

Policy for Protection of Company's Corporate Value and Common Interests of Shareholders

1. Reasons for Adoption

As a human health care (*hhc*) company, the Company believes that its mission of first priority, securing and enhancing our corporate value and the common interests of our shareholders, will be achieved by creating value for patients. To create value for patients it is necessary to undertake research and development of new drugs, to manufacture and distribute high quality products, and to manage and provide information to achieve the safe use of pharmaceutical products. To do this the Company must implement, long-term corporate measures. To strengthen shareholder value, it is essential that the Company grow steadily and continuously. Furthermore, to fulfill its corporate social responsibility and accomplish the mission set out above, the Company, in 2004, adopted a "Board Committee System" and established a highly transparent governance structure.

In order to realize the above mission, the Company plans to increase its corporate value and strengthen shareholder value by introducing and implementing a variety of long term measures such as the Term V Mid-term Strategic Plan. However, considering the escalating competition surrounding the Company, the changes in the Japanese legal system and corporate culture relating to M&A in Japan, we can anticipate the potential for acquisitions of the Company's shares intended to materially affect the Company's management policy. More specifically, if acquisitions of 15% or more of the outstanding shares of the Company are made, the Company may be prevented from fully carrying out our above stated mission. We believe the likelihood of a material effect as a result of such a 15% or greater acquisition of shares is made clear by the following points: First, the standards for related companies according to the Regulations for the Terminology, Format and Method of Preparation of Financial Statements, apply in the case of ownership of voting rights of 15% to 20% and an inference of an ability to exert a major influence. Also, taking into account quorum numbers, a 15% shareholding represents a large portion of the votes needed to defeat any special resolutions of the general shareholders' meeting.

The Company does not reject any and all acquisitions that are intended to obtain a large volume of shares of the Company or that permit a third party to participate in the Company's business management, if such acquisitions will greatly increase the corporate value of the Company. However, among acquisitions of large shareholding positions, there are many that are detrimental

and that would, in view of their purpose and the business policy after such acquisitions, cause obvious and irreparable damage to the shareholders' interests; that are structured to coerce other shareholders to sell their shares under unfavorable conditions; that do not give sufficient time and information to the Company and shareholders for their examination of the substance of the proposed acquisition and consideration of alternatives; or that offer terms and conditions that are insufficient or inappropriate in light of the Company's intrinsic value. Furthermore, in order to realize value for patients, and thereby to increase the corporate value and the common interests of the shareholders, research and development systems of new drugs, a stable supply of high quality products, and proper management and provision of information on safety and efficacy of drugs are essential. If the Company fails to secure these processes, the Company's corporate value and the common interests of the shareholders will be harmed.

Therefore, the Board of Directors of the Company has determined that the adoption of this Policy for Protection of Company's Corporate Value and Common Interests of Shareholders (the "Policy") is essential to deter acquisitions, including the above types of acquisitions, that are likely to substantially and adversely offend the principle of shareholders' interests, and therefore resolves to adopt this Policy.

For any acquisition of a 15% or greater stake, this Policy will first require the acquirer or the person proposing the acquisition (hereinafter, together with a tender offer bidder (TOB) or one proposing a TOB, collectively referred to as an "Acquirer") to provide information to the Company about the intended acquisition in advance of such acquisition. By doing this, the Company will be able to secure a period to collect and review information regarding the purchase, explain the business plan to the shareholders, and, if necessary, propose alternatives and negotiate with the Acquirer. On the contrary, if an Acquirer enters into an acquisition without providing information in advance, or if the acquisition is not determined, within the procedures of this Policy, to be an acquisition that will not substantially harm the Company's corporate value and the common interests of the shareholders, as mentioned below, the Company will issue as necessary, by allocation to all shareholders at that time, new share subscription rights conditioned such that the Acquirer and certain related parties may not exercise such rights (collectively the "Rights", pertaining to any single share a "Right") This Policy will decrease the relative percentage of voting rights held by the Acquirer by issuing the Rights and will aim to prevent any acquisition that will substantially harm the Company's corporate value and the common interests of the shareholders.

The adoption of this Policy, and the process for the evaluation of a proposed acquisition of a 15% or greater stake, any discussions and negotiations with the Acquirer, and the judgment of whether or not the issuance of the Rights is required based on the results of said discussions and negotiations are required to be objective and reasonable to prevent the possibility that management could manipulate this Policy to protect its own interests. The Board of Directors of this Company consists of eleven (11) directors, the majority of whom are outside directors. This majority is made of seven (7) outside directors who are independent from the Company Management, including a corporate manager, academic experts, a CPA, and attorneys, with abundant experience and excellent records of achievement. Of the four (4) other directors who are not outside directors only one (1) is engaged in day-to-day business operations. Therefore, the Company believes that the Board of Directors will be able to make an objective and reasonable decision for the shareholders' interests.

In the adoption of this Policy, a "Special Committee" was established first, consisting of three (3) outside directors. The Special Committee received opinions from independent outside advisors, and examined whether or not this Policy should be adopted. As a result of the examination, the Special Committee determined that the adoption of a policy was essential to prevent acquisitions which could substantially harm the Company's corporate value and the common interests of the shareholders. This Policy was proposed to the Independent Committee of Outside Directors, which consists of all seven (7) outside directors (please see Attachment No. 1, "Outline of the Independent Committee of Outside Directors" regarding requirements for resolutions and matters to be resolved), and the Independent Committee of Outside Directors examined whether or not it should be adopted. As a result of the examination, the Independent Committee of Outside Directors decided that this Policy was essential and appropriate to prevent acquisitions which could substantially harm the Company's corporate value and the common interests of the shareholders, and recommended to the Board of Directors to adopt this Policy. The Board of Directors, after examination of this Policy, resolved to adopt it. Thus, this Policy has been adopted for the common interests of the shareholders by the initiative of the Independent Committee of Outside Directors.

In addition, in order to ensure that the operation of the Policy is objective and reasonable, the Independent Committee of Outside Directors will be primarily responsible for the operation of this Policy. In case of an actual proposed acquisition of a 15% or greater shareholding, the Independent Committee of Outside Directors will, acting on their own initiative, determine whether or not all the criteria set forth in Article 4 below have been satisfied

Unless, the Independent Committee of Outside directors determines that the Acquisition satisfies all the criteria set forth in Article 4 below, in principle, it will propose that the Board of Directors issue the Rights. Then, the Board of Directors will determine ultimately whether or not the issuance of the Rights will be necessary. If the Independent Committee of Outside Directors decides that the Company should not issue the Rights, the Board of Directors will make neither an examination nor a determination of the issuance of the Rights. By adopting this system, with respect to the judgment of whether the Rights should be issued, this Policy will prevent arbitrary decisions by Management and make it difficult to issue the Rights.

2. Acquisitions Subject To This Policy

Under this Policy, the Rights may be issued in accordance with the procedures stipulated in this Policy in the event of an acquisition or proposal of acquisition as set forth below in 2.1) or 2.2) below (hereinafter collectively referred to as an "Acquisition").

- 1) A purchase or other acquisition, that, if completed, would make a person's¹ shareholding percentage² of shares issued by the Company³ 15% or more; or
- 2) A TOB⁴ that, if successful, will make a TOB Acquirer's plus its special affiliated person's⁵ shareholding percentage⁶ of shares⁷ issued by the Company⁸, 15% or more in total.

3. Process for the Issuance of the Rights

- 1) Prior Information Submission from Acquirer to the Independent Committee of Outside Directors

The Acquirer, who proposes to make an Acquisition set forth in Article 2 above, shall prior to publicly announcing any proposed Acquisition or

¹ Defined in the Securities and Exchange Law, Article 27-23(3)

² Defined in the Securities and Exchange Law, Article 27-23(4)

³ Defined in the Securities and Exchange Law, Article 27-23(1)

⁴ Defined in the Securities and Exchange Law, Article 27-2(6)

⁵ Defined in the Securities and Exchange Law, Article 27-2(7), provided that the persons stipulated in the Cabinet Order regarding disclosure of TOB by a person other than the issuer, Article 3(1) will be excluded

⁶ Defined in the Securities and Exchange Law, Article 27-2(8)

⁷ Defined in the Securities and Exchange Law, Article 27-2(1)

⁸ Defined in the Securities and Exchange Law, Article 27-2(1)

launching a TOB, submit in writing to the Independent Committee of Outside Directors the information set forth in Appendix 2 which is necessary to examine the content of the Acquisition (the “Necessary Information”) and a declaration that the Acquirer will comply with the procedures stipulated in this Policy (together with the Necessary Information, the “Acquisition Description”).

If the Independent Committee of Outside Directors determines that the content of the Acquisition description is insufficient to meet the requirements set forth for the Necessary Information, the Committee may request the Acquirer to submit additional Necessary Information, setting a specific deadline if appropriate. In this circumstance, the Acquirer will submit the remaining Necessary Information by the deadline.

If the Independent Committee of Outside Directors believes that the Acquirer started the Acquisition without complying with the procedure stipulated in this Policy, the Committee, in principle, will propose to the Board of Directors to issue the Rights in accordance with 3. 3)(1) below unless there is a special situation in which case the Committee may continue to discuss and negotiate with the Acquirer to request the submission of the Acquisition description and the Necessary Information.

2) Examination of the Acquisition Content, Negotiation with Acquirer, and Presentation of an Alternative Proposal by the Independent Committee of Outside Directors

If the Acquirer submits to the Independent Committee of Outside Directors an Acquisition description, and sufficient Necessary Information including additional Necessary Information, if any, which is requested by the Independent Committee of Outside Directors, the Committee may also request the Board of Executive Officers of the Company to provide opinions on the content of the Acquisition by the Acquirer and the materials which show the grounds for such opinions, alternatives and other necessary information and materials which the Independent Committee of Outside Directors appropriately regards as necessary, within a period to be set by said Committee.

The Independent Committee of Outside Directors will collect information and examine the content of the Acquisition, any alternative proposed by the Executive Officer, and the business plan of each of the

Acquirer and the Board of Executive Officers for sixty (60) days in principle (however, the Outside Directors Independent Committee can extend the period in accordance with 3.3)(3) below) after the receipt of the Necessary Information and additional materials requested by the Independent Committee of Outside Directors from the Acquirer (the "Examination Period"). The Independent Committee of Outside Directors will, if necessary, directly or indirectly, negotiate with the Acquirer to improve the share Acquisition content from a viewpoint of corporate value and common interests of the shareholders of the Company, and may present an alternative proposal to the shareholders of the Company.

The Independent Committee of Outside Directors can, at its discretion, obtain advice from independent third parties (including financial advisers, CPAs, lawyers, consultants and other specialists) at the Company's expense in order to ensure that the Committee's decision is reasonable.

During the Examination Period, the Independent Committee of Outside Directors may make public information relating to the fact that the Acquirer has submitted a Acquisition description and the Necessary Information and other matters that the Committee determines are relevant.

The Acquirer shall not initiate an Acquisition before the end of the Examination Period.

3) Resolution of the Independent Committee of Outside Directors

The Independent Committee of Outside Directors will take the following procedures:

- (1) In such case that an Acquirer has not complied with the procedures set forth in 3.1) and 2) above, unless the Independent Committee of Outside Directors determines that 3.3)(2) or (3) below is applicable, the Committee will, in principle, propose to the Board of Directors to issue the Rights without regard to whether it is during or after the Examination Period.

The Independent Committee of Outside Directors may make public information regarding the fact that the Committee proposed the issuance of the Rights to the Board of Directors, the summary of the advice and grounds for the Committee's decision and/or other

matters that the Committee decides are appropriate.

However, if there is a change in the fact situation underlying the decision, the Independent Committee of Outside Directors may revise its decision. In this circumstance, the Committee may immediately make public information that the Committee considers necessary.

- (2) If the Committee finds, as a result of the examination and, if appropriate, negotiation with the Acquirer, that the purchase by the Acquirer will meet all of the criteria stipulated in 4.1) through 9), below, the Committee will determine not to issue the Rights without regard to whether it is during or after the Examination Period. In this circumstance, the Board of Directors will not examine whether or not the Company should issue the Rights in connection with the resolution of non-issuance of the Rights.

The Independent Committee of Outside Directors may make public information regarding the fact that the Committee determined not to issue the Rights, the summary of the determination and grounds for the Committee's decision and other matters that the Committee decides are appropriate.

If the facts underlying the determination change, the Committee may revise its decision and propose to the Board of Directors to issue the Rights. In this circumstance, the Committee may immediately disclose information that the Committee decides is necessary.

- (3) If the Outside Directors Independent Committee did not advise the Board of Directors either to issue or not to issue the Rights by the end of the original Examination Period, the Committee may resolve that the Examination Period will be extended to the extent that such extension is necessary to examine the share purchase content, negotiate with the Acquirer and prepare an alternative proposal. (The same procedure will apply to a subsequent extension.)

The Independent Committee of Outside Directors may disclose information regarding the grounds for the extension of the Examination Period, the extended period, and other matters that the Committee considers appropriate.

If the Examination Period is extended based on the above resolution, the Committee will continuously examine the substance of the share

Acquisition, and, if necessary, negotiate with the Acquirer and prepare an alternative proposal, and will propose to the Board of Directors to issue the Rights or determine not to issue them, or present an alternative proposal during the extended period.

4) Resolution of the Board of Directors

If the Board of Directors receives a proposal from the Independent Committee of Outside Directors to issue the Rights, it should make a resolution without delay.

The Board of Directors will, immediately after the above resolution, disclose information regarding the fact that the Board of Directors made that resolution, the summary of the resolution and grounds for such resolution, and other matters that the Board of Directors considers appropriate.

Provided, that if the facts underlying the determination change, the Board of Directors can make another determination.

If the Independent Committee of Outside Directors resolves to not issue the Rights, as stated in 3.3)(2) above, the Board of Directors will not examine whether or not the Rights should be issued.

4. Criteria for Advice on the Issuance of the Rights

The Independent Committee of Outside Directors will, in principle, advise Board of Directors to issue the Rights unless the Independent Committee of Outside Directors decides that the Acquisitions subject to this Policy satisfy all the criteria described below:

- 1) the share Acquisition is conducted in accordance with procedures stipulated in this Policy;
- 2) the share Acquisition will not cause damage to the Company's corporate value and the common interests of the shareholders by the following:
 - (1) Accumulating shares with the intent of requiring the Company to buy them back at a higher price;
 - (2) Temporarily taking control of the management of the Company and

running the Company in the interests of the Acquirer at the expense of the Company, such as acquiring the Company's important assets at low prices;

- (3) Pledging assets of the Company as collateral for debts of the Acquirer or its group companies or using the Company's funds to repay such debts; or
 - (4) Temporarily taking control of management of the Company and selling valuable assets that are currently not related to the Company's businesses and declaring temporarily high dividends with profits from the disposition, or selling the shares at a higher price after the share price rose due to temporarily high dividends;
- 3) the Acquisition would not coerce shareholders into selling their shares in such situations such as two-tiered takeovers (takeovers that coerce shareholders into accepting a higher priced front-end tender offer by setting unfavorable terms or not specifically indicating terms for the back end of the transaction, without offering to buy all shares at the front end);
 - 4) the Acquisition does give the Company a reasonable period of time to make proposals for alternatives to the share purchase;
 - 5) the Acquisition does provide, and sufficiently provides, in light of the current or future shareholding rate or other relevant information of such Acquirer, the shareholders of the Company with information to examine the substance of the share Acquisition, such as summary information of the Acquirer (including the information set forth in Appendix 2, Section 1), how the price for the share Acquisition was calculated (including the information set forth in Appendix 2, Section 3), evidence of the funds for the share purchase (including the information set forth in Appendix 2, Section 4), management policy after the share Acquisition, business plan, capital policy and dividend policy(including the information set forth in Appendix 2, Section 5);
 - 6) the conditions of the Acquisition (including the information set forth in Appendix 2, Sections 2 and 6) are not insufficient or inadequate, taking into consideration the intrinsic value of the Company;
 - 7) the Acquisition will not violate the applicable laws and the Company's articles of incorporation;

- 8) the acts of the Acquirers as the shareholder will not adversely affect the managing of the Company and will not materially harm the Company's corporate value and the common interest of the shareholders; and
- 9) the Acquisition will not materially harm the Company's corporate value and the common interest of the shareholders in accordance with the applicable laws, administrative advice, court decisions or rules of the stock exchanges.

5. Effective Period of this Policy

This Policy will remain effective until June 30, 2011, concurrent with the period of the Term V Mid-term Strategic Plan (from April 2006 to March 2012).

After the adoption of this Policy, the Independent Committee of Outside Directors will, after the ordinary general shareholders meeting each year, consider continuing, revising or abolishing this Policy. The Independent Committee of Outside Directors will propose the result of that consideration to the Board of Directors, who will accordingly continue, revise or abolish the Policy. The term of each Company director is one (1) year. Each director is appointed at the ordinary shareholders meeting held every June. Since the Company has no staggered board or restrictions on dismissing directors, any director may be appointed or dismissed at a shareholders meeting and the Independent Committee of Outside Directors and the Board of Directors, may resolve that this Policy should be abolished or that Rights will not be issued at the said shareholders meeting.

In this regard, the Company believes that this Policy can fully reflect the shareholders' intentions with regard to adopting, maintaining, continuing or abolishing this Policy.

Even during the effective period of this Policy, if necessary, the Company may review or abolish this Policy, or adopt different protection measures based on the Independent Committee of Outside Directors' examination.

6. Major Terms of the Rights

The major terms of the Rights to be issued based on this Policy are as stated below. The Company plans to register the issuance of Rights in advance to expedite the issuance.

- 1) Shareholders Subject to the Allocation

The Company will allocate one (1) Right per share held by the shareholders (excluding those held by the Company) who are described or recorded on the last shareholders' list as of the date that the Board of Directors designates as the allocation date (the "Allocation Date") in the issuance resolution for the Rights (the "Issuance Resolution").

2) Type and Number of Shares to be Issued by the Rights

The type of shares to be issued by the Rights will be common shares of the Company. The number of shares to be issued by one (1) Right will be one (1) share, or another number of shares that the Board of Directors designates in the Issuance Resolution.

3) Total Number of the Rights

The maximum number of the Rights will be the same as the total number of the last outstanding shares as of the Allocation Date (excluding the number of common shares held by the Company).

4) Price of Issuing the Rights

Free of Charge

5) Amount Payable upon the Exercise of Rights

The amount payable per Right will be one (1) Japanese Yen.

6) Exercise Period of the Rights

The exercise period of the Rights will start on the issuance date of the Rights as designated by the Board of Directors in the allocation resolution, and last for the period between one (1) month and two (2) months as designated by the Board of Directors in the Issuance Resolution.

7) Conditions to Exercise the Rights

(1) ① Specific large volume holders [i.e. excluding persons defined in items (a) through (d) below, (A) the holders (including holders under the Securities and Exchange Law, Article 27-23(3)) of shares issued by the Company (subject to the Securities and Exchange Law, Article 27-23(1), the same applies in the following paragraph unless otherwise specified), and the shareholding ratio (defined in the Securities and Exchange Law, Article 27-23(4)) exceed 15% or more,

or approved to be the holder of 15% or more by the Company's Board of Directors; or (B) the person who purchases (defined in the Securities and Exchange Law, Article 27-2(1), the same applies in the following paragraph) the shares issued by the Company (subject to the Securities and Exchange Law, Article 27-2(1)) by TOB (defined in the Securities and Exchange Law, Article 27-2(6)) and whose shareholding (including those stipulated in Enforcement Ordinance of the Law, Article 7(3)) ratio (defined in the Securities and Exchange Law, Article 27-2(8), the same applies in the following paragraph) after the purchase plus shareholding ratio of his/her special interested person (defined in the Securities and Exchange Law, Article 27-2(7), provided that the persons stipulated in the Cabinet Order regarding disclosure of TOB by a person other than the issuer, Article 3(1) will be excluded, the same applies in the following paragraph) will be 15% or more] as of the Record Date and/or Exercise Date Allocation Date; ②His or her co-owner (i.e. the person defined in the Securities and Exchange Law, Article 27-23(5), including the person deemed to be the co-owner under Article 27-23(6) of the Law) (when stipulated in item (A) above); ③His or her special interested person (when stipulated in item (B) above); ④Persons who succeeded the Rights from the persons under ① through ③ above without approval of the Company's Board of Directors; or ⑤Person deemed by the Company's Board of Directors to be substantially the same as the persons under ① through ④ above, or controlled by such person, or under the same control of such person (from here ① through ⑤, collectively called "Specific Large Volume Holders") are not allowed to exercise the Rights.

- (a) The Company, the subsidiaries of the Company (defined in Article 8(3) of the Regulations for the Terminology, Format and Method of Preparation of Financial Statements) or the affiliated companies of the Company (defined in Article 8(5) of the Regulations for the Terminology, Format and Method of Preparation of Financial Statements);
- (b) A person who acquired a 15% or greater shareholding without intent of controlling the business activities of the Company and is deemed by the Board of Directors to be subject to item (A) or (B) above, and who has become not subject to item (A) or (B) by disposing of a sufficient number of the shares of the Company within ten (10)

days without exercising or retaining any power over such divested shares a term that may be extended by the Board of Directors;

- (c) A person who is deemed by the Board of Directors to be subject to item (A) or (B) above for a reason not attributable to the person such as a purchase of that person's own shares by the Company (excluding such person who additionally and intentionally purchased shares afterward);
- (d) A person whose position as a shareholder, according to the Board of Directors, will not be against the interest of the Company (provided that when a certain requirement is established by the Company, such requirement is fulfilled).

(2) In addition to the provisions stipulated in (1) above, the Rights may not be exercised by those who do not represent that they are not the Specific Large Volume Holders or fail to submit documents that pledge the matters designated by the Board of Directors.

8) Cancellation of the Rights

There are no provisions for causes or conditions of canceling the Rights

9) Assignment of the Rights

The assignment of the Rights will require the approval of the Board of Directors.

Based on 6.7) above, Specific Large Volume Holders may not exercise the Rights. If Specific Large Volume Holders were able to freely assign the Rights to third parties, the Company would not be able to achieve the purpose to prevent any purchase that will harm the corporate value and the common interests of the shareholders. Therefore, the transfer of the Rights under this Policy is restricted. However, Specific Large Volume Holders may assign the Rights to a third party approved by the Board of Directors.

7. Impact on Shareholders

1) Impact on Shareholders Upon the Adoption of this Policy

Since the Rights will not be issued at the adoption of this Policy, there will be no specific impact on the shareholders' rights and interests.

2) Impact on Shareholders Upon the Issuance of the Rights

If the Rights are issued, one (1) Right per share of the Company's common stock will be allocated, free of charge, to the shareholders as of the allocation date that will be separately stipulated in the Board of Directors' issuance resolution. If a shareholder fails to make the relevant payment or to take other relevant procedures regarding the exercise of the Rights during the exercise period, that shareholder's percentage of shares will be diluted by other shareholders' exercise of the Rights.

Further, the issuance of the Rights will become non-cancelable as of the four (4) business days prior to the allocation (including the Allocation date). The reason for making the Rights non-cancelable as of the Allocation Date is to avoid any loss to shareholders other than the Acquirer due to confusion in the markets or loss of liquidity of the stock. By making the issuance of Rights non-cancelable there is no substantial doubt as to the amount and timing of the dilution of each share. Each share will be diluted but each shareholder will receive at least enough additional shares to offset such dilution. The shareholding percent of each individual shareholder will either not change or slightly increase.

3) Necessary Procedure for Shareholders after the Issuance of the Rights

(1) Procedure for Transfer of Shares

If the Board of Directors resolves that the Rights will be issued, the Company will publish the Allocation Date of the Rights. Since the Rights will be allocated to the shareholders who are described or recorded on the last list of shareholders as of the Allocation Date, the shareholders will be required to transfer the register of shares by the Allocation Date in order to have the benefit of the Rights.

(2) Procedure of Application for the Rights

The Company will send the allocation notification of the Rights and the application form for the Rights to the shareholders who are described or recorded on the last list of shareholders as of the Allocation Date. The shareholders will be required to apply for the

subscription of the Rights by properly filling in the form, placing a seal and submitting the form to the application handling agent during the application period which was separately decided by the resolution of the Board of Directors. If the shareholders fail to make an application during the application period, they will lose the application rights and will not be able to subscribe for the Rights.

(3) Procedure for Exercise of the Rights

The Company will send the Rights Exercise document (the form of which will be specified by the Company and which will contain the pledge by the shareholder that the shareholder is not the Specific Large Volume Holder) and other documents which are necessary to exercise the Rights to the shareholders who applied for the Rights during the application period. After exercising the Rights, one (1) common share or another number of common shares that is separately designated by the issuance resolution per Right will be issued, on the condition that during the exercise period, the shareholders submit the Rights exercise document designated by the Company and pay one (1) Japanese Yen per Right to the payment-handling agent.

In addition to the above, the details of methods of the application, the transfer register of shares and payment will be published or notified to the shareholders after the issuance resolution of the Rights. Please confirm the contents of such publication or notification.

The procedures of issuance and exercise of the Rights are as stated above in principle. The Board of Directors may resolve the other procedures of issuance and exercise to the extent that the laws and regulations permit at the time of issuance or exercise in order to avoid the disadvantage of shareholders who do not subscribe or exercise the Rights. In this case, the details of the necessary methods will be also published or notified to the shareholders. Please confirm the contents of such publication or notification.

End

Outline of the Independent Committee of Outside Directors

1. Members

All outside directors of the Company

2. Resolution Requirements

Resolutions of the Independent Committee of Outside Directors should be made in principle by the majority of all members who are all required to attend the Committee. In the event that any of the members cannot attend the Committee meeting, resolutions of the Committee can be made by the majority of present members whose number should be a majority of all members.

3. Matters To Be Resolved

The Independent Committee of Outside Directors, in principle, should resolve the following matters and advise the Board of Directors on the content of the resolution together with its reason. However, concerning the resolution of non-issuance of the Rights and the extension of the Examination Period, the Independent Committee of Outside Directors will not give any advice to the Board of Directors and the Independent Committee of Outside Directors will determine those matters. Each member of the Committee shall make their decision from a viewpoint of whether or not the matter will achieve the Company's corporate interest and the common interests of the shareholders, and shall not take into consideration their personal interests or the interests of other directors or executive officers of the Company:

Matters to be Resolved

- (i) Determination of whether share purchase is subject to this Policy;
- (ii) The Information to be provided by the Acquirer and the Board of Executive Officers to the Independent Committee of Outside Directors;
- (iii) Scrutiny and examinations of terms of the share purchase;
- (iv) Negotiation with the Acquirer;

- (v) Scrutiny of any alternative proposal against a share purchase;
- (vi) Issuance or Non-issuance of the Rights or a Period of Examination by the Independent Committee of Outside Directors;
- (vii) Adoption, review continuance and/or revision, or abolition of this Policy;
- (viii) Examination and adoption of defense measures against share purchases other than this Policy; and
- (ix) Other matters to be determined by the Board of Directors relating to this Policy or the Rights.

In making judgments for the above matters, the Independent Committee of Outside Directors will make efforts to sufficiently collect necessary information in order to ensure appropriate judgments. Furthermore, the Independent Committee of Outside Directors may obtain advice from independent third parties including without limitation financial advisors, CPAs, lawyers, consultants and other experts at the Company's expense.

The Necessary Information

- (1) A profile of the Acquirer and its group (including its joint holders, its special affiliated persons, cooperators or other members of the partner if the Acquirer is a fund) including its specific name, capital relationship and financial details.

For Acquirers which are natural persons, provide such persons' principal occupation or employment for the past five years through the present, including the principal business and address of any corporation or other organization ("Entity") in which the occupation or employment is or was conducted, giving the applicable starting and ending dates for each employment, and the age and citizenship of such persons.

For Acquirers which are Entities should provide the following for such entity and each of its significant subsidiaries: principal business of such Entity, the jurisdiction of organization, description of its capital stock and long-term debt financial statements for the past three years, description of any material pending legal proceedings to which such entity or any of its properties is subject, a brief description of the business done, names of all directors and executive officers.

All Acquirers should disclose if they have been (i) charged or convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors), and if so, the crime committed, the penalty (or other disposition) imposed, and the court involved or (ii) a party to a judicial or administrative proceeding in the past five years that resulted in, or where the relief sought is, a judgment, decree or final order finding such person in violation of, or enjoining future violations or prohibiting activities related to, the securities laws or the commercial code of Japan, and shall disclose the terms of any such judgment, decree or order;

- (2) The purpose, method and terms of the Acquisition (including the type and amount of consideration to be offered, the expected timing of the Acquisition, any related transactions, legality of the Acquisition, and the Acquirer's belief as to the success probability of the Acquisition);

- (3) The calculation grounds for the price of the Acquisition (including the facts and assumptions that underlie the calculation, the calculation method, the numerical information which was used for the calculation, the amount of the synergy to be expected from any series of transactions relating to the Acquisition and the basis for such calculations);
- (4) The evidence of the funds for the Acquisition (including the specific name of the provider of the funds (including the substantial provider), the manner in which funds will be raised, and the terms of related transactions);
- (5) The proposed business policy, business plan, capital policy and dividend policy for the company after an Acquisition (including a share transfer, transfer of business, merger, demerger, stock-for-stock exchange or stock-for-stock transfer, a sale of assets, a reorganization or liquidation, any change in present capital or dividend rates or policy, indebtedness, or capitalization, any change in the present management of the Company, any change in the Company's corporate structure, business, business policy, business plan, the acquisition or deposition of securities of the Company, any delisting of the common stock from any common stock exchange, or any change in the Company's constituent documents or any extraordinary transaction);
- (6) The proposed policies regarding employees, business partners, customers, local communities in which the company operates, and other stakeholders after the Acquisition;
- (7) Situation regarding necessary government approvals, business approvals, and regulatory compliance measures, consents, agreements and approvals necessary to be obtained from third parties, the potential application of anti-trust and/or other competition law and other material laws of jurisdictions in which the Company operates or sells products related to the Acquisition; and
- (8) Other information that the Independent Committee of Outside Directors reasonably deems necessary.