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Sanwa Holdings Corporation

(Stock Code: 5929)

June 5th, 2008

1-1, Nishi-Shinjuku 2-Chome,
Shinjuku-ku, Tokyo, Japan

Toshitaka Takayama
Representative Director,
President & CEO

Convocation Notice of The 73rd Ordinary General Meeting of Shareholders

To Our Shareholders;

The 73rd Ordinary General Meeting of Shareholders of Sanwa Holdings Corporation (the "Company") will be held as described below and you are cordially invited to attend the Meeting.

If you will be unable to attend the Meeting, you may exercise your voting rights in writing after reviewing the following Reference Materials for Shareholders' Meeting. In such case, please indicate your consent or dissent to the proposals on the enclosed Form for Exercise of Voting Rights and return it by mail to reach the Company no later than 5:15 p.m. on Monday, June 23rd, 2008.

1.Date and Time Tuesday, June 24th, 2008, at 10:00 a.m.

2.Place **NS Sky-Conference Hall A, Shinjuku NS Building, 30th floor**

4-1,Nishi-shinjuku 2 Chome

Shinjuku-ku, Tokyo

(The Shareholders' Meeting used to be held at conference room on the 6th floor of the Company's Techno-Center [which is the headquarters of Sanwa Shutter Corp. today located in Itabashi-ku, Tokyo] so far. However, the Shareholders' Meeting of this time will be held at above-stated location in order for as many shareholders as possible to attend the Meeting. Please refer to the map "Place of Shareholders' Meeting" attached at the end of this notice when you

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will attend.)

3. Agenda of the Meeting:

Matters to be Reported:

1. Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports of the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements, for the 73rd Term (from April 1, 2007 to March 31, 2008).
2. Report on the Financial Statements for the 73rd Term (from April 1, 2007 to March 31, 2008).

Matters to be Resolved:

- | | |
|--------------|---|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Partial Amendment of the Articles of Incorporation |
| Proposal 3: | Election of 6 Directors |
| Proposal 4: | Election of 1 Corporate Auditor |
| Proposal 5: | Payment of Retirement Benefits to Retiring Directors and Corporate Auditors |
| Proposal 6: | Payment of Retirement Benefits to Directors and Corporate Auditors due to the Abolition of the Retirement Benefit Program |
| Proposal 7: | Revision of the Compensations to Directors and Corporate Auditors |
| Proposal 8: | Issuance of Share Options as Stock Remuneration-type Share Option to Directors |
| Proposal 9: | Payment of Bonuses to Directors |
| Proposal 10: | Delegation of Gratis Allotment of Stock Acquisition Rights for the purpose of Takeover Defense |

End

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- Upon attending the Meeting, please present the enclosed Form for Exercise of Voting Rights to the receptionist.
 - When the need arises to amend Reference Materials for the Convocation Notice and the Shareholders' Meeting, such amendments will be announced on the Company's website at <http://www.sanwa-hldgs.co.jp/> on Internet.

Reference Materials for Shareholders' Meeting

Proposals and Reference Materials

Proposal 1: Appropriation of Surplus

It is proposed that surplus to be appropriated as follows.

1. Matters related to appropriation of surplus

We have cancelled 12.5 millions of our treasury stocks on March 21, 2008, based on the resolution at the Company's Board of Directors Meeting held on February 8, 2008. In accordance with the accounting principle for this transaction, aforesaid cancelled amount is deducted from unappropriated retained earnings.

Hence, we propose to supply said deficiency of unappropriated retained earnings with special reserve.

(1) Item and Amount of Decreased Surplus

Special Reserve	¥9,000,000,000
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(2) Item and Amount of Increased Surplus

Unappropriated Retained Earnings	¥9,000,000,000
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2. Matters related to term-end dividends

It is the Company's basic policy to provide dividend payments related to consolidated performance and to keep stable payout ratio in order to further pursue corporate management for increasing the corporate value. Concretely, dividend payments of the consolidated net income for the term is aimed to be 30% as payout ratio.

We propose to provide the 73rd term-end dividends as follows by taking into account the consolidated performance of this term and future business development etc.

(1) Type of dividend assets

Cash

(2) Items relating to the allocation of dividend assets to shareholders and its total amount

¥6.5 per share of common stock	Total ¥1,570,748,914
(¥13 per annum adding paid interim dividend ¥6.5 per share)	

(3) Effective date of payment of dividend from surplus

June 25, 2008

Proposal 2: Partial Amendment of the Articles of Incorporation

1. Reasons for the amendment

For the purpose of clarifying management responsibility for corporate management as well as making quick and accurate decision, Article 24 of Articles of Incorporation where the maximum number of Directors is defined as 25 is amended

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to 11.

2. Contents of the amendment

Contents of the amendment are as follows.

(The amended parts are underlined)

Current Articles of Incorporation	Proposed Amendment
(Number and Election of Directors) Article 24 The Company holds utmost <u>25</u> directors whose election is subject to the approval of Shareholders Meeting. < text is omitted >	(Number and Election of Directors) Article 24 The Company holds utmost <u>11</u> directors whose election is subject to the approval of Shareholders Meeting. < same as present >

Proposal 3: Election of 6 Directors

At the close of this shareholders' meeting, the terms of 5 Directors will expire, so we propose the election of 6 Directors by adding 1 Outside Director to enhance controlling function of Board of Directors .

The candidates of Directors are as follows.

Candidate NO.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
1	Toshitaka Takayama April 25, 1939	August 1963 Joined the Company April 1972 Director April 1974 General Manager, Construction Material Dept. April 1974 Managing Director January 1977 Head of Construction Material Div. April 1980 Director, Executive Vice President May 1981 Representative Director, President (present) August 1985 Representative Director & President, Showa Front Sales Co. (current Showa Front Co., ltd.) June 2000 CEO(present) October 2007 Representative Director & Chairman of the Board, Sanwa Shutter Corp. (present)	1,765,985 Shares

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Candidate NO.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
2	Tamotsu Minamimoto August 23, 1944	<p>June 1995 General Manager, London Branch, The Sakura Bank Ltd.</p> <p>August 1997 Joined the Company</p> <p>October 1997 General Manager ,Finance Dept.</p> <p>April 1998 General Manager , Accounting Dept.</p> <p>April 2000 General Manager , Management Dept.</p> <p>June 2000 Senior Executive Officer (concurrent) General Manager ,Finance Dept.</p> <p>December 2000 (concurrent) General Manager, Audit Dept.</p> <p>April 2001 General Manager , Accounting Dept.</p> <p>April 2004 General Manager , Corporate Strategy Dept.</p> <p>June 2004 Director (present)</p> <p>April 2005 In charge of New Business Planning Div.</p> <p>October 2005 In charge of Asia, (concurrent)President, Asian Business</p> <p>April 2006 Senior Managing Executive Officer (concurrent) Hochiki Coalition Business</p> <p>October 2007 Senior Managing Executive Officer (present), Group Headquarters (present),(concurrent) CSR Div., and General Manager, Business Strategy Dept.(present)</p>	70,000 Shares
3	Toshiaki Nakaya December 2, 1946	<p>March 1969 Joined the Company</p> <p>April 1994 General Manager, NS Promotion Dept.</p> <p>April 1995 General Manager, Corporate Planning Dept., Business Administration Headquarters</p> <p>April 1996 General Manager, Corporate Planning Dept.</p> <p>June 1998 Director</p> <p>April 2000 General Manager , Business Administration Dept. and Legal Dept.</p> <p>June 2000 Executive Officer</p> <p>April 2001 General Manager , Business Administration Dept.and General Administration Dept.</p> <p>June 2002 Managing Director</p> <p>June 2002 Senior Executive Officer</p> <p>April 2003 In charge of IT System Dept.</p> <p>April 2004 Senior Managing Executive Officer, Emerging Business Div.</p> <p>June 2004 Director</p> <p>October 2004 Representative Director, President of Sanwa Tajima Corp. Representative Director, President of Tajima Junzo Manufacturing Corp.</p> <p>April 2006 Deputy Chief Executive Officer, In charge of Group Headquarters</p> <p>June 2006 Representative Director</p> <p>October 2007 Representative Director, President of Sanwa Shutter Corp.</p> <p>April 2008 Senior Managing Executive Officer (present), In charge of Domestic Business (present)</p>	80,000 Shares

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Candidate NO.	Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
4	Junichi Yasuda January 25, 1950	<p>June 1993 Vice President of A.T. Kearney</p> <p>June 1999 Joined the Company General Manager , Corporate Strategy Dept.</p> <p>April 2000 General Manager, Business Planning Dept.</p> <p>June 2000 Director, Executive Officer</p> <p>April 2002 General Manager , Corporate Strategy</p> <p>June 2002 Managing Director</p> <p>June 2002 Senior Executive Officer</p> <p>April 2003 In charge of Sanwa USA Inc. and Overhead Door Corp. group</p> <p>April 2004 Senior Managing Executive Officer, In charge of Overseas Business</p> <p>June 2004 Director (present)</p> <p>April 2005 (concurrent) President of Asian Business</p> <p>October 2005 In charge of Novoferm</p> <p>October 2007 Senior Managing Executive Officer (present), In charge of Overseas Business Div.(present)</p>	144,000 Shares
5	Wadami Taniomoto March 5, 1950	<p>December 2001 Joined the Company</p> <p>April 2003 Executive Adviser , Sanwa USA Inc.</p> <p>April 2004 Executive Officer</p> <p>October 2005 In charge of Overhead Door Corp.</p> <p>April 2006 Senior Executive Officer (present)</p> <p>June 2006 Director (present)</p> <p>October 2007 Deputy Head, Overseas Business (present), (concurrent) In charge of Novoferm</p>	18,000 Shares
6	Shunsaku Hashimoto July 5, 1930	<p>April 1953 Joined The Bank of Kobe , Ltd.</p> <p>June 1984 Representative Director, President, The Sakura Bank Ltd.</p> <p>April 1996 Chairman, United Association of Japanese Bankers (current Japanese Bankers Association)</p> <p>April 1997 Special member, Japanese Governmental Tax Commission</p> <p>June 1997 Counselor ,The Sakura Bank Ltd.</p> <p>June 1998 Outside Auditor, Osaka Small and Medium Business Investment & Consultation Co., Ltd.(present)</p> <p>June 1998 Outside Auditor, Sanyo Electric Railway Co.,Ltd. (present)</p> <p>July 1998 Advisor ,The Sakura Bank Ltd.</p> <p>January 2000 Audit Committee member ,Hyogo Prefecture</p> <p>April 2001 Special Advisor, Sumitomo Mitsui Banking Corporation</p> <p>May 2001 Director, Japan Tariff Association (present)</p> <p>July 2004 Honorary Advisor of Sumitomo Mitsui Banking Corporation (present)</p>	0 Shares

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- Notes: 1. None of the candidates for the Directors has any special conflict of interest with the Company.
2. Mr. Shunsaku Hashimoto is a candidate for Outside Director.
3. Reasons for proposing Mr. Shunsaku Hashimoto as a candidate for Outside Director are: Based on not only long-term management experience as Director of banking and Outside Director but also ample experience and high view for management and economy, we anticipate receiving valuable advice on the management of the Company.

Proposal 4: Election of 1 Corporate Auditor

Mr. Tokihiko Obata will retire from Corporate Auditor upon his resignation request at the close of this shareholders' meeting. We therefore propose the election of Mr. Hironobu Sasaki as substitute Corporate Auditor. The term of substitute Corporate Auditor is the rest of the term of predecessor in accordance with the Company's Articles of Incorporation. As to this proposal, approval from the Board of Auditors has been obtained.

The candidate for Corporate Auditor is as follows:

Name (Date of Birth)	Personal History, Positions, Role at the Company, (Representation of Other Organizations)	Number of Company Shares Held
Hironobu Sasaki March 15, 1945	August 1963 Joined the Company April 2002 President, West Japan Company June 2002 Executive Officer April 2003 Senior Executive Officer October 2005 Senior Managing Executive Officer, In charge of Core Business June 2006 Director (present) October 2007 Senior Managing Executive Officer In charge of Domestic Business	45,268 Shares

- Notes: 1. The candidate for Corporate Auditor has no special conflict of interest with the Company.
2. The candidate for Corporate Auditor, Mr. Hironobu Sasaki will resign from Company's Director due to the expiration of the term at the closing of this shareholders' meeting.

Proposal 5: Payment of Retirement Benefits to Retiring Directors and Corporate Auditors

Members of the Board of Directors, Messrs.Toshiaki Nakaya, Seiji Fukuchi, Mikio Nakano and Mamoru Hikita had retired upon their request for resignation on October 1, 2007, and Mr. Hironobu Sasaki will retire when his term of office ends at the closing of this shareholders' meeting. The member of the Board of Auditors, Mr. Tokihiko Obata will retire upon his request for resignation at the closing of this shareholders' meeting as well. In order to reward their services rendered during their terms at office, it is proposed that they will be granted retirement benefits within the

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limits. The determination of the concrete amounts, along with the timing and manner of the payments, etc. thereof are proposed to be delegated to the Board of Directors in the case of retiring Directors and in the case of retiring Auditor, to consultation among Corporate Auditors.

Brief personal history of retiring Directors and retiring Corporate Auditor is as follows.

Name	Brief Personal History
Toshiaki Nakaya	June 1998 Director June 2002 Managing Director June 2004 Director June 2006 Representative Director
Seiji Fukuchi	June 2006 Director
Mikio Nakano	June 2006 Director
Mamoru Hikita	June 2006 Director
Hironobu Sasaki	June 2006 Director (present)
Tokihiko Obata	June 2006 Standing Corporate Auditor (present)

Proposal 6: Payment of Retirement Benefits to Directors and Corporate Auditor due to the Abolition of the Retirement Benefit Program

The Company has, by the resolution of the Board of Directors Meeting held on May 12, 2008, determined to abolish the retirement benefit program for Directors and Corporate Auditors at the closing of this shareholders' meeting as a part of revision of Directors' compensation program.

In line with the above-stated, and contingent upon Proposal 3 being approved, it is proposed that the reappointed Directors, Messrs. Toshitaka Takayama, Tamotsu Minamimoto, Junichi Yasuda and Wadami Tanimoto, as well as those who are in the middle of the term of the members of the Board of Auditors, Messrs. Masaru Kurosawa, Katsuhiko Tanabe and Jumpei Morimoto, to be granted retirement benefits as termination payment within the limits in order to reward their services rendered during their terms at office up to the closing of this shareholders' meeting.

The time of payment shall coincide with retirement as Director or Corporate Auditor, and the determination of concrete amounts along with the manner of the payment etc. are proposed to be delegated to the Board of Directors in the case of Directors, and in

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the case of Corporate Auditors to consultation among Corporate Auditors.

Brief personal history of Directors and Corporate Auditors for termination payment is as follows.

Name	Brief Personal History
Toshitaka Takayama	June 1972 Director June 1974 Managing Director June 1980 Director. Executive Vice President May 1981 Representative Director, President (present)
Tamotsu Minamimoto	June 2004 Director (present)
Junichi Yasuda	June 2000 Director June 2002 Managing Director June 2004 Director (present)
Wadami Tanimoto	June 2006 Director (present)
Masaru Kurosawa	June 2007 Standing Corporate Auditor (present)
Katsuhiko Tanabe	June 2000 Corporate Auditor (present)
Jumpei Morimoto	June 2006 Corporate Auditor (present)

Proposal 7: Revision of the Compensations to Directors and Corporate Auditors

Aggregate compensation to Company's Directors is limited to the total amount of ¥43.00 million per month (excluding employee salaries paid to the Directors who concurrently serve as employees) by the resolution of the 54th Ordinary General Meeting of Shareholders held on June 29, 1989. On the other hand, the aggregate compensation to Corporate Auditors is limited to the total amount of ¥9.00 million per month by the resolution of the 59th Ordinary General Meeting of Shareholders held on June 29, 1994, and these resolutions remain in place.

In consideration of what the Company has, by the resolution of the Board of Directors Meeting held on May 12, 2008, determined to abolish the retirement benefit program for Directors at the closing of this shareholders' meeting as a part of revision of Directors' compensation program as well as various other factors in addition to what the bonuses to Directors are categorized a part of "compensation etc." by execution of "Corporation Act", we propose to revise the limit of aggregate amount of compensations to Directors to ¥456.00 million per year (of which ¥40.00 million per year for Outside Directors) and within that frame the Company will pay Directors the

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compensation including bonuses, and the limit of aggregate amount of compensations to Corporate Auditors to ¥108.00 million per year.

The Company also proposes that compensation for Directors shall exclude employee salaries paid to Directors who concurrently serve as employees.

At present, the number of Directors is 5 (of which 0 Outside Director), and the number of Corporate Auditors is 4. If Proposal 3 and Proposal 4 are approved, there will be 6 Directors (of which 1 Outside Director), and 4 Corporate Auditors.

Proposal 8: Issuance of Share Options as Stock-Remuneration-type Share Option to Directors

For the purpose of further enhancement of the Directors' motivation for increasing the corporate value by carrying shares where not only the merit of stock price up but also the risk of it down are shared with our shareholders, we propose to provide Stock Remuneration-type Share Option every year to the Directors (excluding Outside Director), with limited annual amount of ¥60.00 million, separately from the compensation to the Directors described in Proposal 7.

This Share Option is providing share option to Directors, who are allotted the share option right, by paying remuneration amount equal to payment for share option where the payment request for remuneration is offset against payment for share option. Since the amount of payment for share option shall be equal to the fair value of the said share option, it does not fall under discriminatory issuance. Contents of the Share Option are as stated below.

Further, at present, the number of Directors (excluding Outside Director) is 5, and there will be no change in number if Proposal 3 is approved.

Contents of Share Options issued as Stock Remuneration-type Share Option

1. Limit of total amount of the issuance of Stock Remuneration-type Share Option

In consideration of the abolishment of Retirement Benefit Program for the Directors and various other factors, we propose the amount of ¥60.00 million per year, and within the frame of this amount, the Company will issue share option in accordance with the following section 2.

2. Concrete contents of Share Option issuance

(1) Total number of units of Share Option

The total number of units of Share Option issued during the course of one (1) year after the date of the Ordinary General Meeting of Shareholders of the Company relating to each fiscal year is determined as the number derived from the computation of total amount of issuance which is determined by the resolution of the Company's Board of Directors within the limit stipulated 1 in above, divided

by fair value per share option calculated in accordance with the Black Scholes Model based on the closing price of the Company's share on the Tokyo Stock Exchange on the day of allotment of Share Option as maximum (rounding up fractions of less than one yen).

- (2) Type of share subject to Share Option
Type of share is the Company's common share.
- (3) Number of shares subject to Share Option issued
The number of shares subject to one unit of Share Option (hereinafter referred to "Issued Share Number") is 1,000 shares. However, in the event of the Company's stock split, gratis allotment of stock acquisition rights or stock consolidation, or otherwise appropriate to adjust "Issued Share Number", it will be adjusted within rational range.
- (4) Value of assets to be contributed upon exercise of Share Option
The value of the assets to be contributed upon exercise of Share Option shall be determined by multiplying one yen per share by total of Issued Share Number.
- (5) Exercise period for Share Option
The duration shall be 30 years from one day after the day of Share Option allotment. However, if the final day of the exercise period falls on a Company's holiday, the preceding business day of such day shall be the final day.
- (6) Limitation on the acquisition of Share Option by assignment
Approval of the Board of Directors of the Company is required for the acquisition of Share Option by way of assignment.
- (7) Conditions for exercise of Share Option
 - (a) A person holding the right of Share Option may exercise it only within 10 days after the day of his/her resignation from the Company's Director.
 - (b) If a person holding the right of Share Option passes away, the heir may exercise the Share Option only within 3 months after the day of the death of the person holding the right of Share Option.
- (8) Other details etc. of Share Option[including above-stated (1) through (7)]
The details shall be decided at the Company's Board of Directors Meeting held for deciding enrollment matters of Share Option.

Proposal 9: Payment of Bonuses to Directors

In consideration of performance of this term, the past amount of bonuses paid to Directors and various other factors, we propose to pay total amount of ¥40.00 million as bonuses to Directors to 5 Directors who are in the office at the end of this term. We also propose to delegate the issues of concrete amounts to be paid to each Director to the Board of Directors.

Proposal 10: Delegation of Gratis Allotment of Stock Acquisition Rights for the purpose of Takeover Defense

As prescribed in Countermeasure to Large Acquisition of Company's Share (hereinafter referred to the "Plan") in order to ensure and enhance the corporate value of the Company and, the common interests of its shareholders, we request approval to delegate the decision making on the matter of Gratis Allotment of Stock Acquisition Rights to the Company's Board of Directors in accordance with the transaction stipulated 3 below, titled "Summary of the Plan" based on Article 17 of the Company's Articles of Incorporation (Decision making body for gratis allotment of stock acquisition right) .

1. Reasons for the necessity of the approval for delegating the Decision Making on the matter of Gratis Allotment of Stock Acquisition Rights

At the 72nd Ordinary General Meeting of Shareholders held on June 22, 2007, countermeasure to Large Acquisition of Company's Share (hereinafter referred to the "Current Plan") was introduced and approved as implementation of preventing non-qualified person from controlling the decision on financial and business policies of the Company in accordance with the basic policy regarding eligibility of a person to control the decision on financial and business policies of the Company (hereinafter referred to the "Basic Policy"). As a result of further consideration based upon the situation thereafter as well as the expiration of the Current Policy at the closing of this shareholders' meeting, we, at the Board of Directors Meeting held on May 12, 2008, decided to partially amend the Basic Policy as stipulated in 2 below and modify the Current Plan to the Plan by adding necessary changes.

The Company's Board of Directors decided that it is necessary to get the Plan as a frame of restricting any share acquisition attempt which is adversarial to the corporate value of the Company and its common interests of shareholders, by capacitating our shareholders to adequately decide whether or not to accept the stock acquisition when acquisition proposal is made, or the Company's Board of Directors to collect necessary information for the presentation of alternative proposal to shareholders, or the Company's Board of Directors to negotiate with the acquirer on behalf of our shareholders . Hence, we request approval to delegate the decision making on the matter of Gratis Allotment of Stock Acquisition Rights to the Company's Board of Directors

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2. Basic policy on a person who is qualified/non-qualified to control the decision on financial and business policies of the Company

The mission of the Company group (the “Group”) is “To Contribute to the society through providing safety, security and convenience ” and it has been making efforts to ensure and enhance the corporate value of the Company and interests of its shareholders by providing products and services which reflect the Group mission.

Furthermore, the Group has established the following management philosophy and believes that implementing the philosophy is a source of its corporate value.

- (1) To deliver products and services to satisfy all customers;
- (2) To become a true global Company group and be highly valued in each market of the world
- (3) To bring together the creativity of each individual in a team environment for the enhancement of corporate value

Under such management philosophy, the Group has developed its business in the major areas of the world such as U.S., Europe, and China (Asia) based on the strong business base in Japan. The Group has promoted sales, procurement, production, technology development, and new business development that meet the characteristics of each area in cooperation with local group companies, and believes that the Group needs to maximize its global synergy to provide competitive products and services that can satisfy its customers. The Group also has tackled to establish the “Global top brand in the steel construction material ”. Fostering and establishing the brand cannot be achieved in a very short time. The executive officers and employees of the Group have closely cooperated with each other to provide security, safety, and convenience to the customers in a mid- and long-term basis. The Group understands that it needs to expand its information disclosure and make its best efforts to achieve the corporate responsibility such as compliance with laws & regulations, environmental protection and social contribution in order to respond to the expectation and credibility granted to us by the society, which also leads to obtain the credibility of its customers.

In order to enhance the corporate value of the Group and interests of its shareholders continuously in a long-term basis as a result of these challenges, it is necessary for the Company to maintain and develop an appropriate relationship not only with the shareholders but also with other stakeholders such as customers, business partners, employees, and local people concerned. Accordingly, the Company needs to consider interests of these stakeholders when managing the Company.

Therefore, when the Company receives a large share acquisition proposal, it needs to fully

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understand every factor which constitutes its corporate value such as the purpose of the large acquisition proposal by the purchaser, feasibility and legality of the business plan proposed by the purchaser, possible impact on tangible and intangible management resources such as the Group's brand and human resources, impact on the stakeholders and subsequent affect on the corporate value, and synergy effect as a result of synthetic combination of global resources in order to properly determine the impact of the acquisition proposal on its corporate value and common interests of its shareholders.

The Company understands that its shareholders are automatically determined through free transactions of its shares in the market. Decisions regarding any acquisition proposal that would result in the transfer of control of a corporation should ultimately be made based on the intent of the shareholders as a whole. However, in consideration of various factors mentioned above, the Company believes that large-scale share purchaser who does not ensure or enhance the corporate value and, in turn, the common interests of the shareholders are not qualified to control the decision on its financial and business policy.

More concretely, it is not rare to see that proposals which are not beneficial to the corporate value of the Company and the common interests of its shareholders such as the purpose of acquiring the Company would obviously harm its corporate value and the common interests of its shareholders; an acquisition which applies a method that substantially coerces the shareholders to sell their shares; takeover bid or acquisition proposal without providing sufficient information or time to allow shareholders/Company's Board of Directors to examine and show its alternative idea to the acquisition proposal; an acquisition proposal without providing sufficient time for the Company to negotiate with the purchaser in order to make conditions more beneficial for shareholders than the purchaser's proposal, etc..

Hence, unless a purchaser fully understands the intrinsic value of the Company and is capable of ensuring and enhancing it in medium/long-term range, the acquisition will harm the corporate value of the Company and the common interests of shareholders.

3. Summary of the Plan

(1) Purpose of the Plan

The Plan is introduced as a system to prevent a person who is non-qualified in light of the above basic policy from controlling the decision on financial and business policies of the Company. Purpose of the Plan is to provide against the cases where there is an acquisition of share certificates of the Company or the like or any other similar action or there is a proposal for such action (the "Acquisition"; to be defined in Section 2 of Chapter 3 "Summary of the Plan"). It will ensure and enhance the corporate value of the Company as well as the common interests of its shareholders by: requesting the person who is to

make or propose the Acquisitions ("Acquirers": to be defined in Section 2 of Chapter 3 "Summary of the Plan") to provide information in advance relating to the Acquisitions; securing time for information collection, consideration, and analysis with respect to the Acquisition by the Company; presenting plans or alternative proposal, etc. of the Company's Board of Directors to the shareholders, or conducting negotiations with the Acquirers. For your information, the Company is not facing with any attempt of Acquisition at this moment in time.

- (2) Information request for acquisition proposal etc. to acquirer or by Independent Committee
- (a) Targeted Acquisition

The Plan applies when the following action stated in 1) and 2) or similar or proposal¹ of the same (the "Acquisition": excluding the proposal with Company's Board of Directors Meeting approval) is conducted. The person who is to make or propose the Acquisition (the "Acquirer") must comply with the procedures set forth in the Plan.

1) An Acquisition that would result in the holding ratio of share certificates, etc.² of the holder³ amounting to 20% or more of the share certificates, etc.⁴ issued by the Company.

2) A tender offer⁵ that would result in the owing ratio of share certificates, etc.⁶ relating to the tender offerer and the owing ratio of share certificates, etc. of a person having a special relationship⁷ with the tender totaling 20% or more of the share certificates, etc.⁸ issued by the Company.

- (b) Establishment of Independent Committee

The Plan will establish an Independent Committee in accordance with the "Rules of the Independent Committee" (see Attachment 1 for an outline), in order to eliminate arbitrary decisions by the management of the Company (internal directors and executive officers) in making decisions on the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights or on the acquisition of the Stock Acquisition Rights. The members of the committee shall be nominated by the Board of Directors from

¹ "Proposal" includes any inducement to the third party.

² "Holding ratio of share certificates, etc." means the same as defined in Paragraph 4 of Article 27-23 of the Financial Instruments and Exchange Act (the Law).

³ "Holder" includes the same as the holder defined in Paragraph 3 of Article 27-23 of the Law (including a person whom the Board of Directors would consider to include).

⁴ "Share certificates, etc." means the same as defined in Paragraph 1 of Article 27-23 of the Law, unless otherwise provided herein.

⁵ "Tender offer" means the same as defined in Paragraph 6 of Article 27-2 of the Law.

⁶ "Owing ratio of share certificates, etc." means the same as defined in Paragraph 8 of Article 27-2 of the Law.

⁷ "A person having a special relationship" means the same as defined in Paragraph 7 of Article 27-2 of the Law (including a person whom the Board of Directors would consider to include). Provided, however, that for the persons who are listed in Item 1 of the same Paragraph, a person who is subject to Paragraph 2 of Article 3 of the Cabinet Office Regulation concerning disclosure of a tender offer for stock by any person or body other than the issuer shall be excluded.

⁸ "Share certificates, etc." means the same as defined in Paragraph 1 of Article 27-2 of the Law.

those who are independent from the management of the Company such as (i) outside directors of the Company, (ii) outside auditor of the Company, and/or (iii) experienced company managers, persons who have professional knowledge on investment banking business, attorneys, public certified accountants, or academic researchers whose major area is the Corporate Act and other related business laws. The Board of Directors of the Company assigns the members immediately when the Plan is approved by the shareholders at the Ordinary General Meeting of Shareholders. The nominated members at the time of amendment of the Current Plan are as listed in Attachment 2 “Names and Career Summary of Members of the Independent Committee”.

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

Excluding acquisitions determined by the Company’s Board of Directors to be appropriate, any Acquirer conducting an Acquisition as in (a) above shall be required to submit the following to the Company, prior to implementation of the Acquisition and within a period reasonably determined by the Independent Committee: the information regarding the Acquisition listed in Attachment 3 “Acquisition Information” (“Acquisition Information”) and a written oath to comply with the procedures stipulated in the Plan upon Acquisition (“Acquisition Statement”) in the form prescribed by the Company.

(3) Consideration and analysis of the terms and method of Acquisition, negotiation with the Acquirer, and presentation of an alternative proposal, etc.

(a) Request for provision of additional information to the Acquirer

When the Board of Directors of the Company receives the above Acquisition Statement from the Acquirer, it immediately submits the statement to the Independent Committee. If the Independent Committee determines that the terms of such statement in the Acquisition Information are insufficient, it may, upon fixing an appropriate deadline for response, request, either directly or indirectly, the Acquirer to additionally provide the Acquisition Information. In such case, the Acquirer shall be required to provide the Acquisition Information additionally within the time limit.

If the Independent Committee recognizes that an Acquirer has initiated an Acquisition without complying with the procedures stipulated in the Plan, as a general rule, it will give recommendation to the Company’s Board of Directors to implement a gratis allotment of Stock Acquisition Rights, except in particular circumstances where a further discussion or negotiation with the Acquirer is required, to ask additional submission of Acquisition Statement and the Acquisition Information.

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

If the Acquirer submits an Acquisition Statement and the Acquisition Information requested to submit additionally by the Independent Committee ("Additional Information"), the Independent Committee needs to consider and analyze the details of the Acquisition Statement and the Acquisition Information, the business plan of the Board of Directors of the Company, and the company valuation conducted by the Board of Directors of the Company in light of ensuring and enhancing the Company's corporate value and the common interests of its shareholders and thus may require the Company's Board of Directors, concurrently requesting the Acquirer referred in above (a) to submit additional information, to submit an opinion (including qualified opinions; hereinafter the same) on the terms of Acquirer's Acquisition and supporting materials thereof, an alternative proposal (if any), and any other information or materials that the Independent Committee considers necessary accordingly. When such request is made, the Board of Directors of the Company shall submit the requested information within a reply period stipulated by the Independent Committee (In principle, maximum days are sixty (60) days after the determined date where the Board of Directors of the Company substantially received Acquisition Statement and Additional Information from the Acquirer.).

The Company group is coping with ensuring and enhancing the corporate value of the Company as well as the common interests of its shareholders by providing competitive products/services which meet the customers' need through balancing each business in Japan, US, Europe and China (Asia) where to maximize global synergy effect as the Company group. Therefore, the Board of Directors of the Company considers that there would be sixty (60) days maximum period, in principle, in order to evaluate/examine from many aspects if the Acquirer's Acquisition may harm the corporate value of the Company as well as the common interests of its shareholders, and then to prudently get opinions together.

(c) Consideration by the Independent Committee

After completion of receiving the information and materials from the Acquirer and the Company's Board of Directors (if the Independent Committee requested the Company's Board of Directors to provide information and materials as stated above), the Independent Committee shall consider the terms of the Acquirer's Acquisition and any alternative plan submitted by Company's Board of Directors, the information collection on the business plans and other information of the Acquirer and the Company's Board of Directors, and the comparison thereof, for a maximum period of sixty (60) days in principle ("Committee Consideration Period": a period for said consideration and information collection).

[Translation : For reference only]

Further, if it is necessary to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee shall directly or indirectly (through the Board of Directors of the Company) negotiate with the Acquirer, if necessary, or present the alternative proposal, etc. by the Company's Board of Directors (if any) to shareholders or others.

In order to ensure and enhance the Company's corporate value and the common interests of its shareholders, the Independent Committee may, at the Company's cost, obtain advice from independent professionals such as investment banks (financial advisers), attorneys, certified public accountants, consultants or any other experts.

(d) Disclosure of information

The Independent Committee shall disclose immediately the fact that the "Acquirer has emerged" and that "it has received the Acquisition Statement from the Acquirer". The Independent Committee shall also disclose and inform the Acquirer about "receipt completion of information from the Acquirer and the Board of Directors of the Company" immediately upon said receipt. Furthermore, the Independent Committee shall timely and adequately disclose the "Acquisition Information" and other information that the Independent Committee considers to be appropriate.

(4) Procedure to make a recommendation, etc. by the Independent Committee

If any Acquirer emerges, the Independent Committee shall make a recommendation, etc. to the Board of Directors in accordance with the following procedures. In case the Independent Committee makes a recommendation or other resolutions set forth in (a) to (c) below to the Board of Directors, or in case the Independent Committee considers appropriate, it shall immediately disclose the information on a summary of the recommendation or other issues that it considers appropriate. When the committee extends the Committee Consideration Period, it shall immediately disclose the extended period and the reason for extension.

(a) The case when the Independent Committee recommends the exercise of the Plan

If the Acquirer fails to comply with the procedures prescribed in the Plan, or if, as a result of its 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 in (5) "Requirements for the gratis allotment of Stock Acquisition Rights" and that the implementation of the gratis allotment of Stock Acquisition Rights is reasonable, the Independent Committee will recommend the implementation of the gratis allotment of Stock Acquisition Rights to the Company's Board of Directors.

Further, even after the Independent Committee has already made a recommendation to implement the gratis allotment of the Stock Acquisition Rights, if the Independent Committee determines that either of the events below apply, it may make a resolution to suspend the gratis allotment of the Stock Acquisition Rights until the gratis allotment take effect or a new resolution concerning any act to be conducted, including acquiring of the Stock Acquisition Rights without consideration, for the period after the date when the gratis allotment has taken effect and by the two preceding business days of first day of exercise period thereof, and recommend thereof to the Board of Directors.

1) The case when the Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

2) The case when there is a change in the facts, etc. upon which the recommendation decision was made, and the Acquisition by the Acquirer does not meet any of the requirements set out below in (5) “Requirements for the gratis allotment of Stock Acquisition Rights,” or it is unreasonable to implement the gratis allotment of the Stock Acquisition Rights even if the Acquisition by the Acquirer does meet one of the requirements.

(b) The case when the Independent Committee recommends the non-exercise of the Plan

If, as a result of its consideration of the terms of the Acquirer’s Acquisition and negotiation with the Acquirer, the Independent Committee determines that the Acquisition by the Acquirer does not meet any of the requirements set out below in (5) “Requirements for the gratis allotment of Stock Acquisition Rights”, or that the implementation of the gratis allotment of the Stock Acquisition Rights is not reasonable even if the Acquisition by the Acquirer meets one of the requirements set out in (5) below, the Independent Committee will recommend the non-implementation of the gratis allotment of Stock Acquisition Rights to the Company’s Board of Directors.

However, even after the Independent Committee recommended the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts, etc, upon which a recommendation decision was made and the situation has come to satisfy the requirements set out in (a) above, the Independent Committee may make a new decision including a recommendation on the implementation of the gratis allotment of Stock Acquisition Rights, and recommend that decision to the Board of Directors of the Company.

(c) The case when the Independent Committee extends the Committee Consideration Period

If the Independent Committee does not reach to make a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights by the expiry of the Committee Consideration Period, the Independent Committee

shall, to the reasonable extent (but no more than thirty (30) days period in principle) that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, negotiation with the Acquirer, and the discussion of an alternative proposal, pass a resolution to extend the Committee Consideration Period (and any extension of the new period after a period has been extended shall follow the same procedure).

(d) Resolutions of the Board of Directors

The Company's Board of Directors as the organ defined in Corporate Act shall pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights, taking into consideration any recommendation of the Independent Committee to the maximum extent.

The Acquirer, its joint holder⁹ and a person having a special relationship with the Acquirer must not effect an Acquisition until the Board of Directors of the Company passes a resolution for the non-implementation of the gratis allotment of Stock Acquisition Rights.

Promptly after passing such a resolution, the Company's Board of Directors will disclose an outline of its resolution, and any other matters that the Board of Directors considers appropriate.

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

The Company intends to implement the gratis allotment of Stock Acquisition Rights in accordance with the procedures prescribed in (4) "Procedure to make a recommendation, etc. by the Independent Committee" if it is considered that an Acquisition of an Acquirer falls under any of the items below and it is reasonable to implement the gratis allotment of the Stock Acquisition Rights. However, as described in (d) of (4) " Procedure to make a recommendation, etc. by the Independent Committee", the Company's Board of Directors will, without fail, make its determination as to whether an Acquisition of an Acquirer falls under any requirement below and if it is reasonable or not to implement the gratis allotment of Stock Acquisition Rights based on the recommendation of the Independent Committee.

(a) An Acquisition not in compliance with the procedures prescribed in the Plan

(b) An Acquisition that threatens to cause obvious harm to ensure and enhance corporate value of the Company and the common interests of its shareholders through any of the acts in 1) to 4) below:

⁹ "Joint holder" means the same as the joint holder defined in Paragraph 5 of Article 27-23 of the Law, and includes the deemed joint holder pursuant to Paragraph 6 of the same Article of the Law (including a person whom the Board of Directors would consider to include).

[Translation : For reference only]

- 1) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company at an inflated price.
 - 2) Act of Company management to achieve an advantage for the Acquirer and its group companies to the detriment of the Group, such as temporary control of the Group's management for the low-cost acquisition of the Group's material assets (production facility, intellectual property right, know-how, confidential corporate information, and transaction with customers and business partners).
 - 3) Diversion of the Group's assets as underlying asset for the security or the expected reimbursement of obligation of the Acquirer or its group company.
 - 4) Act of temporary control of the Group's management to bring about a disposal of high-value assets that have no current relevance to the Group's business such as real estates and securities, 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 virtually forcing shareholders into selling share certificates, such as coercive two-tiered tender offers (meaning acquisitions of shares by setting unfavorable acquisition terms for the second stage or acquisition of shares without making clear such terms in case acquisition of all shares in the initial acquisition cannot be made).
- (d) Acquisitions made without providing the Company with the period of time reasonably necessary to present an alternative proposal to the Acquisition.
- (e) Acquisitions without provision of the Acquisition Information or any other information reasonably necessary to assess terms of the Acquisition or the case provision of such information are inadequate.
- (f) Acquisition with terms (including amount and type of consideration, the Acquisition schedule, the legality of the Acquisition method, the probability of the Acquisition, post-Acquisition management policies or business plans,) inadequate or inappropriate in light of the Group's intrinsic value.
- (g) Acquisitions that materially threaten to harm the corporate value of the Group and the common interests of shareholders by destroying the relationship with employees, business partners etc. of the Group, which are indispensable to the continuous increase of the value of the Group, or the brand value or the corporate culture of the Group.
- (6) Outline of the Stock Acquisition Rights
- The outline of the Stock Acquisition Rights (hereinafter referred to individually or collectively as "Stock Acquisition Rights") based on this Plan is as follows.

(a) Number of Stock Acquisition Rights

The number of Stock Acquisition Rights to be allotted to shareholders shall be the same number as the final aggregate number of issued shares of the Company (excluding the number of shares of the Company held by the Company at that time) as of a certain date (the "Allotment Date") separately stipulated in the resolution relating to gratis allotment of Stock Acquisition Rights (the "Gratis Allotment Resolution").

(b) Shareholders eligible for allotment

The Company shall make allotment of Stock Acquisition Rights to shareholders other than the Company, entered or recorded in the Company's final register of shareholders or register of beneficial shareholders on the Allotment Date, at a ratio of one (1) Stock Acquisition Right per one (1) share of the Company held by such shareholders.

(c) Effective date of gratis allotment of Stock Acquisition Rights

Effective date of gratis allotment of Stock Acquisition Rights shall be the date separately determined by the Gratis Allotment Resolution.

(d) Number of shares to be acquired upon exercise of the Stock Acquisition Rights

The number of shares to be acquired upon exercise of the one (1) Stock Acquisition Right (the "Applicable Number of Shares") shall be one (1) share.

(e) The amount to be contributed upon exercise of the Stock Acquisition Rights

Purpose of contributions made upon exercise of the Stock Acquisition Rights shall be cash. The amount per share to be contributed upon exercise of the Stock Acquisition Rights shall be an amount separately determined by Gratis Allotment Resolution within the range between lower limit of one (1) yen and higher limit equivalent to one-half (1/2) of the fair market value of one (1) share of the Company.

(f) Exercise period of the Stock Acquisition Rights

The commencement day of the Exercise period shall be separately determined by the Gratis Allotment Resolution (such commencement day shall be referred to as the "Exercise Period Commencement Date") and the period shall be within the period of one (1) to three (3) months as separately prescribed in the Gratis Allotment Resolution; provided, however, that if the Company acquires the Stock Acquisition Rights in accordance with the provisions of Paragraph (i) below, the exercise period for the Stock Acquisition Rights with respect to such acquisition shall end on the preceding business day of the acquisition date. Further, if the final day of the exercise period falls on a holiday of the payment handling place of the cash to be paid upon exercise, the preceding business day of such day shall be the final day.

(g) Conditions for the exercise of the Stock Acquisition Rights

(I) Specified Large Holder¹⁰, (II) Joint Holder of Specified Large Holder, (III) Specific Large Purchaser¹¹, (IV) Person having a Special Relationship with Specific Large Purchaser or (V) any person who is transferee of or successor to the Stock Acquisition Rights, assigned or inherited Stock Acquisition Rights from any person falling under (I) through (IV) above without obtaining approval of the Board of Directors of the Company, or, (VI) any affiliated person¹² falling under (I) through (V) (hereinafter, the person falling under (I) through (VI) above shall be referred to as “Non-qualified Person”) may not exercise Stock Acquisition Rights. Under the applicable foreign laws and ordinances, if a non-residence bound by a jurisdiction of such laws and ordinances where the person is required to perform certain procedures for exercising the Stock Acquisition Rights shall not exercise the Stock Acquisition Rights, in principle. (However, the Stock Acquisition Rights of said non-residence shall be acquired by the Company subject to following the applicable laws and ordinances by providing the Company’s shares as consideration, as stated in item 2) of paragraph (i) below). Furthermore, any person who does not submit a covenant in the form of the Company’s format which includes paragraphs of representation, warranty and so forth concerning conditions for execution of the Stock Acquisition Rights to be satisfied, etc..

(h) Transfers of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires approval of the Board of Directors of the Company, in principle.

(i) Acquisition of the Stock Acquisition Rights by the Company

¹⁰ “Specified Large Holder” shall mean, in principle, a person who is a holder of share certificates, etc. issued by the Company and holding ratio of share certificates, etc. is twenty percent (20%) or more (including any person considered to be a Specified Large Holder by the Company’s Board of Directors). However, a person that the Company’s Board of Directors recognizes as a person whose acquisition or holding of Share certificates, etc. of the Company is not contrary to the Company’s corporate value or the common interests of shareholders, and a person that the Company’s Board of Directors separately determined in Gratis Allotment Resolution are not included. The same applies hereinafter.

¹¹ “Specific Large Purchaser” shall mean, in principle, a person who makes a public announcement of purchase, etc. (as defined in Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act (the Law); the same applies hereinafter in this subparagraph) of Share certificates, etc. issued by the Company (as defined in Paragraph 1 of Article 27-2 of the law; the same applies hereinafter in this subparagraph) through tender offer and whose ratio of ownership of Share certificates, etc. in respect to such Share certificates, etc. owned by such person after such purchase, etc. (including similar ownership as prescribed in Paragraph (1) of Article 7 of the Order of the Enforcement of the Financial Instruments and Exchange Act) is 20% or more when combined with the ratio of ownership of Share certificates, etc. of a person having a Special Relationship (including any person considered to be a Specified Large Purchaser by the Company’s Board of Directors). However, a person that the Company’s Board of Directors recognizes as a person whose acquisition or holding of Share certificates, etc. of the Company is not contrary to the Company’s corporate value or the common interests of shareholders, and a person that the Company’s Board of Directors separately determined in Gratis Allotment Resolution are not included. The same applies hereinafter.

¹² “Affiliated Person” of a given person shall mean a person controls, controlled by, or be under common control with such given person (including a person deemed by the Company’s Board of Directors to fall under these), or a person deemed by the Company’s Board of Directors to act in concert with such given person. “Control” means to “control the determination of the financial and business policies”(as defined in Paragraph 3 of Article 3 of the Enforcement Regulations of the Corporation Act) of other corporations or entities.

[Translation : For reference only]

- 1) At any time before two business days prior to the Exercise Period Commencement Date, if the Board of Directors of the Company recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights separately, the Company may, on a date separately specified by the Company's Board of Directors, acquire all of Stock Acquisition Rights without consideration.
- 2) On a day that falls on a date separately specified by the Board of Directors of the Company, The Company may acquire all of the Stock Acquisition Rights (acquisition of part thereof may not be admitted) that have not been exercised two business days prior to the date specified by the Company's Board of Directors, that are held by persons other than Non-qualified Persons and, in exchange, deliver shares of the Company in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right.

Further, if, after the date upon which the aforesaid acquisition takes place, the Company's Board of Directors recognizes the existence of a person other than Non-qualified Person among persons who hold the Stock Acquisition Right, the Company may, on a day falling on a date separately determined by the Company's Board of Directors after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that person that have not been exercised by or on two business days prior to a date separately determined by the Company's Board of Directors and, in exchange, deliver shares of the Company in the number of the Applicable Number of Shares for every one (1) Stock Acquisition Right. The same will apply thereafter.

(7) Procedures for the amendment of the Plan

The Plan will be amended and introduced as follows subject to the approval at the Ordinary General Shareholders' Meeting:

(8) Effective period of the Plan and its abolition and amendment

The effective period of the Plan is three (3) years from the close of the Ordinary General Shareholders Meeting to the close of the Ordinary General Shareholders' Meeting for the fiscal year ending March 2011 (scheduled in June 2011). However, if, even before the expiration of the Effective Period, (i) a general meeting of shareholders of the Company passes a resolution to withdraw the assignment to the Board of Directors to decide matters relating to the gratis allotment of Stock Acquisition Rights relating to the Plan, or (ii) the Company's Board of Directors passes a resolution to abolish the Plan, the Plan shall be abolished at that time. The Company's Board of Directors may revise or amend

[Translation : For reference only]

the Plan during the Effective Period of the Plan, within the limits which does not against the intent of the assignment by the general meeting of shareholders above, upon obtaining approval of the Independent Committee.

If the Plan is abolished or amended, the Board of Directors of the Company shall promptly disclose the details of such amendment and any other matters.

(Reference)

The summary of the Plan is as stated in 3. above, and the impact to our shareholders derived from amendment of the Plan and gratis allotment of stock acquisition rights, as well as the decision, its reason of the Board of Directors for the Plan are as follows. You are requested to approve this proposal after your careful review.

1. The decision and its reason of the Board of Directors to the Plan

The Board of Directors of the Company considers that the Plan complies with the basic policy, does not impair the common interests of its shareholders, and does not intend to maintain the position of directors and officers of the Company. The reasons thereof are as described in (1) to (6) below:

(1) Reflection of shareholders intent

The Plan will be amended and introduced subject to the approval of shareholders at the Ordinary General Shareholders' Meeting for the fiscal year ending March 2008. Furthermore, the effective period of the Plan is three (3) years ending at the close of the Ordinary General Shareholders' Meeting for fiscal year ending March 2011. Also, even before the expiration of the effective period of the Plan, the Plan shall be abolished if the resolution to abolish the Plan is passed at the shareholders meeting. Thus, the life of the Plan rests on the intent of shareholders as a whole.

(2) Decisions of independent persons outside the Company

In the procedure of exercising the Plan, the Company will establish an Independent Committee as an organization that will eliminate arbitrary decisions by its directors and objectively carry out the objective decisions. The Independent Committee is composed of people who are (i) outside directors of the Company, (ii) outside auditor of the Company, and/or (iii) experienced company managers, persons who have professional knowledge on investment banking business, attorneys, public certified accountants, or academic researchers whose major area is the Corporation Act and other related business laws, and elected by the Board of Directors. Thus, the Independent Committee maintains its independence.

(3) Establishment of objective requirements to exercise the Plan

The Plan is established not to be exercised unless pre-defined and objective requirements have been satisfied, and these objective requirements match the conditions of the persons who are unqualified to determine financial and business policies of the Company set forth in the basic policy. This mechanism ensures a structure to eliminate arbitrary exercise by the Company's Board of Directors.

(4) Fully satisfying the requirements of the Guidelines for Takeover Defense Measures

The Company believes that the Plan fully satisfies the three (3) principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests" (principle of ensuring and enhancing corporate value and shareholders' common interests; principle of prior disclosure and shareholders' intent; principle of ensuring the necessity and reasonableness) released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

(5) Introduced for the purpose of ensuring and enhancing the corporate value and the common interests of its shareholders.

As described in the above 3.(1) "Purpose of introducing the Plan", the Plan, upon Acquisition of shares in the Company, shall be introduced for the purpose of ensuring and enhancing the corporate value and, in turn, the common interests of its shareholders, by securing time to conduct information collection, consideration and analysis with respect to the Acquisition, and enabling to present plans and any alternative proposal of the Company's Board of Directors to its shareholders, or conducting negotiations with the Acquirers.

(6) No dead-hand or slow-hand takeover defense measures

As stated in section 3.(8) "Effective period of the Plan and its abolition and amendment", the Plan is designed to be abolished by directors appointed by a person who acquires a large quantity of shares in the Company and elected at a general meeting of shareholders, and is not a dead-hand takeover defense measure (a takeover defense measure, exercise of which cannot be prevented even if a majority of the members of the Board of Directors are replaced). Also, as the Company does not adopt a system of staggered terms of office, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure, which takes time to stop to prevent the exercise thereof due to the fact that the directors cannot be replaced all at once).

2. Impact on shareholders and other stakeholders

(1) Impact on shareholders at the time of amendment of the Plan

At the time of its amendment, the Plan will have no direct specific impact on shareholders and investors. This is because at that time, by resolution of a general meeting of shareholders, only the assignment of authority to determine matters relating to the gratis allotment of Stock Acquisition Rights will take place and no actual gratis allotment of Stock Acquisition Rights will be implemented.

(2) Impact on shareholders and investors at the time of the gratis allotment of Stock Acquisition Rights

When a resolution is made to implement the gratis allotment of Stock Acquisition Rights, the Rights are allotted to all registered shareholders of the Company as of the date that will be determined separately at the resolution (“Allotment Date”), at a ratio of one (1) Stock Acquisition Right per one (1) share held.

If the shareholders do not proceed with the payment for the allotment and the other procedures described in (b) of (3) “Necessary procedures for shareholders upon the gratis allotment of Stock Acquisition Rights” below within the rights exercise period, the shares they hold in the Company will be diluted by the exercise of Stock Acquisition Rights by other shareholders.

However, there may be possibilities that the Company will, in accordance with the procedures described in (c) of (3) “Necessary procedures for shareholders upon the gratis allotment of Stock Acquisition Rights” below, acquire the Stock Acquisition Rights of shareholders other than non-qualified ones and, in exchange, deliver shares in the Company. If the Company carries out such an acquisition procedure, all shareholders other than non-qualified shareholders will come to receive shares in the Company without exercising their Stock Acquisition Rights or paying an amount equivalent to the exercise price, and no dilution of the value of the aggregate shares in the Company they hold will result, although dilution of the value per share of shares in the Company they hold will result.

Even after the Allotment Date or after effecting the gratis allotment of Share Allotment Rights, the Company may cancel its gratis allotment of Stock Acquisition Rights, or acquire those Stock Acquisition Rights without distributing the shares in the Company to the persons who hold the Stock Acquisition Rights and without consideration due to, for example, the withdrawal of the Acquisition by the Acquirer by two business days prior to the commencement of the right exercise period. In such case, no dilution of the value per share of shares in the Company will result. So investors

who sell the shares assuming the dilution of the value per share may suffer a certain loss due to the fluctuation of the stock price.

(3) Necessary procedures for shareholders upon the gratis allotment of Stock Acquisition Rights

(a) Procedures for entry of name change

If the resolution is made to implement the gratis allotment of Stock Acquisition Rights, the Company will first make public notice of the Allotment Date for the gratis allotment of Stock Acquisition Rights. In this case, as the Company will make a gratis allotment of Stock Acquisition Rights to the shareholders who are registered or recorded in the last register of shareholders and register of beneficial shareholders as of the Allotment Date, it will be necessary for shareholders to arrange for the procedures for entry of name change as soon as possible (No procedures for entry of name change are required for those share certificates deposited with the Japan Securities Depository Center, Inc.).

In this connection, all the shareholders who are registered or recorded in the last register of shareholders or register of beneficial shareholders as of the Allotment Date will become Stock Acquisition Right holders as a matter of course on the effective date of the gratis allotment of Stock Acquisition Rights.

(b) Procedures for exercising Stock Acquisition Rights

The Company will deliver, as a general rule, an exercise request form for the Stock Acquisition Rights (in a form prescribed by the Company and containing necessary matters such as the terms and number of the Stock Acquisition Rights for exercise and the exercise date for the Stock Acquisition Rights, as well as representations and warranties regarding matters such as whether the shareholders themselves are not non-qualified persons, indemnity clauses and other pledges) and other documents necessary for the exercise of the Stock Acquisition Rights to all shareholders being registered or recorded on the last register of shareholders or register of beneficial shareholders as of the Allotment Date. After the gratis allotment of Stock Acquisition Rights, the shareholders will be issued one (1) share in the Company per one (1) Stock Acquisition Right upon submitting these necessary documents during the exercise period and before the acquisition of Stock Acquisition Right by the Company come into effect, and as a general rule, by paying to the place handling such payments the price determined by the Gratis Allotment Resolution, which will be an amount within a range of one (1) yen as a minimum and 50% of the fair market value per stock of the Company as a maximum.

(c) Procedures for the acquisition of Stock Acquisition Rights by the Company

If the Company's Board of Directors determines to acquire the Stock Acquisition Rights, the Company will acquire the Stock Acquisition Rights in accordance with the statutory procedures, on the day that falls on the date separately determined by the Company's Board of Directors. When the Company is to deliver shares in the Company to shareholders in exchange for the acquisition of Stock Acquisition Rights, it shall do so promptly. Further, in such case, the shareholders concerned will be separately requested to submit, in a form prescribed by the Company, representations and warranties regarding matters such as the fact that they are not Non-qualified persons, indemnity clauses and other pledges.

In addition to the above, the Company will disclose information or notify all of its shareholders with respect to the particulars of the allotment method of the Stock Acquisition Rights, method of procedures for entry of name change, exercise method and method for acquisition of the Stock Acquisition Rights by the Company after any resolution in relation to a gratis allotment of Stock Acquisition Rights, so we request that shareholders check these details at that time.

---End---

Attachment 1

Outline of the Rules of the Independent Committee

- (1) The Independent Committee shall be established by resolution of the Board of Directors of the Company.
- (2) The number of members of the Independent Committee shall be no less than three (3) , and the Board of Directors of the Company shall elect the members from (i) outside directors of the Company, (ii) outside auditors of the Company, or (iii) outside experts who are independent from the management that conducts the execution of the business of the Company; provided, however, that such experts must be experienced corporate managers, persons with knowledge of the investment banking industry, lawyers, certified public accountants, researchers whose research focuses on Corporation Act of Japan or the like, or persons of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors of the Company which contains a provision obligating them to exercise the duty of care of a good manager or a similar provision.
- (3) Term of the initial office of the members of the Independent Committee shall be until expiration of the effective period of the Plan in principle; provided, however, that if any of the outside directors or outside auditors of the Company loses its position (excluding the case of reappointment), term of office as a member of the Independent Committee shall simultaneously terminate. If the number of the members stipulated in the rules of the Independent Committee becomes unsatisfied, the Board of Directors shall elect alternate members from (i),(ii) or (iii) who satisfy requirements as members of the Independent Committee. Term of office of such alternate members shall be the term of present holder of the office.
- (4) The Independent Committee shall make decisions on any matters listed in each item below and submit recommendations to the Board of Directors of the Company, accompanied by the reasons for the recommendation. On making such decision by the committee, each member of the committee is required to act solely with a view to whether or not such decision contributes to the corporate value of the Company and, in turn, to the common interests of its shareholders, and they may not serve for the purpose of their own interests or those of the management of the Company, or their individual advantage.

[Translation : For reference only]

- (a) Appropriateness to the Acquisitions to be subject to the Plan;
 - (b) Implementation or non-implementation of gratis allotment of Stock Acquisition Rights;
 - (c) Cancellation of gratis allotment of Stock Acquisition Rights or acquisition of Stock Acquisition Rights with no consideration;
 - (d) Abolition or amendment of the Plan; or
 - (e) Among any other matters to be decided by the Board of Directors of the Company, matters referred to the Independent Committee by the Board of Directors of the Company for advice
- (5) In addition to the matters prescribed above, the Independent Committee shall conduct the matters listed in each item below:
- (a) Determining the information that the Acquirer and Board of Directors of the Company should provide to the Independent Committee and the deadline of the reply;
 - (b) Extension of the period of discussion by the Independent Committee;
 - (c) Examination and consideration of the terms of the Acquirer's Acquisitions;
 - (d) Negotiation and discussion with the Acquirer;
 - (e) Request for provision of an alternative proposal to the directors of the Company and consideration of the alternative proposal ;
 - (f) Any matters which may be conducted by the Independent Committee as stipulated in the Plan; or
 - (g) Any matters determined by the Board of Directors of the Company that the Independent Committee may conduct.
- (6) If the Independent Committee decides that the Acquisition Statement and the details stated therein are inadequate as essential Information, it shall request the Acquirer to submit additional information. Further, if the Independent Committee receives from the Acquirer the Acquisition Statement and any additional information it has requested, it may also request the Board of Directors of the Company within a certain period to provide an opinion on the terms of the Acquisition by the Acquirer and materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee may consider necessary from time to time.
- (7) In order to collect the necessary information, the Independent Committee may request the attendance of directors, auditors or employees of the Company, or any other person the Independent Committee considers necessary, and may require explanation of any

[Translation : For reference only]

matter it requests.

- (8) The Independent Committee may, at the Company's expense, obtain the advice of an independent third party (including financial advisors, certified public accountants, consultants and other experts).
- (9) Any member of the Independent Committee may convene the Independent Committee when an Acquisition arises, etc. is made, or at any other time.
- (10) Resolution of the Independent Committee shall, in principle, be passed by a majority of votes with at least two-thirds of the members of the Independent Committee are present; provided, however, that if there is any circumstances which the Independent Committee decide unavoidable, resolution may be passed by a majority of votes with a majority of the members of the Independent Committee are present.

---End---

[Translation : For reference only]

Attachment 2

Names and Career Summary of Members of the Independent Committee

Initial members of the Independent Committee at the time of amendment of the Plan will be the following three (3) members: there is no special conflict of interest between each member and the Company.

Yukio Yanagida

April 1960	Attorney Registration
April 1972	Representative of Yanagida Nomura Law Office (present)
April 1988	Executive Governor of Japan Federation of Bar Association
January 1991	Visiting Professor at Harvard Law School, U.S.A.
March 1997	Representative Councilor of the Law Association for Asia and the Pacific (LAWASIA) in Japan
June 2003	Outside Director of YKK Corporation (present) Outside Director of Toyama Chemical Co., Ltd. (present)

Katsuhiko Tanabe

(Outside Auditor of the Company)

April 1973	Attorney Registration
September 1979	Representative of Tanabe & Partners (present)
April 1995	Vice Chairman of the Daiichi Tokyo Bar Association
April 1997	Vice President of the Kanto Federation of Bar Association
April 1998	Executive Governor of Japan Federation of Bar Association
June 2000	Auditor of the Company (present)
June 2007	Outside Auditor of Yamatake Corporation(present)

Jumpei Morimoto

(Outside Auditor of the Company)

April 1962	Joined Obayashi Corporation
June 1997	Director of the same corporation
June 1999	Managing Director of the same corporation
June 2001	Senior Managing Director of the same corporation
June 2005	Advisor of the same corporation (present)
June 2006	Auditor of the Company (present)

---End---

Attachment 3

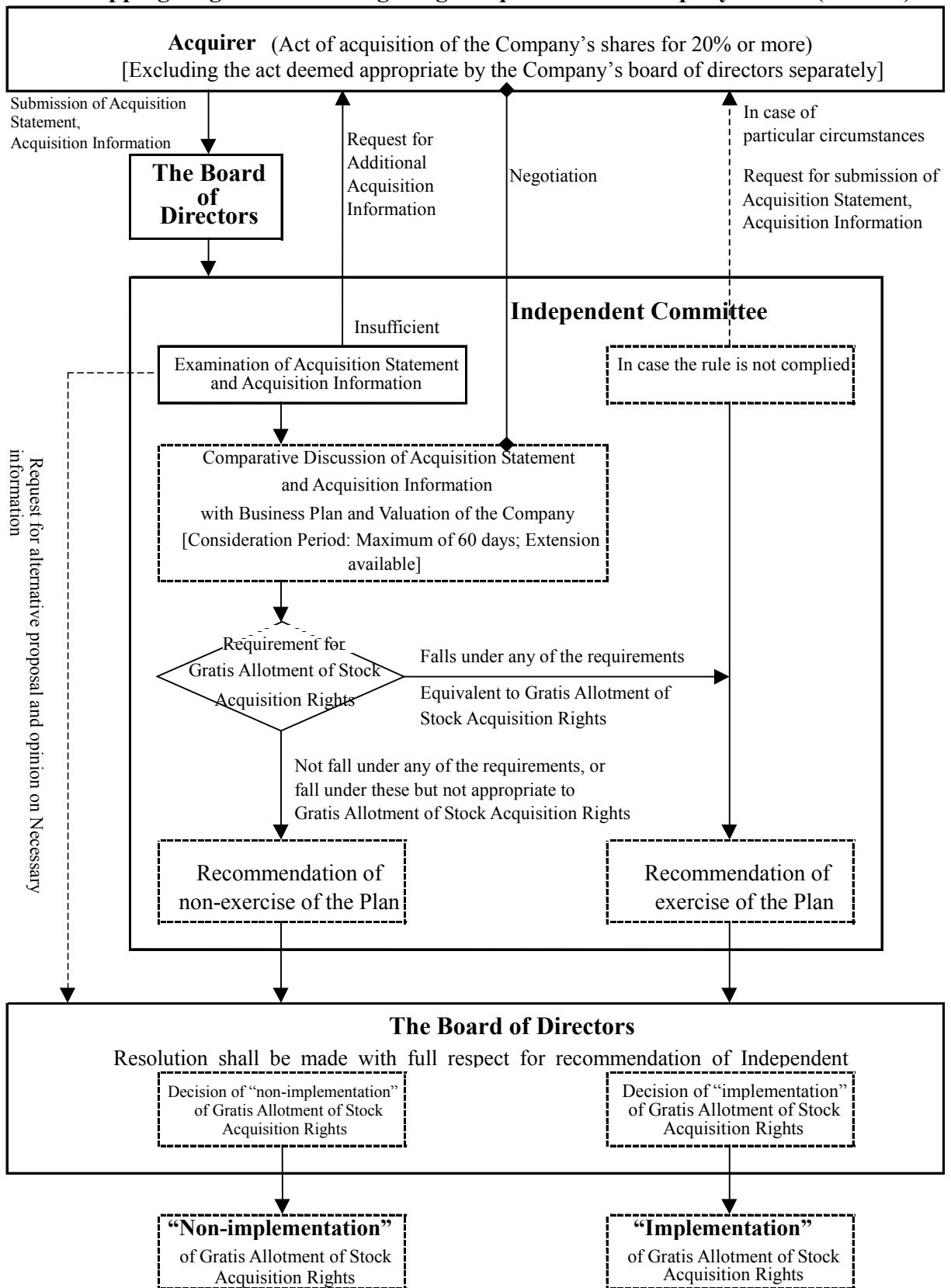
Acquisition Information

- (1) Details of the Acquirer and its group companies thereof (including Joint holders, Person having a Special Relationship and members or any other constituents (in case of fund), (including specific name, capital composition, composition of finance, management policy (including the fact in past if there was an illegal commitment or anything pointed out by governmental agency concerning legal compliance), details of past transaction of the same kind as the Acquisition by the Acquirer, and the result thereof).
- (2) Purpose, method and contents of the Acquisition (including amount and type of consideration for the Acquisition, time of the Acquisition, scheme of related transaction, legality of method for Acquisition, feasibility of the Acquisition, etc.)
- (3) Grounds for computation of acquisition price (including prerequisite fact of the Acquisition, method of computation, information on figures used for computation and synergy amount expected to arise upon a series of transactions relating to the Acquisition and synergy amount to be distributed to minority shareholders, and grounds for computation, etc.)
- (4) Corroboration of Acquisition fund (including specific name of offerer of the Acquisition fund (including substantial offerer), method of fund-raising and contents of related transaction).
- (5) Any mutual agreement between the Acquirer and the third party regarding Share certificate, etc. of the Company (including the date of entering into, the name of the other party and its concrete contents)
- (6) Management policy, business plan, capital policy and dividend policy intended by the Acquirer after completion of Acquisition.
- (7) Basic policy applicable to employees, business partners, creditors of the Company Group or any other parties concerned in the Company after the Acquisition.
- (8) Regulatory matters under any domestic or foreign laws applied to acquisition offer, possibility of obtaining any approval or permit which should be obtained from local or foreign government or any third party under competition law or any other laws.
- (9) Any other information which the Independent Committee decides necessary.

---End---

(Reference)

Mapping diagram concerning Large Acquisitions of Company Shares (Outline)



(Note) Above mapping diagram is made for convenience of understanding of the Plan.

See body of the document for details.