value of the Company and the common interests of the shareholders would be harmed.

As shown in Attachment 1, founder's family members, relatives and those related to them own 26.41% of the Company's share on voting rights basis as of March 31, 2010. However, the ratio fell by approximately 42% in past 6 years. The ratio may further decrease for various reasons of each holder. The rest of the Company's share is mostly held by a wide range of shareholders, including individuals, institutional investors such as

trust banks, international institutions and so on. For the benefit of these shareholders, the Board of Directors considers that if large scale acquisition is conducted or acquisition is proposed, it is necessary to sustain a mechanism that ensures the necessary time and opportunity for shareholders to fully consider the information provided, or the opportunity for the shareholders to consider alternatives proposed by the board of directors, to enable shareholders to make appropriate decisions whether or not to respond to the acquisition. Thus the Board of Director has decided to partly revise the Current Plan and sustain the Plan.

(2) The Plan outline

(a) Establishment of procedures

In the case that there is an Acquisition (defined in (3) (a), 'Procedures for triggering the Plan' below. This definition is applied throughout this document.), in addition to allowing for requests to the Acquirer to provide information in advance, the Plan also sets out procedures for fulfilling above mentioned 3. (1), 'Objectives of the Plan.' In case procedures of the Plan are commenced, the Acquirer may not conduct the acquisition until the Board of Directors resolves that they do not trigger the Plan. Please refer to (3), 'Procedures for triggering the Plan' below.

(b) Triggering the Plan by use of gratis allotment of stock acquisition rights

If an Acquirer effects a large scale Acquisition without following the procedures set out in the Plan or otherwise acts in a way that is deemed to be harmful to the Company's corporate value or the common interests of shareholders (for details of these requirements, please refer to (4) 'Requirements for the gratis allotment of stock acquisition rights' below), the Company will allot stock acquisition rights having an exercise condition that does not allow the Acquirers to exercise and an acquisition provision to the effect that the Company may acquire the stock acquisition rights from persons other than the Acquirers in exchange for shares in the Company (the main details of such stock acquisition rights are set out below at (5), 'Outline of the gratis allotment of stock acquisition rights'; "Stock acquisition rights"), by means of a gratis allotment of stock acquisition rights (prescribed by Article 277 onwards of the Companies Act of Japan) to all shareholders at that time except for the Company.

(c) Exercise of the stock acquisition rights and the Company's acquisition of stock acquisition rights

If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and the shareholders other than the Acquirer receives shares in the Company either through exercising the rights or in exchange for the Company acquiring the stock acquisition rights, then it would be possible for the ratio of Company shareholder voting rights held by the Acquirer to be diluted by up to 50%.

(d) Establishment of enhancing reasonability of the Plan

Regarding the execution, inexecution or acquisition of the gratis allotment of stock acquisition rights according to the Plan, in the same way as the Current Plan, the decision will be made via judgment of the Independent Committee, which comprises (i) the Company's outside directors, (ii) the Company's outside corporate auditors, (iii) outside intellectuals (such as experienced corporate operators, former government employees, experts in investment banking, lawyers, certified accountants, academic experts, etc.), only those who are independent from the Company's management, as stipulated in the rules of the Independent Committee (please refer to attachment 2 for its outline) to avoid arbitrariness of the Company's management, as well as securing transparency by disclosing information to shareholders as necessary. The names and brief background description of the members of the Independent Committee is shown in attachment 3.

(e) Shareholders' meeting for confirmation

In addition to setting up the Independent Committee, in cases stipulated by the Plan, the Company's Board of Directors may convene a shareholders' meeting for confirmation to confirm the shareholders' intention regarding the execution of gratis allotment of stock acquisition rights.

The transparency shall be secured by information disclosure to shareholders when necessary regarding process of such procedures.

(3) Procedures for triggering the Plan

(a) Targeted acquisitions

The Plan is applicable to cases (except for cases to which the Company's management prospectively agrees) where there is an acquisition of shares etc. of the Company or any similar action or a proposal for such action (the "Acquisition"), that falls under (i) or (ii) below. The Acquirers shall prospectively follow the procedure of the Plan.

(i) An Acquisition that would result in the sum of the holding ratio of share etc. (*1) of a holder (*2), joint holders (*3) of holders and any affiliated party of any party of these party above (kanrensha *4) newly amounting to 20% or more of the share, etc. (*5) issued by the Company; or

(ii) A tender offer (*6) that would result in the owning ratio (*7) of share, etc. (*8) relating to the tender offer and the owning ratio of share, etc. of a person having a special relationship (*9) and any affiliated party of these party above (kanrensha) totaling at least 20% of the share, etc. issued by the Company.

*1: Defined in Article 27-23(4) of the Financial Instruments and Exchange Act of Japan. This definition is applied throughout this document.

*2: Including persons described as a holder under article 27-23(3) of the Financial Instruments and Exchange Act of Japan.

*3: "Joint holders" are as defined in Article 27-23(5) of the Financial Instruments and Exchange Act of Japan, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act of Japan (including persons that the Company's Board of Directors recognizes as falling under the above). The same is applied throughout this document.

*4: "Kanrensha" means a person who substantially controls, is controlled by, or is under common control with such given party (including any person who is deemed by the Company's Board of Directors to fall under the above), or a person deemed by the Company's Board of Directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Ordinance for Enforcement of the Companies Act) of other corporations or entities.

*5: Defined in Article 27-23(1) of the Financial Instruments and Exchange Act of Japan. Unless otherwise provided for in this document, this definition is applied throughout this document.

*6: Defined in Article 27-2(6) of the Financial Instruments and Exchange Act of Japan. This definition is applied throughout this document.

*7: Defined in Article 27-2(1) of the Financial Instruments and Exchange Act of Japan. This definition is applied throughout this document.

*8: Defined in Article 27-2(1) of the Financial Instruments and Exchange Act of Japan. This definition is applied in (ii) below.

*9: Defined in Article 27-2(7) of the Financial Instruments and Exchange Act of Japan (including persons considered to fall under this provision by the Company's Board of Director); provided, however, that persons provided for in Article 3(1) of the Cabinet Office

Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the person described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

(b) Submission of Letter of Intent

Prior to the conduct of commencing of or conduct of the Acquisition, the Acquirer should submit Letter of Intent to the Company's Board of Directors. The letter must be written in Japanese and must include a pledge stating compliance with the procedures of the Plan, name, address or head office location of the Acquirer, governing law of establishment, name of representative, contact details in Japan and outline of the Acquisition. If the Company receives the Letter of Intent from the Acquirer, it promptly discloses the receipt and if necessary, the content.

(c) Request to the Acquirer for the provision of information

Unless otherwise approved by the Board of Directors, the Company issues a list of essential information (the "Essential Information") necessary for examining the Acquisition, with which the Acquirer should provide the Company, within 10 days of the receipt of the Letter of Intent. The Acquirer should submit the Essential Information according to the list in writing in Japanese (the "Acquisition Statement") to the Company's Board of Directors. Details of the Essential Information may vary according to the nature of the Acquirer and the Acquisition but will be limited to necessary and sufficient information for shareholders to make decision and for the Company's directors to form their view. A part of general topics is listed from (i) to (vii) below:

- (i) Details (including the specific name, capital structure and financial position) of the Acquirer and its group (including joint holders, person having a special relationship and, in the case of funds, each partner and other constituent members).
- (ii) The purpose, method and terms of the Acquisition (including amount and type of consideration for the Acquisition, the timeframe of the Acquisition, the scheme of any related transactions, the legality of the Acquisition method, and the probability that the acquisition will be effected).
- (iii) The basis for the calculation of the purchase price of the Acquisitions
- (iv) Financial support for the acquisition (specifically including the name, financing methods and the terms of any related transactions of the funds providers (including all indirect funds providers)).
- (v) Expected post-Acquisition candidates for directors (including information on their experience in the same industry as the Company and the Group) in addition to post-Acquisition management policy, business plan, financial plan, capital and dividend policies for the Company and the Group.
- (vi) Whether or not there is a change, and the nature of the change if there is, in post-Acquisition policies of the Company's/the Group's relationship with the Company's stakeholders, such as customers, business partners and employees.
- (vii) Any other information that the Independent Committee reasonably considers necessary.

On receiving the Acquisition Statement mentioned, above, the Board of Directors will provide it to the Independent Committee. If the Independent Committee determines that the information provided in the Acquisition Statement is insufficient as the Essential Information, it may fix a reasonable deadline (in principle, 60 day at the maximum) for response and request, either directly or indirectly, that the acquirer additionally provide the Essential Information through the Board of Directors. In such case, the Acquirer should additionally provide information by the deadline.

In case that additional Essential Information is requested but the Acquirer does not provide a part of requested information, if the Acquirer gives reasonable explanation, although the Company does not have all Essential Information, it may terminate negotiations over information with the Acquirer, discloses its intention and start considering the nature of the Acquisition as described in (d) below.

If the Acquirer is recognized to have started the Acquisition without complying with the procedures set forth in the Plan, the Independent Committee may recommend the execution of the gratis allotment of stock acquisition rights to the Board of Directors as described in (i) of (e) below, except for cases where there are special reasons to continue discussion and negotiation with the Acquirer to request submission of the Acquisition Statement and the Essential Information. In determining whether or not the Acquirer complies with procedures set forth in the Plan, circumstances of the Acquirer shall be fully considered within a reasonable degree, such as the Acquirer may not have detailed information of the Company. At least, if a part of the Essential Information requested by the Board of Directors is not submitted by the Acquirer, the fact alone does not constitute breach of the procedures of the Plan by the Acquirer.

(d) Consideration of Acquisition terms, negotiation with the Acquirer, and consideration of an alternative proposal

(i) Request to the Company's Board of Directors for the provision of information

If the Acquirer submits an Acquisition Statement and the Essential Information (additionally requested by the Independent Committee or the Board of Directors (if any)), the Independent Committee, after setting a reasonable deadline within the limit of the Independent Committee's consideration period defined in (ii) below, may request that the Company's Board of Directors present an opinion (including reservations; hereinafter the same) on the Acquirer's Acquisition terms and supporting materials, an alternative proposal (if any), and any other information that the Independent Committee considers suitably necessary.

(ii) Independent Committee consideration

If the Independent Committee determines that the information and materials (including additional information and materials requested) provided by the Acquirer are sufficient, it will set a consideration period of up to 90 days as a general rule (however, the Independent Committee may extend the period by its resolution in accordance with (e) below, hereinafter the "Independent Committee Consideration Period").

In accordance with information or materials provided by the Acquirer and the Company's Board of Directors during the Independent Committee Consideration Period, to establish and enhance the corporate value of the Company and the common interests of shareholders, the Independent Committee should consider the Acquisition terms, consider any alternative proposals presented by the Company's Board of Directors and collect and compare information on the business plans and other information of the Acquirer and the Company's Board of Directors and so on. In addition, if necessary, the Independent Committee shall directly or indirectly hold discussions and negotiate with the Acquirer to improve the details of the relevant acquisition, from the perspective of the establishment and enhancement of the corporate value of the Company and the common interests of shareholders, or the Independent Committee shall present the Company's alternative proposals to shareholders by urging the Company's Board of Directors to present the alternative proposal.

If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request. In addition, the Acquirer shall not commence the Acquisition until the inexecution of gratis allotment of

stock acquisition rights is resolved by the Board of Directors of the Company after the termination of the Independent Committee Consideration Period.

In order to ensure that the Independent Committee's decision contributes to the Company's corporate value and the common interests of shareholders, the Independent Committee may, at the cost of the Company, obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, consultants or any other experts) as necessary.

(iii) Disclosure of information to shareholders

In accordance with laws, regulations and rules of stock exchange, the Company promptly and appropriately discloses information, which the Company's Board of Directors or the Independent Committee judge as appropriate, among information such as information on progress of the Plan's procedures (the fact that the Letter of Intent is submitted, the fact that Essential Information is provided, the fact that the Independent Committee commenced the Independent Committee Consideration Period, etc.), the Letter of Intent, the Essential Information, opinion of the Company's Board of Directors, etc.

(e) Recommendation by the Independent Committee

If the Acquirer emerges, the Independent Committee shall make recommendation to the Company's Board of Directors or take other actions in accordance with the following procedures. If the Independent Committee makes recommendation etc. to the Company's Board of Directors or otherwise as listed in 3(3)(e) (i) through 3(3)(e)(iii) below, or otherwise believes it to be appropriate, the Independent Committee shall promptly disclose the fact of and an outline of the recommendation or the like and any other matters that the Independent Committee considers appropriate (in the case of extending the Independent Committee Consideration Period in accordance with (iii) below, including the fact of and the outline of the reason for such extension).

(i) The Independent Committee recommends the triggering of the Plan

If the Acquirer fails to comply with the procedures set forth above in (b) through (d), or if otherwise as a result of the consideration of the terms of the Acquirer's Acquisition, the Independent Committee determines that the Acquisition by the Acquirer meets any of the requirements set out below at (4), 'Requirements for the gratis allotment of Stock Acquisition Rights,' and also determines that it is appropriate to execute it, the Independent Committee recommends the execution of the gratis allotment of Stock Acquisition Rights to the Company's Board of directors, regardless of whether the Independent Committee Consideration Period has commenced or ended.

However, even after the Independent Committee has already made one recommendation for the execution of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the event below applies, it may make a new recommendation to the Company's Board of Directors to cancel the gratis allotment of Stock Acquisition Rights until the day before the gratis allotment takes effect, or to acquire the Stock Acquisition Rights without consideration from the day the gratis allotment takes effect to the day before the first day of the exercise period of the Stock Acquisition Rights (the first day of such exercise period is referred to as the "Commencement Day of Exercise Period" hereafter).

- The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- Due to a change in the facts, etc., on which the recommendation decision was made, the Acquisition by the Acquirer does not meet any of the requirements set out below in (4), 'Requirements for the gratis allotment of Stock Acquisition Rights,' or it still meets a requirement yet it is not appropriate to execute or allow exercise of the gratis allotment of Stock Acquisition Rights.

(ii) The Independent Committee recommends the non-triggering of the Plan

If, as a result of its consideration of the terms of the Acquirer's Acquisition and discussion, negotiation or the like with the Acquirer, the Independent Committee determines that the Acquisition does not meet any of the requirements set out below at (4) 'Requirements for the gratis allotment of Stock Acquisition Rights,' or it meets a requirement yet it is not appropriate to execute the gratis allotment of Stock Acquisition Rights, or the Company's Board of Directors does not provide the opinion set forth above at (d)(i) or information or supporting materials, etc. requested by the Independent Committee within a determined period, the Independent Committee recommends to the Company's Board of Directors that the gratis allotment of Stock Acquisition rights should not be executed, regardless of whether the Independent Committee Consideration Period has commenced or ended.

However, even after the Independent Committee has already made one recommendation for the inexecution of the gratis allotment of Stock Acquisition Rights, due to a change in the facts, etc., on which the recommendation decision was made, and the Acquisition by the Acquirer has come to satisfy the requirements set out below at (e)(i), the Independent Committee may make a new recommendation to the Company's Board of Directors for the execution of the gratis allotment of Stock Acquisition Rights.

(iii) The Independent committee extends the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the execution or inexecution of the gratis allotment of Stock Acquisition Rights by the expiry of the initial Independent Committee Consideration Period, the Independent Committee resolves to extend the Independent Committee Consideration Period, to a reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, negotiation and discussion with the Acquirer and the consideration of an alternative proposal (up to 30 days as a general rule).

If the Independent Committee Consideration Period is extended as a result of the resolution described above, the Independent Committee shall continue with its information collection, consideration process and like activities and shall make best efforts to make a recommendation of the execution or inexecution of the gratis allotment of Stock Acquisition Rights within the extended period.

(f) Resolutions of the Board of Directors

If the Company's Board of Directors receives recommendation mentioned above from the Independent Committee, the Board of Directors, in exercising their role under the Companies Act, promptly passes a resolution relating to the execution or inexecution of a gratis allotment of Stock Acquisition Rights (including the cancellation of the gratis allotment of Stock Acquisition Rights), taking into consideration any recommendation of the Independent Committee described above to the maximum extent. However, if a shareholders' meeting for confirmation is held, the Company's Board of Directors, in exercising their role under the Companies Act, promptly passes a resolution relating to the execution or inexecution of a gratis allotment of Stock Acquisition Rights (including the cancellation of the gratis allotment of Stock Acquisition Rights), according to the resolution of the shareholders' meeting for confirmation.

The Acquirer and its group may not conduct the Acquisition until the Company's Board of Directors passes a resolution related to the execution or inexecution of the of the gratis allotment of Stock Acquisition Rights.

If the Company's Board of Directors passes a resolution related to execution or inexecution of the gratis allotment of Stock Acquisition Rights, the Company's Board of Directors promptly and appropriately discloses an outline of its resolution, and any other matters that the Board of Directors considers appropriate.

(g) Holding shareholders' meeting for confirmation

Notwithstanding (f) above, the Company's Board of Directors may, at the execution of the gratis allotment of Stock Acquisition Rights in accordance with the Plan, convene a shareholders' meeting for confirmation (the term conforms to the general shareholders' meeting stipulated by the Companies Act and the Company's articles of incorporation. The same applies throughout this document.) for the purpose of confirming shareholders' intention regarding the execution or inexecution of the gratis allotment of Stock Acquisition Rights except when it is practically extremely difficult to do so, when the Independent Committee "makes recommendation for execution of the gratis allotment of Stock Acquisition Rights with reservation that requires prior approval at a shareholders' meeting for confirmation according to (e)(i) above" or when "a possibility of meeting any of (b) through (e) of triggering events set out in (4), 'Requirements for the gratis allotment of Stock Acquisition Rights' below, is in question and the Independent Committee makes recommendation with reservation that requires prior approval at a shareholders' meeting for confirmation."

(4) Requirements for the gratis allotment of Stock Acquisition Rights

The Company intends to execute the gratis allotment of Stock Acquisition Rights by a resolution of the Company's Board of Directors as described above at (3)(f), 'Procedures for triggering the Plan,' if the Acquisition by the Acquirer meets any of the requirements set out below and also is determined that it is appropriate to execute the gratis allotment of Stock Acquisition Rights. In addition, as set out in (3)(e), 'Procedures for triggering the Plan' below, whether or not the Acquisition meets any of the requirements below and also it is appropriate to execute the gratis allotment of Stock Acquisition Rights will be determined via recommendation of the Independent Committee.

(a) An Acquisition that does not comply with the procedures set out in the Plan and also it is determined appropriate to execute the gratis allotment of Stock Acquisition Rights.

(b) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through actions etc. including any of the actions below and also it is determined appropriate to execute the gratis allotment of Stock Acquisition Rights:

(i) A buyout of share to require such share to be compulsorily purchased by the Company at an inflated price

(ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.

(iii) Diversion of the Company's assets to secure or repay debts for the Acquirer or its group company.

(vi) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.

(c) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers that do not offer to acquire all shares of the Company in the initial acquisition, and set acquisition terms for the second stage or do not set clear terms that are unfavorable for the second stage.)

(d) Acquisition whose terms (including amount and type of consideration for the Acquisition, the Acquisition timing, post-Acquisition management policies and business plan, and post-Acquisition policies dealing with the Company's other shareholders,

employees, business partners and any other stakeholders in the Company) are significantly inadequate or inappropriate in light of the Company's corporate value and, in turn, common interests of shareholders.

(e) Acquisitions that materially threaten to be against the corporate value of the Company and, in turn, the common interests of shareholder, by measures such as destroying relationship with shareholders, customers, local communities, employees and any other stakeholders or by destroying other sources of the corporate value, which are indispensable to generate the Company's corporate value.

(5) Summary of the gratis allotment of stock acquisition rights

A summary of the gratis allotment of stock acquisition rights to be implemented based on the Plan is as follows:

(a) Number of stock acquisition rights

The number of stock acquisition rights shall be the same as the final number of shares outstanding of the Company (however, excluding treasury stock) on a certain day (hereinafter, the "Allotment Date") separately determined by a resolution of the Company's Board of Directors on the gratis allotment of stock acquisition rights (hereinafter, the "Resolution on the Gratis Allotment of Stock Acquisition Rights").

(b) Shareholders to whom the stock acquisition rights will be allotted

The stock acquisition rights shall be allotted to the shareholders other than the Company that are recorded in the shareholders' registry of the Company on the Allotment Date at the rate of one stock acquisition right per Company's share held.

(c) Effective date of the gratis allotment of stock acquisition rights

The effective date of the gratis allotment of stock acquisition rights shall be a day that is separately determined by the Resolution on the Gratis Allotment of Stock Acquisition Rights.

(d) Type and number of shares to be allotted for the stock acquisition rights

The type of shares to be allotted for the stock acquisition rights shall be the common stock of the Company, and the number of shares to be allotted for one stock acquisition right (hereinafter, the "Number of Shares to Be Allotted") shall be one share as a general rule.

(e) Value of an asset to be invested with the exercise of the stock acquisition rights

The object of investment made with the exercise of the stock acquisition rights shall be cash, and the value of an asset per share to be invested with the exercise of the stock acquisition rights shall be the value separately determined by the Resolution on the Gratis Allotment of Stock Acquisition Rights within a range between one yen as a minimum and half of the market value of one share of the Company as a maximum.

(f) Exercise period of the stock acquisition rights

The exercise period of the stock acquisition rights shall be separately determined by the Resolution on the Gratis Allotment of Stock Acquisition Rights with a duration between one month and two months and with the commencement date of the exercise period being a day separately determined by the Resolution on the Gratis Allotment of Stock Acquisition Rights. However, when the stock acquisition rights are acquired by the Company in accordance with Paragraph ii) in (i) below, the exercise period of the stock acquisition rights shall be until a business day prior to the relevant acquisition date. When the final day of the exercise period falls on a non-business day at the location handling the cash to be paid upon the exercise, the business day following the non-business day shall be the final day.

(g) Conditions for exercising the stock acquisition rights

(i) A specified large-scale holder(*10), (ii) a joint holder of a specified large-scale holder,

(iii) a specified large-scale acquirer(*11), (iv) a person having a special relationship with a large-scale acquirer, or (v) a person who took over or inherited the stock acquisition rights from a person who falls under any of (i) through (iv) above without obtaining the consent of the Company's Board of Directors, or (vi) an affiliated party (kanrensha) of a person who falls under any of (i) through (v) above (those who fall under any of (i) through (vi) are hereinafter, the "Nonqualified Persons") may not exercise the stock acquisition rights, as a general rule. In addition, nonresidents who need to complete predetermined procedures for the exercise of the stock acquisition rights under any applicable foreign law may not exercise the stock acquisition rights, in principle (however, the stock acquisition rights held by nonresidents shall be subject to the acquisition by the Company with the Company's shares as consideration on condition that applicable laws are observed, as described in (i)ii)below). In addition, those who do not submit a written oath in the form predetermined by the Company that includes a representation and warranty clause, an indemnification provision, or other pledge wording saying that they are not a Nonqualified Person set forth in 5(2) (b) below may not exercise the stock acquisition rights as well.

*10: A "specified large-scale holder" means a holder of share certificates, etc. issued by the Company whose holding of the share certificates, etc. will be 20% or more if the share certificate holding ratio of the said holder is combined with the share certificate holding ratios of the joint holders of the said holder and affiliated parties (kanrensha) of the said holder or of the joint holders, and this is acknowledged by the Board of Directors.

*11: ¹ A "specified large-scale acquirer" means a party who has publicly announced an intention to acquire share certificates, etc. issued by the Company (defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan. Hereinafter the same.) through tender offer, etc. (defined in Article 27-2, Paragraph 1 of the Act. Hereinafter the same.) and whose holding of the said share certificates, etc. to be owned after the Acquisition (including cases set down in Article 7, Paragraph 3 of the Enforcement Order of the Financial Instruments and Exchange Act as cases pursuant to this) will be 20% or more if the share certificate holding ratio of the said person is combined with the share certificate holding ratios of persons having a special relationship with the said person and affiliated parties (kanrensha) of the said person or of the persons having a special relationship with the said person, and this is acknowledged by the Board of Directors.

(h) Assignment of the stock acquisition rights

The acquisition of the stock acquisition rights by assignment shall require the approval of the Company's Board of Directors.

(i) Acquisition of the stock acquisition rights by the Company

i) If the Company's Board of Directors acknowledges that it is appropriate for the Company to acquire the stock acquisition rights, the Company may acquire all stock acquisition rights at any time until a day prior to the commencement date of the exercise period of the stock acquisition rights upon the arrival of a day separately determined by the Company's Board of Directors.

ii) The Company may acquire all stock acquisition rights held by those other than the Nonqualified Persons that are unexercised by a relevant day determined by the Company's Board of Directors upon the arrival of a day separately determined by the Company's Board of Directors and, in exchange for the stock acquisition rights, issue the Company's shares of the number equivalent to the Number of Shares to Be Allotted at a rate of one share per stock acquisition right. The Company may conduct the acquisition of the stock acquisition rights more than once.

(j) Issue of stock acquisition rights in the case of merger, absorption-type company split, incorporation-type company split, stock swap, and stock transfer

The issue of stock acquisition rights in the case of merger, absorption-type company split, incorporation-type company split, stock swap, and stock transfer shall be separately

determined by the Resolution on the Gratis Allotment of Stock Acquisition Rights.

(k) Issue of stock acquisition right certificates

A stock acquisition right certificate shall not be issued for the stock acquisition rights.

(l) Other

Details of the stock acquisition rights other than the above shall be separately determined by Resolution on the Gratis Allotment of Stock Acquisition Rights.

(6) Duration of the Plan

The Plan shall be valid until the end of an annual general shareholders' meeting (AGM) of the Company to be held in June 2013.

(7) Abolition, revision and change of the Plan

Even after the continuation of the Current Plan as the Plan is approved at the AGM, if 1) a decision that the Plan should be abolished is made at a general shareholders' meeting, or 2) a decision that the Plan should be abolished is made by the Board of Directors that consists of directors elected at a general shareholders' meeting, the Plan shall be abolished at that time. In addition, even during the duration of the Plan, the Company's Board of Directors may revise or change the Plan as necessary after obtaining the consent of the Independent Committee, provided this does not work to the disadvantage of the shareholders, for instance because a law related to the Plan or regulations of a financial instruments exchange are newly established, revised or abolished, it is appropriate to reflect this in the Plan, or it is appropriate to make a revision for reasons such as errors and omissions.

When the Plan is abolished, revised or changed, the Company will immediately disclose this fact, the details of any revision or change (in the case of revision and change), and other matters the Company's Board of Directors or the Independent Committee deems appropriate.

The regulations such as laws and rules quoted in the Plan are those currently in force, and if it becomes necessary to revise any of the provisions and meanings of the terms, etc, set out in the Paragraphs above because of the new establishment, revision or abolition of a law or a regulation in the future, the provisions and terms set down in the Paragraphs above may be reread as necessary within a reasonable extent, taking the purpose of the new establishment, revision and abolition into account.

4. Rationality of the Plan (concerning the fact that the Plan is in accordance with the basic plan, will not undermine the corporate value of the Company and ultimately the common interests of the shareholders, and is not intended to preserve the position of the officers of the Company)

(1) Fulfillment of requirements such as guidelines for takeover defense measures

The plan satisfies the three principles (the principle of protecting and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' will, and the principle of ensuring the necessity and reasonableness of defensive measures) set forth in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published on May 27, 2005 by the Ministry of Economy, Trade and Industry and the Ministry of Justice.

The Plan also takes into account the details of the "Takeover Defense Measures in Light of Recent Environmental Changes," a report published on June 30, 2008 by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry.

(2) Introduction for the purpose of protecting and enhancing the common interest of the shareholders

As described in "Objectives in the Plan" in 3. (1) above, the Plan will be introduced for

the purpose of protecting and enhancing the corporate value of the Company and eventually the common interests of the shareholders by enabling the shareholders to make a decision as to whether or not to accept the Acquisition of the Company's shares or the Company's Board of Directors to secure the necessary time to present an alternative plan and negotiate with the Acquirer on behalf of the shareholders, when the Acquisition is conducted.

(3) Emphasis on the shareholders' will

The Plan is subject to the approval of shareholders at the AGM and shareholders will be able to use the AGM to ensure that their intentions are reflected in the Plan.

Even before the expiration of the Plan after the Current Plan has been maintained, if a decision that the Plan should be abolished is made at a general shareholders' meeting, the Plan will be abolished at that time. In that sense, the continuation and abolition of the Plan is dependent on the reasonable will of the shareholders.

In addition, the term of office of the directors of the Company is set at one year in the Articles of Incorporation of the Company. Therefore, the Company has enabled the will of the shareholders to be reflected in the Plan through the exercise of voting rights in the election of directors at an annual general shareholders' meeting.

(4) Emphasis on the judgment of highly independent outsiders and information disclosure

The Plan has decided that when the Acquisition of the Company's shares is conducted, the Independent Committee makes a decision on whether or not the said Acquisition will damage the corporate value of the Company and eventually the common interests of the shareholders from an objective standpoint, and the Company's Board of Directors will make a decision under the Companies Act of Japan, assigning maximum value to the decision of the Independent Committee.

As just described, the Independent Committee closely monitors arbitrary actions of the Company's directors and discloses information about its judgment to shareholders, so that a system to execute the Plan in a transparent manner in order to contribute to the corporate value of the Company and eventually the common interests of the shareholders is ensured.

(5) Setting of rational and objective requirements for triggering the Plan

The Plan is set up in such a way that it will not be triggered unless rational, objective and detailed requirements are satisfied, so that a system to prevent the Plan from being triggered arbitrarily by a director of the Company is ensured.

(6) Acquisition of opinions from third party experts

As described in (d) (ii) of "Procedures for triggering the Plan" in 3. (3) above, when an Acquirer emerges, the Independent Committee may receive advice from a third party (including financial advisers, certified accountants, lawyers, consultants and other experts) as necessary at the cost of the Company. Through this system, the fairness and objectivity of the judgment of the Independent Committee are ensured.

(7) Not a dead-hand or slow-hand takeover defense measure

As explained in "Abolition, revision and change of the Plan" in 3. (7) above, as the Plan may be abolished by the Board of Directors, which consists of directors who are elected at a general shareholders' meeting, a person who has purchased the Company's shares in large quantity is able to abolish the Plan through the Board of Directors by appointing directors who make up the Board of Directors at a general shareholders' meeting of the Company. Therefore, the Plan is not a dead-hand takeover defense measure (i.e. a takeover defense measure the trigger of which cannot be headed off even if a majority of the members of the Board of Directors are replaced).

In addition, as the Company sets the term of office of the directors at one year, the Plan is not a slow-hand takeover defense measure (i.e. a takeover defense measure the

prevention of whose trigger takes time as the members of the Board of Directors cannot be replaced immediately).

5. Impact on the shareholders

(1) Impact on shareholders of maintaining the Plan

As the gratis allotment of stock acquisition rights itself is not conducted at the time when the Current Plan is maintaining, there will be no direct or specific impact on the rights and interests of the shareholders and investors.

(2) Impact of the gratis allotment of stock acquisition rights on the shareholders

(a) Procedures for the gratis allotment of stock acquisition rights

When making the Resolution on the Gratis Allotment of Stock Acquisition Rights, the Allotment Date shall be decided by the said Resolution and announced publicly. In this case, the stock acquisition rights will be allotted free of charge to those shareholders who are recorded in the final shareholders' registry on the Allotment Date (hereinafter, the "Shareholders for Allotment") at the rate of one stock acquisition right per one share of the Company held. The Shareholders for Allotment will not need to take procedures for application, etc. as they will naturally become holders of the stock acquisition rights on the effective date of the gratis allotment of stock acquisition rights.

Even if a Resolution on the Gratis Allotment of Stock Acquisition Rights has been made, the Company may cancel the gratis allotment of stock acquisition rights until a day before the effective date of the gratis allotment of stock acquisition rights, or acquire free of charge the stock acquisition rights until a day before the commencement date of the exercise period of the stock acquisition rights after the effective date of the gratis allotment of stock acquisition rights, assigning maximum value to the decision of the Independent Committee as described in (e) (i) of "Procedures for triggering the Plan" in 3. (3) above. In these cases, investors who have sold the Company's shares on the assumption that the value per share will be diluted could suffer reasonable damage due to changes in the value.

(b) Procedures for the exercise of the stock acquisition rights

The Company will send the Shareholders for Allotment a document that they should submit as a general rule when exercising the stock acquisition rights (a document in a form predetermined by the Company that includes necessary information such as the details and number of the stock acquisition rights to exercise, the day when the stock acquisition rights are exercised, and a representation and warranty clause, an indemnification provision, or other pledge wording saying that they are not a Nonqualified Person) and other documents. Shareholders shall be issued with one share of the Company per shareholding right in principle by paying cash equivalent to the exercise price set out by the Resolution on the Gratis Allotment of Stock Acquisition Rights within a range between one yen per stock acquisition right as a minimum and half of the market value of one share of the Company as a maximum during the exercise period of the stock acquisition rights after submitting these necessary documents.

If the shareholder does not exercise the stock acquisition rights or not pay cash equivalent to the exercise price, the Company's shares he holds will be diluted by the exercise of the stock acquisition rights by other shareholders.

However, the Company may acquire the stock acquisition rights from shareholders other than the Nonqualified Persons in accordance with the procedures written in (c) below and issue its shares in exchange for the stock acquisition rights. If the Company follows these acquisition procedures, shareholders other than the Nonqualified Persons will receive the Company's shares without exercising the stock acquisition rights and paying cash equivalent to the exercise price, and therefore the Company's shares they hold will not be diluted in principle.

(c) Procedures for the acquisition of the stock acquisition rights by the Company

When the Company's Board of Directors has decided to acquire the stock acquisition rights, the Company may acquire the stock acquisition rights from shareholders other than the Nonqualified Persons and issue its shares in exchange for the stock acquisition rights on a day separately determined by the Company's Board of Directors in accordance with legal procedures. In this case, the shareholders will receive one share of the Company per one stock acquisition right in principle as a consideration for the acquisition of the stock acquisition rights without paying cash equivalent to the exercise price. In this case, however, the shareholders may be separately asked to submit a written oath in the form predetermined by the Company that includes a representation and warranty clause, an indemnification provision, or other pledge to the effect that they are not a Nonqualified Person.

Other than the above, as the Company will disclose to the shareholders information about or notify the shareholders of the details of the allotment method and exercise method of the stock acquisition rights, and the acquisition method by the Company after the Resolution on the Gratis Allotment of Stock Acquisition Rights is made, and requests shareholders to check the details.

END



Status of Major Shareholders (at the end of March 2010)

Name	Investment in the Company	
	Number of shares held	Percentage of voting rights
	Thousand shares	%
Daio Co., Ltd. (Note)	7,746	5.74
Marutake Sangyo Ltd. (Note)	7,459	5.53
Taketeru Takei (Note)	6,941	5.14
Hiroko Takei (Note)	4,927	3.65
Northern Trust Company (AVFC) Sub-account American Client	4,826	3.58
Toshiki Takei (Note)	4,866	3.61
The Bank of New York JASDEC Treaty Account	2,698	2.00
The Bank of New York Treaty JASDEC Account	1,952	1.45
Bull Jump Ltd. (Note)	1,827	1.35
Northern Trust Company AVFC Re U.S. Tax Exempted Pension	1,761	1.30

(Note) These companies and individuals are relatives of the late Yasuo Takei, the founder of the Company, or affiliated parties (kanrensha), and the total number of shares, including those not listed above, held by the relatives of the late Yasuo Takei and their affiliated parties is 35,626,000 shares (the percentage of voting rights is 26.41%).

Status of Unit Stockholding by Holder Category (at the end of March 2010)

Holder category	Number of shareholders	Unit shareholding (thousand shares)	Percentage of voting rights (%)
Financial institutions	28	7,653	5.67
Financial instruments business operators	42	2,044	1.51
Other corporations	300	21,383	15.85
Foreign corporations, etc.	308	27,589	20.45
Individuals and others	60,549	76,249	56.52
Total	61,228	134,918	100.00

(Note) The figures above do not include 9,375,000 shares in the Company's name and 2,000 shares constituting less than one unit.

Summary of the Independent Committee Regulations

- The Independent Committee will be established by resolution of the Company's Board of Directors.
- The members of the Independent Committee shall be no less than three and shall be appointed by the Company's Board of Directors from among those persons who are (i) outside directors of the Company, (ii) outside corporate auditors of the Company, or (iii) outside experts, who are independent of the Company's operational management. However, outside experts shall be experienced corporate managers, former government employees, experts in investment banking, lawyers, certified accountants or academic experts or equivalent and shall be those who have concluded separately with the Company an agreement that includes a duty of care clause and other conditions designated by the Company's Board of Directors.
- The term of office of the members of the Independent Committee shall be until the date of the subsequent annual general shareholders' meeting. However, this shall not apply when the Company's Board of Directors has adopted a resolution stating otherwise. When a member of the Independent Committee who is an outside director or an outside corporate auditor has ceased to be a director or a corporate auditor (excluding a case in which the member is reappointed a outside director or an outside corporate auditor), the term of office as a member of the Independent Committee shall terminate at the same time.
- The Independent Committee shall make a decision on the matters written in each Item below and recommend the details of the decision together with the reasons to the Company's Board of Directors. The Company's Board of Directors shall make a decision as a body under the Companies Act of Japan as to whether to implement the gratis allotment of stock acquisition right or not, assigning maximum value to the recommendation of the Independent Committee. (However, if a different decision is made at a general shareholders' meeting to confirm the implementation of the gratis allotment of stock acquisition right set out in (1) below, this decision shall be observed). When making this decision, each member of the Independent Committee and each director of the Company shall be required to do so from the standpoint of whether it contributes to interests of the Company or not and shall not make the decision for the purpose of exclusively looking after their own interests or for the personal gain of the Company's management.
 - ① Whether the gratis allotment of stock acquisition rights is implemented or not
 - ② The cancellation of the gratis allotment of stock acquisition right, or the gratis acquisition of stock acquisition right
 - ③ Of other matters that should be decided by the Company's Board of Directors, those which the Company's Board of Directors has submitted to the Independent Committee for deliberation
- In addition to the matters set forth above, the Independent Committee shall conduct the following:
 - ① Judgments as to the relevance to the purchase of shares and similar actions as a subject matter of the Plan
 - ② Decision on the information that the Acquirer and the Company's Board of Directors should submit to the Independent Committee and its deadline
 - ③ Setting and extension of the duration of examination of the Independent Committee
 - ④ Close checking and examination of the details of the purchase of shares and similar actions by the Acquirer

- ⑤ Negotiation and discussions with the Acquirer through the Company's Board of Directors
 - ⑥ Request for submission of an alternative plan and consideration and presentation of an alternative plan
 - ⑦ Approval of revisions or changes to the Plan
 - ⑧ Other matters that the Independent Committee is required to conduct by the Plan
 - ⑨ Matters that the Independent Committee is required to conduct separately by the Company's Board of Directors
- If it deems that the details of the Acquisition Statement are insufficient to constitute the Essential Information, the Independent Committee shall ask the Acquirer to submit the Necessary Information additionally. When the Acquirer submits the Purchase Description and the Necessary Information that it was asked to submit additionally by the Independent Committee, the Independent Committee may also ask the Company's Board of Directors to present opinions on the details of the purchase of shares and similar actions of the Acquirer, materials providing reasoning thereof, alternative plans (if any) and other information and materials that the Independent Committee deems necessary as applicable within a predetermined reasonable period.
 - If necessary, the Independent Committee shall negotiate and discuss with the Acquirer to improve the details of the purchase of shares and similar actions through the Company's Board of Directors from the standpoint of ensuring and improving the corporate value of the Company and common interests of the shareholders and present an alternative plan to the shareholders.
 - To gather the necessary information, the Independent Committee may call for the attendance of directors, corporate auditors and employees of the Company and other persons when the Independent Committee deems it necessary for those persons to explain matters identified by the Independent Committee.
 - The Independent Committee may receive advice from a third party (including financial advisors, certified accountants, lawyers, consultants and other experts) as necessary at the cost of the Company.
 - Any member of the Independent Committee may convene a meeting of the Independent Committee at any time when the purchase of shares and similar actions are conducted.
 - As a general rule, decisions of the Independent Committee shall be made by a majority of all members, who are required to attend. However, if a member cannot attend the Independent Committee because of a contingency, a decision may be made by a majority of the voting rights of a majority of the members, who are required to attend.

END

Name and Profile of Candidates for Members of the Independent Committee

Shogo Asaoka

Born in	1931	
April	1955	Joined the Ministry of Labor
April	1963	Registered as a lawyer
January	1972	President of the Asaoka Shogo Law Firm (incumbent)
April	1980	Deputy Chairman, Daiichi Tokyo Bar Association Director, Japan Federation of Bar Associations
June	2001	Member of Expropriation Commission, Tokyo Metropolitan Government
February	2003	Outside Corporate Auditor, Tokyo Koki Manufacturing Co., Ltd.

Fumio Masada

Born in	1936	
April	1959	Joined Nippon Life Insurance Company
July	1986	Director, Nippon Life Insurance Company
March	1994	Vice President and Director, Nippon Life Insurance Company
March	1997	President, NLI Research Institute
September	2006	President, Life Underwriting Academy (incumbent)
September	2006	Outside Director, Japan Post Bank Co., Ltd. (incumbent)

Sunao Kobayashi

Born in	1924	
April	1948	Joined National and Local Police Tokyo Headquarters
July	1966	Chief of Headquarters, Fukui Prefectural Police
July	1970	Second Section Chief, Criminal Affairs Bureau of National Policy Agency
June	1978	Director General, Criminal Affairs Bureau of National Policy Agency
June	1979	Managing Director, Nippon Telecommunication Construction Co., Ltd. (current Nippon COMSYS Corporation)
June	1985	Managing Director, Haseko Corporation
June	1994	Corporate Auditor, Kubota Corporation

Yoshihiro Ogura

Born in	1945	
April	1973	Registered as a lawyer
April	1982	Established Ogura Tanaka Law Firm (current Hibiki Law Firm) (incumbent)
June	1994	Outside Corporate Auditor, Tokyo Aircraft Instrument Co., Ltd. (incumbent)
June	1996	Outside Corporate Auditor, Takefuji Corporation

		(incumbent)
June	2009	Outside Corporate Auditor, Nippon Steel Trading Co., Ltd. (incumbent)
March	2010	Independent Officer, Takefuji Corporation (incumbent)