

April 18, 2008

To whom it may concern

Company name: Daishinku Corporation
Code No.: 6962 Daisho First Section
Name of the representative: Sohei Hasegawa, President
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Re: Introduction of Countermeasures (Takeover Defense Measures)
for a Large-Scale Purchase of the Company's Shares, etc.

DAISHINKU CORP. hereby announces that according to the Board of Directors meeting held on April 18, 2008, the Board decided "the Company's basic policy concerning the way of being of a person who controls the Company's financial and business policy decisions (as defined in the main text of Article 127 of the Enforcement Regulations of the Companies Act of Japan. Hereinafter, referred to as "Basic Policy") and decided to table a resolution to amend the Company's articles of incorporation to include stipulations that allow the general shareholders' meeting to make a resolution on "Countermeasures (Takeover Defense Measures) for a Large-Scale purchase of the Company's Shares, etc" as a part of the efforts to prevent a person who is deemed to be inappropriate in light of the above Basic Policy from controlling the Company's financial and business policy decisions at the Company's Ordinary General Shareholders Meeting scheduled to be held on June 27, 2008 (hereinafter, referred to as "this year's Ordinary General Shareholders Meeting") and decided to table a resolution to decide, based on the amended articles of incorporation, "Countermeasures (Takeover Defense Measures) for a Large-Scale Purchase of the Company's Shares, etc" (hereinafter, referred to as "This Plan").

We introduce this Plan solely for the purpose of securing and enhancing the corporate value of the Company's Group and the common interests of our shareholders and we propose to set the rules for a large-scale purchase of the Company's shares to ensure the provision of sufficient information, such as the purpose and method of the purchase, the type of consideration for the purchase, and the basis in the determination of the purchase price, by a large-scale share purchaser of the Company's shares, as well as an appropriate time for evaluation so that the Company's shareholders can make an

appropriate judgment. The Company does not propose those rules to hinder a large-scale share purchase itself and the rules do not work to deprive our shareholders of the chance to make their decisions.

Please note that as of March 31, 2008, no specific proposal for a large-scale purchase of the Company's shares, etc. has been raised. (As for the status of the Company's shareholders, please refer to the Attachment 1.)

**Countermeasures for a Large-scale Purchase
of the Company's Shares (This Plan)**

I. Basic policy for the way of being of a person who controls the Company's financial and business policy decisions

(Basic policy concerning the way of being of a person who controls the Company's financial and business policy decisions under Article 127 of the Enforcement Regulations of the Company Act (Ordinance of the Ministry of Justice No. 12 of 2006))

The board of director of the Company, since the Company allows free trading of the Company's shares as a publicly traded company, does not flatly deny every large-scale purchase of the Company's shares as long as the purchase makes contributions to the corporate value of the Group of the Company and therefore to the common interests of our shareholders even if the intent of the large-scale purchase is to takeover the Group of the Company. Also, the Company believes that, in the event that a large-scale purchase occurs, the shareholders of the Company should make the final decision as to whether or not to accept the proposal of a large-scale purchase.

However, among large-scale purchases, in light of their purposes, etc., there can be an inappropriate one which apparently infringes on corporation values and common interests of shareholders, which may coerce shareholders into agreeing to the large-scale purchase, which does not provide sufficient information concerning its contents and the large-scale purchaser, which does not provide the time for the board of directors of the target company to review the large-scale purchase and prepare an alternative plan, or which causes damage to interests of stakeholders, such as customers, business partners, and employees, and consequently impairs corporate value.

Especially for a manufacturing corporation like the Group of our Company, it is absolutely essential to develop in-house and utilize proprietary state-of-the-art technologies and manufacturing technologies for securing and enhancing corporate value and common interests of shareholders, but it often takes several years to several decades until the time such a company can commercialize the outcome of research and development activities. Therefore, management action based on a medium and long term perspectives is indispensable for the Group of the Company to maximize its corporate value.

The Board of Directors of the Company considers that a person who conducts an inappropriate large-scale purchase as stated in the above is not appropriate as a person who controls the Company's financial and business policy decisions, and considers that it may be necessary to take

reasonable countermeasures if an inappropriate large-scale purchase is actually conducted.

II. The Company's special actions that are instrumental to effective utilization of its assets, formation of an appropriate corporate group, and realization of other basic policies

As a part of the Company's special actions that are instrumental to effective utilization of its assets, formation of an appropriate corporate group, and realization of other basic policies, the Company is taking the following measures in addition to the measures stated in the below III.

1. Philosophy and Visions for Management of the Company

"Reliance" is the policy the company offers for all our customer worldwide.

The company's management vision is, "Reliance" as a slogan, the company is committed to realization of customer-oriented, creative, and effective management, sustainable profit generation, and making social contributions."

As a business which manufactures and sells electronic parts, what is important for us to enhance the corporate value is to respond to customers with "reliability". In other words, it is vital for us to be remained as "reliable people", "reliable products" and "reliable company". For this purpose, we need to provide quality products to the society through customer-oriented, creative, and effective management and to keep making contributions to the sustainable growth of the society with environment issues in mind.

As the Group of the Company, the Company considers that the realization of the above management philosophy and visions expedites enhancing the corporate value and common interest of the shareholders and realizing the Basic Policy.

2. Special actions toward helping realization of the Basic Policy

As a part of the Company's special actions that are instrumental to effective utilization of its assets, formation of an appropriate corporate group, and realization of other basic policies, the Company is specifically taking the following measures.

(1) Promotion of efficient management and creation of high value added

The Company is an electronic parts manufacturer established in 1959 which sells crystal products, such as general crystal resonators and tuning fork type crystal resonators, as well as other crystal products, such as crystal oscillators, filters, and optical products, using internally produced artificial crystals. Its sales areas are centered around Asia including Japan and also include the U.S. and

European countries.

The application of these crystal devices are for the whole electronics, home appliances including audiovisual equipment, communication equipment including mobile phones, PCs, and electronics for automobiles.

The Company's consolidated business performance was poor during the 2 years of 2002 and 2003 after the burst of the economic bubble in 2000. Given that, the Group of the Company reformed its business structure with the following main basic policies and expedited specialization in crystal products and crystal business as well as new product strategies.

- Promotion of efficient management
 - Emphasis on profit, emphasis on cash-flows, promotion of management with focus on balance, maximization of investment effectiveness (people, goods, and facilities), and establishment of business processes that are speedy and flexible.
- Creation of high added value
 - New products a half step ahead of other companies, creation of added value by improving existing products, and creation of added value by developing new markets
- Ensuring Growth
 - Development of new markets, ensuring growth by developing new customers, and ensuring growth by creating new business

As a result, sales of crystal products increased significantly and also sales of general crystal resonators and tuning fork type crystal resonators, which was on the decrease in and after 2001, started to increase in March, 2005. The recovery of our business performance was phenomenal.

As stated, the Group of the Company has made a certain progress since the burst of the bubble in 2000 by promoting efficient management, creating high value added, etc., and we will continue to make further progresses in the efficiency of management, concentrate the Company's management resources on growth products and areas of strength, and keep developing new products with high added value.

(2) Establishment of a global company structure

The Company has overseas sales subsidiaries in the U.S., Germany, and four countries in Asia, and manufacturing companies in Indonesia and Tianjin in China. Harmony Electronics Co., Ltd, our subsidiary in Taiwan, manufactures and sells their own brand name products as well as our own brand name products and has manufacturing companies in Thailand and Shenzhen in China.

The Group of our Company is consisted of 12 companies including a manufacturing company in Japan.

The Group of our Company believes that it is essential to enhance overseas bases as a key to the growth of the Group. We focus on accumulation of technical know-how as mother factories and speedy vertical developments for domestic bases and on early launching of services by receiving support from the whole Group and maturing and self-supporting features of bases for overseas bases to direct all the energies of the Group of the Company to further enhancement of the global structure.

(3) Creation of rewarding workplace and nurturing of “personnel”

For us to be able to create products with high added value, it is indispensable to have employees of the Group of the Company with high capabilities. For this purpose, we believe that it is essential for us to develop and strengthen an organization in which employees can enhance their capabilities and which attracts employees with high capabilities.

The Group of the Company will continue to work on developing a rewarding workplace as well as “personnel” to form a corporate culture in which individual characters of each employee are respected under the policy, “a company is only as good as its people” and everyone attempts to realize one’s dream.

(4) Ensuring of compliance

In accordance with 10 items in the standard of three reliable acts, we faithfully comply with related laws and regulations and observe corporate ethics to perform corporate activities in line with management policies and aim to be a reliable company for the society.

(5) Activities related to product safety

With respect to product safety, the Group of the Company is committed to minimize potential risks to its employees, customers, users and the environment and has engaged in activities designed to pay attention to product safety through day-to-day work.

(6) Environmental activities

The Group of the Company regards an environmental protection activity as an important agenda of its management and based on its long-term environmental activities plan, we have been involved in activities designed to manufacture environment-sensitive and environmental-friendly products, designed to conduct business activities to pay attention to the environmental issues such as prevention of global warming and reduction of industrial wastes, designed to revitalize activities designed to enhance communication with stake holders and social action programs, and designed to

provide education to employees to build its Group's environmental management system and enhance awareness of employees to the environment.

The Group of the Company will continue to make contributions to the creation of the society which can progress continuously through corporate activities which are in harmony with the environment in the future.

We believe that actions stated in the above enhance the corporate value of the Group of the Company and also serve as the foundation for us to enhance the corporate value. Therefore those kinds of activities are in line with the Basic Policy.

III. Measure to prevent a person who is deemed to be inappropriate in light of the Basic Policy from controlling the Company's financial and business policy decisions

1. The Necessity of having Countermeasures for a Large-scale Purchase of the Company's shares, etc.(This Plan)

The scope of business of the Group of the Company is vast including general crystal resonators and tuning fork type crystal resonators as well as other crystal application products, such as crystal oscillators, filters, and optical products. Furthermore, outcomes of research and development activities and know-how of manufacturing technologies, etc., are sources of the corporate value of the Group of the Company and many of them are corporate proprietary information. Therefore, shareholders requested to respond to a proposal to sell shares by a large-scale purchaser and faced with deciding whether a large-scale purchase offer is reasonable may not easily evaluate our corporate value accurately within a limited time, since shareholders need to estimate the value of the possibility of commercializing the results of research and development or know-how, the Company's tangible and intangible management resources, potential impact of measures taken for the future, and other items making up the corporate value of the Company.

Given that, in cases where a large-scale purchase of the Company's shares, etc. is actually conducted, we believe that it should be conducted in accordance with certain reasonable rules to protect and increase corporate value and benefits for all shareholders.

Therefore, we have decided to establish certain rules concerning provision of information in the event that a large-scale purchase stipulated in the below is conducted (hereinafter, referred to as "Large-Scale Purchase Rules"), and also, in cases where a large-scale purchase is conducted by a person who is deemed to be inappropriate in light of the Basic Policy mentioned above, we have

decided to take measures including countermeasures as an effort to prevent those purchases from controlling the Company's financial and business policy decisions (hereinafter, we call on the Countermeasures for a Large-scale Purchase of the Company's shares, etc. "This Plan").

2. Subject purchases of the Company's shares, etc. to This Plan

Subject large-scale purchases of the Company's shares, etc. to This Plan shall mean purchases of the Company's shares or other securities⁽³⁾ by a group of shareholders⁽¹⁾ with an intent to obtain the voting rights ratio⁽²⁾ of 20% or more of the total voting rights of the Company, or purchases of the Company's shares or other securities resulting in a group of shareholders holding 20% or more of the total voting rights of the Company. (Any of those two exclude cases of purchases with the prior consent of the board of directors. Also, specific method of purchase, such as market transaction and tender offer, is not questioned. A purchase of the Company's shares and other securities as described above shall be hereinafter referred to as "Large-Scale Purchases" and a person intending to conduct a Large-Scale Purchase shall be hereinafter referred to as a "Large-Scale Purchaser".

⁽¹⁾ A Group of Shareholders means:

(1) a Holder (defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Law of Japan ("FIEL"), including a person deemed as a holder pursuant to Paragraph 3, Article 27-23 of FIEL. Hereinafter the same rule shall apply.) of Certificates of Shares and Other Securities (defined in Paragraph 1, Article 27-23 of FIEL) of the Company and any Joint Holders thereof (defined in Paragraph 5, Article 27-23 of FIEL, including a person deemed as a joint holder pursuant to Paragraph 6, Article 27-23 of FIEL. Hereinafter the same rule shall apply.)

or

(2) a person or a company who makes a Purchase (defined in Paragraph 1, Article 27-2 of FIEL, including a purchase made on a securities exchange market) of Certificates of Shares and Other Securities of the Company (defined in Paragraph 1, Article 27-2 of the FIEL) and any Specially Related Parties (defined in Paragraph 7, Article 27-2 of FIEL.)

⁽²⁾ The Voting Rights Ratio means:

(1) In cases where the Group of Shareholders falls under Note 1-(1), it means the Holder's ownership ratio of the Company's certificates of shares and other securities (the voting rights ratio defined in the Paragraph 4, Article 27-23 of FIEL. In this case, the number of the Company's shares and other securities held by its joint holder (the number of shares and other securities defined in the same Paragraph) shall be counted as well.)

(2) In cases where the Group of Shareholders falls under Note 1-(2), it means the total of the Voting Rights Ratio (defined in Paragraph 8, Article 27-2 of FIEL) of the Large-scale Purchasers of the Company's certificates of shares and other securities and any of its Specially Related Parties.

In calculating each Voting Rights Ratio, the total voting rights (defined in Paragraph 8, Article 27-2 of FIEL) and the total number of issued shares (defined in Paragraph 4, Article 27-23 of FIEL) that appear in the latest of any of the securities reports, interim reports, quarterly reports, reports on treasury shares purchase report, or other reports the Company submits in accordance with the FIEL and make available for public can be referred to.

⁽³⁾ The shares and other securities mean those defined in Paragraph 1, Article 27-23 of FIEL. Hereinafter, this same rule shall apply unless otherwise specially stated.

3. Outline of the rules for Large-Scale Purchase Rules

In This Plan, a Large-Scale Purchase Rules shall mean: [1] the Large-Scale Purchaser provides necessary and sufficient information to the Board of Directors of the Company in advance and [2] the Large-Scale Purchase is commenced after a certain period for assessment by the Board of Directors of the Company has passed, or in cases where the General Shareholders' Meeting for Confirmation of Shareholders' Intentions (which is defined in 4.-(1) in the below. The same rule shall apply hereafter.) is held, after the close of said General Shareholders' Meeting for Confirmation of Shareholders' Intentions. The concrete details are as stated in the below. As for the flow of the procedures for This Plan, we prepared the summary diagram in Attachment 2. So, please refer to the diagram together.)

(1) Submission to the Company a letter of intention of the Large-Scale Purchase

In cases where a Large-Scale Purchaser intends to carry out a Large Scale Purchase, the Large-Scale Purchaser shall submit a written oath that the Large-Scale Purchaser will comply with the Large-Scale Purchase Rules and a letter of intention that includes the following descriptions in Japanese to the Board of Directors of the Company. With respect to the words of the written oath, those words shall be words recognized as appropriate by the Board of Directors of the Company and the Independent Committee (this Committee will be established as a meeting body for the purpose of appropriate operation of This Plan and of removing the possibility of arbitrary decisions being made by the members of the Board of Directors in relation to This Plan to secure the objectivity and reasonableness of the judgment of the Board of Directors of the Company. The Independent Committee is constituted of individuals who belong to any of outside directors, outside auditors, or outside learned individuals, who are independent from the management of the Company in charge of the execution of business operations. For more details, please refer to 5.-(1) in the below. The same rule shall apply hereafter.)

- [1] Name and address of the Large-Scale Purchaser
- [2] Governing law of its establishment
- [3] The name of the representative
- [4] Contact details in Japan
- [5] Outline of the proposal of the Large-Scale Purchase

(2) Provision of Large-Scale Purchase information

Within ten (10) business days after receipt of the letter of intention stated in the above (1), the Board of Directors of the Company will deliver to the Large-Scale Purchaser a “list of the information” that has to be provided for the purpose of requiring the Large-Scale Purchaser to provide necessary and sufficient information so that the Company’s shareholders are able to make a judgment and the Board of Directors is able to form an opinion.

Although details of said information vary depending on each Large-Scale Purchaser’s character and contents of each Large-Scale Purchase, general items to be included are as stated in the below.

Please note that the Board of Directors of the Company shall provide to the Independent Committee the letter of intention and the answers to the list of the information etc. received from the Large-Scale Purchaser without delay. In cases where the Independent Committee determines that the Large-Scale Purchase Information stated in the letter of intention and the answers to the list of the information is insufficient, and it is necessary to request additional information, the Independent Committee may require in writing the Large-Scale Purchaser, etc. to submit additional information through the Independent Committee or the Board of the Directors of the Company with a specific due date.

Upon receipt of the letter of intention, answers to the list of the information, or additional information as answers to the list of the information submitted at the request of the Independent Committee by the Large-Scale Purchaser (hereinafter, referred to collectively as “Large-Scale Purchase Information”), the Board of Directors of the Company shall make an inquiry to the Independent Committee and thereafter shall deliver to the Large-Scale Purchase the statement certifying that the provision of the Large-Scale Purchase Information is completed. After the provision of said statement, the Company shall disclose the fact that the Company issued said statement and the date of the issuance.

Also, the Board of Directors of the Company appropriately discloses the fact that a Large-Scale Purchase was proposed in compliance with laws and regulations as well as regulations of the financial instruments exchanges where the Company is listed. With respect to the Large-Scale

Purchase Information submitted to the Board of Directors of the Company, if the Board of Directors of the Company deems that the information is necessary for the shareholders of the Company to make their decisions, the Board of Directors of the Company will disclose all or part of the information.

[1] Details (including specific name, capital structure, ownership ratio, financial conditions, subject matter to its business, names of officers and directors and their career summaries, and information on their experience in the type of business same as that of the Group of the Company) of the Large-Scale Purchaser and its Group (including Joint Holders, Specially Related Party, major shareholders, investors as well as important subsidiaries, and their affiliates. In cases where it is an entity related to funds or investment in funds, the details shall include major partners, investors (irrelevant of direct or indirect), other members, executive members, and individuals who give advice on a continuous basis)

[2] The purposes, method, and contents of the Large-Scale Purchase (the price of the Large-Scale Purchase, type, and timeframe of the Large-Scale Purchase, structure of related transactions, legality of the method of the Large-Scale Purchase, feasibility of the Large-Scale Purchase, and in cases where there is a possibility that the shares, etc. of the Company will be delisted upon completion of the Large-Scale Purchase, the information and reasons. As for the legality of the Large-Scale Purchase, submission of a statement of opinions written by a certified lawyer may be requested.)

[3] The basis for the calculation of the purchase price of the Purchase or other acquisition in relation to the Large-Scale Purchase (including the underlying facts and assumptions of the calculations, the calculation method, the numerical data used in the calculation, the details of any expected synergies from any series of transactions made relating to the Large-Scale Purchase (including the details of such synergies to be shared with other shareholders), and the basis for the calculations of the synergies)

[4] Concrete details of the source of funds for the Purchase and other acquisition in the Large-Scale Purchase (including the specific contents of the supplier of said funds (including effective suppliers), procurement method, contents of security, existence or nonexistence of conditions for provision of funds, oath items and contents after the provision of funds, and related transactions)

[5] Management policies, business plans, financial plans, cash plans, investment plans, capital policy, dividend policy, and others of the Company and its Group (including plans and schedules concerning sale of assets, provision of an asset as a security, and other action of the Company and its

Group after the completion of the Large-Scale Purchase.), which the Large-Scale Purchaser's group intends to adopt after the completion of the Large-Scale Purchase

[6] Policies that would be implemented after the completion of the Large-Scale Purchase concerning the employees, business partners, customers, and any other stakeholders of the Company and its Group.

[7] Other information determined as reasonably necessary by the Board of Directors of the Company or the Independent Committee.

(3) Assessment, examination, and disclosure of opinions by the Board of Directors of the Company

The Board of Directors of the Company sets, in principal, 60 days (in case the purchase of all of the Company's shares is made by a tender offer with cash-only (yen) consideration) or 90 days (in case of any other Large-Scale Purchase), commencing from the completion of the provision of the Large-Scale Purchase Information by the Large-Scale Purchaser, as a period for the Board of Directors of the Company to conduct assessment, examination, negotiation, formation of its opinion, preparation of an alternative plan concerning the Large-Scale purchase (hereinafter, referred to as the "Board of Directors Assessment Period").

The Large-Scale Purchase shall be commenced only after the Board of Directors Assessment Period has passed, or in cases where the General Shareholders' Meeting for Confirmation of Shareholders' Intentions is conducted based on 4. (3) in the below, only after the completion of the General Shareholders' Meeting for Confirmation of Shareholders' Intentions. The Board of Directors of the Company shall make appropriate disclosures at the times the Board of Directors Assessment Period begins and ends in compliance with laws and regulations as well as regulations of financial instruments exchanges where the Company is listed. As for the determination as to whether the provision of the Large-Scale Purchase Information by the Large-Scale Purchaser is completed or not, the Board of Directors of the Company shall make an inquiry to the Independent Committee and follow their judgments.

During the Board of Directors Assessment Period, the Board of Directors of the Company shall sufficiently assess and examine the Large-Scale Purchase Information it received, seeking the recommendations of the Independent Committee on the propriety of implementation of the countermeasure, the necessity of holding the General Shareholders' Meeting for Confirmation of Shareholders' Intentions, and other matters related to said Large-Scale Purchase or receiving advice

from lawyers, certified public accountants, financial advisors, etc. (hereinafter, referred to as “outside specialists”), and shall carefully form and disclose an opinion of the Board of Directors of the Company, respecting the recommendations, etc. (as defined in 5. in the below. The same rule shall apply hereafter) received from the Independent Committee described above to the maximum extent. Also, the Board of Directors of the Company may conduct negotiations with the Large-Scale Purchaser aiming to improve the conditions for the Large-Scale Purchase as the needs arise, and present an alternative plan to the shareholders in capacity of the Board of Directors of the Company.

Also, please be noted that in cases where the Independent Committee falls short of conveying recommendations etc. within the Board of Directors Assessment Period or where the Board of Directors of the Company falls short of forming its opinion as to whether to take the countermeasure based on the resolution of the Board of Directors of the Company as stated in 4. in the below or whether to convoke the General Shareholders Meeting for Confirmation of Shareholders’ Intentions with respect to the Large-Scale Purchase within the Board of Directors Assessment Period (including cases where the Board of Directors of the Company decided not to take the countermeasure resolved by the Board of Directors of the Company but falls short of determining whether to convoke the General Shareholders Meeting for Confirmation of Shareholders’ Intentions), the Board of Directors of the Company may extend the Board of Directors Assessment Period up to 30 days subject to approval of the Independent Committee. In this case, the Board of Directors of the Company shall disclose the reason for the extension, the period of the extension, and other matters deemed appropriate by the Board of Directors of the Company or the Independent Committee promptly.

4. Countermeasures to be taken when a Large-Scale Purchase is carried out

(1) Cases where the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules

In cases where the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, regardless of the concrete method of each Large-Scale Purchase, the Board of Directors of the Company may take a countermeasure such as an allotment of stock acquisition rights for no consideration approved under the Company Act of Japan, other laws and regulations, and the articles of incorporation of the Company to oppose the Large-Scale Purchase for the purpose of preventing impairment of the corporate value of the Company and, by extension, of the common interest of the shareholders.

With respect to the judgment as to whether the Large-Scale Purchase complies with the Large-Scale

Purchase Rules, whether it is appropriate or not to implement a countermeasure, and details of the countermeasure, the Board of Directors of the Company shall make a decision, referring to advice from outside specialists and respecting the recommendations made by the Independent Committee at the request of the Board of Directors described above to the maximum extent.

As to what specific measure to be taken, the Board of Directors of the Company shall select a measure it deems most appropriate at the time.

Please note that even in cases where the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, the Board of Directors of the Company may hold a General Shareholders' Meeting of the Company (hereinafter, referred to as the "General Shareholders' Meeting for Confirmation of Shareholders' Intentions") in accordance with the procedures stated in (3) c. in the below to request for the shareholders' decision as to whether to implement a countermeasure (provided, however, that as stated in (3) c. in the below, this is limited to cases where a recommendation to hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions is conveyed to the Board of Directors of the Company as a result of a unanimous vote of all of the incumbent members of the Independent Committee).

(2) Cases where the Large-Scale Purchaser complies with the Large-Scale Purchase Rules

a. General principle

In cases where the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, in principle, the Company does not take a countermeasure to oppose said Large-Scale Purchase. In this case, it is the shareholders of the Company who determines whether or not to accept the Purchase proposals of the Large-Scale Purchasers, after examining opinions and alternative plans presented by the Large-Scale Purchaser or the Board of Directors of the Company, provided, however, that cases which fall under b. or c. in the below are excluded.

b. Cases where the countermeasure is implemented by the Board of Directors

Even in cases where the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, if the Board of Directors determines that the Large-Scale Purchase will significantly impair the corporate value of the Company and by extension the common interests of the shareholders, such as the case where the Large-Scale Purchase will cause irrecoverable damage to the Company, after considering advice from outside specialists and respecting the recommendations made by the Independent Committee at the request of the Board of Directors of the Company to the maximum extent, the Board of Directors may take a countermeasure allowed in light of the Company Act of Japan, other

laws and regulations, and the articles of incorporation of the Company as an exceptional case, such as an allotment of stock acquisition rights for no consideration, based on the resolution of the Board of Directors of the Company for the purpose of protecting the corporate value of the Company and by extension the common interests of the shareholders.

Specifically, in cases where the Large-Scale Purchase is determined to be defined by any of the types stated in the below, in principle, we believe such a case falls under cases where the Large-Scale Purchase is deemed to significantly impair the corporate value of the Company and by extension the common interests of the shareholders. With respect to whether or not Large-Scale Purchase falls under any of the items from [1] to [8], the Board of Directors of the Company shall decide after considering opinions from outside specialists and respecting the recommendations made by the Independent Committee at the request of the Board of Directors of the Company to the maximum extent.

In this case, the Board of Directors of the Company shall disclose said decision in a timely and appropriate manner in compliance with laws and regulations as well as regulations of the financial instruments exchanges where the Company is listed.

[1] Cases where the Purchaser (so called a green mailer) is buying the Company's shares, etc. or has an intention to do so in order to demand the Company and its affiliates to purchase said shares at an inflated price, without any true intent to participate in the Company's management.

[2] Cases where the Purchaser is buying the Company's shares, etc. or has an intention to do so for their so-called scorched earth strategy, or in order to obtain temporary control of the Company, to enable the transfer of assets, intellectual property rights, know-how, confidential information proprietary to customers and others, which are necessary in the course of business of the Company, to the Large-Scale Purchaser or its Group at a low price.

[3] Cases where the Purchaser is buying the Company's shares, etc. or has an intention to do so in order to cause the diversion of the Company's assets to secure or repay the debts of the Large-Scale Purchaser or its Group businesses after obtaining control of the Company.

[4] Cases where the Purchaser is buying the Company's shares, etc. or has an intention to do so in order to obtain temporary control of the Company's management to bring about a disposal of its high-value assets, such as real estate and securities, that have no current relevance to the Company's business and declaring temporary high dividends from the profits of the disposal of shares, etc., 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.

[5] Cases where the method of buying the Company's shares etc. by the Large-Scale Purchaser is considered to be one that threatens to limit opportunities or freedom of the shareholders to make their judgments and to have the effect of compelling the shareholders to sell their shares, such as a so-called coercive two-tiered tender offer (meaning a takeover which coerces the shareholders into accepting a front-end tender offer by setting unfavorable terms, without making the same offer for all of the certificate of the shares and other securities, or without specifically indicating the terms for the back-end of the transaction).

[6] Cases where it is determined, based on reasonable evidence, that the control obtained by the Large-Scale Purchase will cause significant damage to the corporate value of the Company including benefits not only of its shareholders but also of its customers, business partners, employees, local community, and others, and will impair the Company's maintenance and enhancement of the corporate value.

[7] Cases where it is determined, based on reasonable evidence, that the management of the Large-Scale Purchaser or its major shareholders include individuals related to antisocial forces or where the Large-Scale Purchaser is considered to be inappropriate to obtain control of the Company from public order and morals perspective.

[8] Other cases where it is analogous to the foregoing and the Purchase is recognized to be harmful in securing and enhancing the corporate value of the Company and the common interest of the shareholders.

c. Confirmation of shareholders' intentions through the general shareholders' meeting

Even in cases where the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, regardless of whether the case falls under any of the types stated in [1] to [8] in the above b, cases where the Board of Directors of the Company determines that:

(i) said Large-Scale Purchase may damage the corporate value of the Company and by extension the common interests of its shareholders, such as a case which may fall under any of [1] to [8] in the above b.

(ii) the terms of the Large-Scale Purchase (including, but not limited to, the purchase price, type, substance, timeframe, method, existence or non-existence of illegality, and feasibility) is

insufficient or inappropriate in light of the corporate value of the Company.

(iii) it is appropriate to confirm its shareholders' intentions with regard to the implementation of a countermeasure.

In the above cases, the Board of Directors of the Company shall convoke the General Shareholders' Meeting for Confirmation of Shareholders' Intentions in accordance with the procedures set forth in (3) c. in the below and have the shareholders determine as to whether the Company should implement countermeasures or not. (This case is only limited to cases where, as stated in (3) b. in the below, the Independent Committee makes the recommendation to hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions to the Board of Directors of the Company by a unanimous vote of all of the incumbent members of the Independent Committee.)

(3) Procedures for implementing the countermeasures

a. In cases where the Company implements countermeasures based on the resolution of the Board of Directors of the Company as stated in 4. (1) or 4. (2) in the above, the Board of Directors of the Company shall make an inquiry or refer to the Independent Committee, in advance of implementing the countermeasure, about the appropriateness of implementing such countermeasure and other matters (hereinafter, referred to as "Inquiry Items") to secure the reasonableness and fairness of the judgment of the Board of Directors of the Company. The Independent Committee shall carefully assess and evaluate the Inquiry Items from a neutral perspective and make recommendations or opinions (hereinafter, referred to as "recommendations, etc.") to the Board of Directors of the Company. Upon such recommendations, etc., the Board of Directors of the Company shall, after respecting the Independent Committee's recommendations, etc. to the maximum extent, make a decision on whether or not to implement the countermeasures within the Board of Directors Assessment Period promptly. The Board of Directors of the Company shall disclose the outline of said decision made by and other matters deemed necessary by the Board of Directors of the Company promptly.

Please note that when the Independent Committee makes recommendations stated in the above, in cases where all of the incumbent members of the Independent Committee make a judgment that the General Shareholders' Meeting for Confirmation of Shareholders' Intentions should be held with respect to whether or not to implement the countermeasures, the Independent Committee may make a recommendation to the extent (hereinafter, referred to as "recommendation to hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions"). In cases where the Independent Committee makes a recommendation to hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions, the Board of Directors of the Company shall hold the

General Shareholders' Meeting for Confirmation of Shareholders' Intentions in accordance with the procedures specified in 4. (3) c and have the shareholders make a decision on whether or not to implement the countermeasures unless there are special conditions to cause it to be violation of the good manager's duty of due care.

b. As stated in 4. (2) c. or the proviso of 4. (1) in the above, even in cases where the General Shareholders' Meeting for Confirmation of Shareholders' Intentions is held, the Board of Directors of the Company shall make an inquiry to the Independent Committee as to whether or not to hold said General Shareholders' Meeting for Confirmation of Shareholders' Intentions in advance of convoking the General Shareholders' Meeting for Confirmation of Shareholders' Intentions. In cases where all of the incumbent members of the Independent Committee determines that it is necessary to hold said General Shareholders' Meeting for Confirmation of Shareholders' Intentions, the Independent Committee shall make a recommendation to hold said General Shareholders' Meeting for Confirmation of the Shareholders' Intentions to the Board of Directors of the Company by a unanimous vote of all of the incumbent members of the Independent Committee. Upon the recommendation to hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions made by the Independent Committee, the Board of Directors of the Company shall hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions in accordance with the procedures specified in 4. (3) c. unless there are special conditions to cause it to be violation of the good manager's duty of due care and have the shareholders make a decision on whether or not to implement the countermeasures.

c. In cases where a recommendation to hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions is made, the Board of Directors of the Company shall hold the General Shareholders' Meeting for Confirmation of Shareholders' Intentions in accordance with the procedures specified in the below. Please note that the General Shareholders' Meeting for Confirmation of Shareholders' Intentions may be held in conjunction with an ordinary General Shareholders' Meeting or extraordinary General Shareholders' Meeting.

[1] The Board of Directors of the Company shall establish the record date to confirm those shareholders who are eligible to exercise voting rights at the General Shareholders' Meeting for Confirmation of Shareholders' Intentions (hereinafter, referred to as "said record date") and publicly announce the date in accordance with the method stipulated in the articles of incorporation of the Company by the date two weeks before said record date.

[2] Shareholders who are eligible to exercise voting rights in the General Shareholders' Meeting for Confirmation of Shareholders' Intentions shall be those shareholders who are stated or recorded

in the final registry of shareholders or the final registry of beneficial shareholders on said record date.

[3] The resolution of the General Shareholders' Meeting for Confirmation of Shareholders' Intentions shall be made by approval of more than half of those members with voting rights in attendance.

[4] The Board of Directors of the Company shall decide concrete details of the countermeasures on which implementation of countermeasures will be judged by the shareholders at General Shareholders' Meeting for Confirmation of Shareholders' Intentions, and shall publicly announce them in advance.

[5] The Large-Scale Purchaser shall not commence the Large-Scale Purchase of said shares, etc. until the close of the General Shareholders' Meeting for Confirmation of Shareholders' Intentions. In cases where the Large-Scale Purchaser commences the Large-Scale Purchase of the shares, etc. of the Company before the close of the General Shareholders' Meeting for Confirmation of Shareholders' Intentions, the Board of Directors of the Company may cancel the General Shareholders' Meeting for Confirmation of Shareholders' Intentions and implement countermeasures in accordance with the provisions stipulated in 4. (1) in the above.

[6] The results of the General Shareholders' Meeting for Confirmation of Shareholders' Intentions will be disclosed promptly after its resolution is made. In cases where implementation of countermeasures is approved, the Board of Directors of the Company shall implement the countermeasures in accordance with decisions made by the General Shareholders' Meeting for Confirmation of Shareholders' Intentions without delay.

d. The outline of cases where the Board of Directors of the Company selects an allotment of stock acquisition rights for no consideration as a specific countermeasure is as stated in Attachment 3.

5. System and procedures to secure the reasonableness and fairness of the countermeasures

(1) Establishment of the Independent Committee

The Company sets up an Independent Committee for the purposes of appropriate implementation of This Plan, of preventing the Board of Directors of the Company from making arbitrary judgments, and of securing the objectivity and reasonableness of its decisions.

The number of the members of the Independent Committee shall be three or more. In light of the members' duties, the members are required to make decisions from fair and neutral standpoints. Given that, the members of the Independent Committee shall be elected from individuals who fall under any of outside directors, outside auditors, or outside learned individuals, who are independent from the Company's management in charge of execution of the Company's business operations. As for the outline of the Rules for the Independent Committee, please refer to Attachment 4.

The members of the Independent Committee just after the establishment are as stated in Attachment 5.

In cases where there is any change in the members of the Independent Committee, the Board of Directors of the Company will disclose the change promptly.

(2) Procedures for implementing the countermeasures

In cases where a Large-Scale Purchaser appears, the Board of Directors of the Company shall, for the purpose of securing the reasonableness of the decisions of the Board of Directors of the Company, make an inquiry or refer to the Independent Committee as to whether the Purchase will materially damage the corporate value of the Company and by extension the common interests of its shareholders, including whether or not the Large-Scale Purchaser is in compliance with the Large-Scale Purchase Rules in accordance with the provisions of 4. (3) in the above. Even if the Large-Scale Purchase is in compliance with the Large-Scale Purchase Rules, the Board of Directors of the Company shall make an inquiry or refer to the Independent Committee as to whether or not said Large-Scale Purchase will cause an irrecoverable damage to the Company, in accordance with the provisions of 4. (3) in the above. The Independent Committee shall carefully assess and examine the Inquiry Items from a neutral standpoint and for the purpose of preventing damage to the corporate value of the Company and by extension to the common interests of its shareholders and make recommendations, etc. to the Board of Directors of the Company. Please note that the Board of Directors of the Company shall respect the Independent Committee's recommendations to the maximum extent in making final decisions on Inquiry Items, including a decision on whether or not to implement countermeasure.

Furthermore, in cases where the General Shareholders Meeting for Confirmation of Shareholders' Intentions is held, the Company will directly refer to the shareholders for their intentions as to the appropriateness of implementing the countermeasures.

(3) Halt of implementation of countermeasures

Even after the Board of Directors of the Company decides to implement specific countermeasures, if the Board of Directors of the Company determines that implementing the countermeasures is not appropriate, such as the cases where said Large-Scale Purchaser withdraws or changes their Large-Scale Purchase or the proposal, the Board of Directors of the Company may halt or change the implementation of the countermeasures after respecting the recommendations of the Independent Committee in a sufficient manner. For example, suppose that the Board of Directors of the Company determines that implementing the countermeasure is not appropriate in such a case that the Company decides to implement an allotment of stock acquisition rights for no consideration as a countermeasure, but after the shareholders to receive the allotment of the rights are determined, the Large-Scale Purchaser withdraws or changes the Large-Scale Purchase or the proposal. In such a case, until the effective date of the allotment, the implementation of the countermeasure may be halted with recommendations, etc. from the Independent Committee, and after the effective date, with the recommendations from the Independent Committee and with the receipt of the stock acquisition rights for no consideration (the Company obtains the stock acquisition rights for no consideration and the shareholders lose the stock acquisition rights.).

On contrary, in cases where after the Board of Directors of the Company decides not to implement the countermeasures with respect to a Large-Scale Purchase or the proposal, it is determined that said Large-Scale Purchase will materially damage the corporate value of the Company and by extension the common interests of its shareholders, the Board of Directors of the Company may again seek recommendations from the Independent Committee, respect the recommendations to the maximum extent, and implement countermeasures against the Large-Scale Purchase for the purpose of preventing damage to the corporate value of the Company and by extension the common interests of the shareholders.

In cases where such a halt, etc. of implementation of the countermeasures is made, it is disclosed along with any other items recognized as necessary by the Board of Directors of the Company or the Independent Committee promptly.

6. Introduction procedures, effective term, abolition of, and changes to This Plan.

(1) Procedures for implementing This Plan

With regard to implementation of This Plan, it is subject to approval of the shareholders on the following items in the ordinary General Shareholders' Meeting so that intentions of the shareholders are reflected.

- a. As stated in Attachment 6, the Company will table a resolution to change the

articles of incorporation, including a resolution to add a new provision to enable the General Shareholders Meeting to decide introduction, abolition or changes to countermeasures (Takeover Defense Measures) for a Large-Scale Purchase of Companies' Shares, etc., at the General Shareholders' Meeting in this year.

b. Subject to approval for the proposal for the changes to articles of incorporation as drafted in a. in the above, based on the provision of Article 17, Paragraph 1 of the articles of incorporation of the Company after the changes, the Company will ask for approval for implementation of This Plan by means of the ordinary resolution by the ordinary shareholders' meeting for this year.

(2) Effective term of This Plan

The effective term of This Plan shall expire on the close of the General Shareholders' Meeting on the last business year that ends within the period of two years after the close of the General Shareholders' Meeting for this year. On and after the expiration, the extension of This Plan shall be subject to approval of the General Shareholders' Meeting of the Company.

(3) Abolition of and changes to This Plan

This Plan shall expire upon the time [1] when the resolution to abolish This Plan is issued by the General Shareholders' Meeting or [2] when the resolution to abolish This Plan is made by the Board of Directors constituted by directors elected by the General Shareholders' Meeting of the Company.

Also, the Board of Directors of the Company may amend This Plan as it deemed necessary to reflect amendments and changes made to interpretations of laws and regulations including regulations of financial instruments exchanges as well as movements of relevant judicial rulings upon approval from the Independent Committee. In cases where This Plan is to be changed after the General Shareholders' Meeting approved This Plan, in principle, such changes shall be made by approval of more than half of the shareholders with voting rights in attendance at the General Shareholders' Meeting, provided, however, that in cases where substance and purpose of This Plan is not changed and it is clear that the change will cause no disadvantage to the shareholders of the Company, This Plan may be changed by the resolution of the Board of Directors of the Company after obtaining approval from the Independent Committee.

In cases where This Plan is abolished or changed, the Board of Directors of the Company shall provide disclosure of the fact of the abolition or change, details of the change (in the case of change), and other matters deemed appropriate by the Board of Directors of the Company or the Independent Committee promptly.

7. This Plan's impact, etc. on the shareholders and investors

(1) Impact of the Large-Scale Purchase Rules on the shareholders and investors

The objectives of the Large-Scale Purchase Rules are to provide information necessary so that shareholders can decide whether or not they should agree to the Large-Scale Purchase and so that the Board of Directors in charge of the management of the Company can present its opinions, to secure time required to make a decision, and to give the shareholders opportunities to receive alternative proposals. The rules will allow the shareholders to make an appropriate decision as to whether they should accept the Large-Scale Purchase or not, based on sufficient information, which will result in securing and enhancing the corporate value of the Company and by extension the common interests of the shareholders. The establishment of the Large-Scale Purchase Rules is a precondition for shareholders and investors to be able to make proper investment judgments and is therefore in the interests of shareholders and investors.

As mentioned in 4 in the above, the Company's response to the Large-Scale Purchase will change depending on whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules or not. The Company therefore would like shareholders and investors to pay attention to the actions of the Large-Scale Purchaser.

(2) Impact on the shareholders and investors at the time of implementation of the countermeasures

In cases where the Board of Directors of the Company decides to take a specific countermeasure stated in 4. in the above for the purpose of protecting the corporate value of the Company and by extension the common interests of the shareholders, the Board of Directors of the Company shall provide appropriate disclosure of said decision in compliance with laws and regulations as well as regulations of the financial instruments exchanges where the Company is listed.

At the time of implementation of the countermeasures, the Company does not assume a situation in which shareholders excluding the Large-Scale Purchaser will incur material damages in respect of legal rights or in financial terms. For example, in cases where an allotment of stock acquisition rights for no consideration is made, the shareholders at the date of the allotment will receive stock acquisition rights for no consideration in proportion to their holding shares. As for the shareholders who have not completed registration of ownership of shares (excluding those shareholders who have made reservation for the registration of ownership with Japan Securities Depository Center, Inc.), it

is required to have completed registration of ownership of shares by the allotment date of stock acquisition rights separately decided and publicly announced by the Board of Directors of the Company to obtain the stock acquisition rights. Also, in order to obtain new shares by exercising the stock acquisition rights, shareholders are required to make a payment of a certain amount within the exercise period. Unless the shareholders go through the procedures to exercise stock acquisition rights, including making of a payment of money within the exercise period of the stock acquisition rights, a dilution of the value per share of the shares held by them will occur as a result of exercise of stock acquisition rights by the other shareholders. In cases where the Board of Directors of the Company decides to obtain stock acquisition rights pursuant to the provisions that allow the Company to obtain stock acquisition rights in exchange for shares of the Company, the shareholders who hold said stock acquisition rights may receive the shares of the company in consideration of the acquisition of the stock acquisition rights by the Company without making payment of an amount equivalent to the exercise price. In relation to exercise or acquisition of stock acquisition rights, the shareholders who receive an allotment of stock acquisition rights may be separately asked to submit a document in a format prescribed by the Company, to make an oath that he or she is not a Large-Scale Purchaser.

In addition to the above, details concerning method of the allotment, method of registration of ownership of shares, method of exercising stock acquisition rights, and method of acquisition of stock acquisition rights by the Company will be disclosed separately in accordance with laws and regulations after the resolution concerning the allotment of stock acquisition rights for no consideration is made by the Board of Directors of the Company.

In cases where the Company halts the allotment of stock acquisition rights for no consideration or acquires the stock acquisition rights assigned to the shareholders for no consideration, no dilution of the value per share of the shares will occur. Therefore, the shareholders and investors, who conducted a sale, etc. after the shareholders to receive the stock acquisition rights are finalized (on and after the ex-rights date) on the assumption that the value per share will be diluted, may expectedly suffer an appropriate loss resulting from the corresponding fluctuation in the value of the share.

As for the Large-Scale Purchaser, in cases where the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, or where even if the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, such Large-Scale Purchaser is regarded as apparently harmful to the corporate value of the Company and the common interests of the shareholders, the Board of Directors of the Company may take the countermeasures, which may cause the Large-Scale Purchaser a disadvantage in respect of legal rights or in financial terms. Therefore, these

Large-Scale Purchase Rules also aim to call the Large-Scale Purchasers' attention in advance, to prevent them from conducting a Large-Scale Purchase while ignoring the rules.

IV. This Plan is in line with the Basic Policy, not harmful to the common interest of the shareholders, and not introduced for the purpose of serving officers to keep their positions, and the reasons

1. This Plan is in line with the Basic Policy for the Way of Being of a Person Who Controls the Company's Financial and Business Policy Decisions

This Plan sets out details of the Large-Scale Purchase Rules, countermeasures to be taken in the event of a Large-Scale Purchase, establishment of the Independent Committee, and impacts on shareholders and investors.

Stipulations of This Plan include the provisions that the Large-Scale Purchaser shall provide necessary and sufficient information about the Large-Scale Purchase to the Board of Directors of the Company in advance and that the Large-Scale Purchase is allowed to initiate a Large-Scale Purchase after an assessment period for the Board of Directors of the Company has passed. If the Large-Scale Purchaser does not comply with this rule, the Board of Directors of the Company may implement the countermeasures against the Large-Scale Purchaser.

This Plan also stipulates that even in cases where the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, if said Large-Scale Purchase is considered to materially damage the corporate value of the Company and by extension the common interests of the shareholders, the Board of Directors of the Company may take countermeasures against the Large-Scale Purchaser for the purpose of protecting the corporate value of the Company and by extension the common interests of the shareholders.

In cases where the General Shareholders' Meeting for Confirmation of Shareholders' Intentions is held, shareholders intentions as to whether it is appropriate to implement the countermeasures or not will be confirmed.

In this manner, This Plan is in line with approaches taken in the Basic Policy for the way of being of a person who controls the Company's financial and business policy decisions.

2. This Plan is not harmful to the common interests of the shareholders

As stated in I in the above, the premise of the Basic Policy for the way of being of a person who controls the Company's financial and business policy decisions is to respect the corporate value of the Company and by extension the common interests of the shareholders. This Plan is designed in line with such approaches of the Basic Policy, fulfills the three principles required by the "Guidelines regarding the Takeover Defense Measures to Secure or Enhance the Corporate Value and Common Interest of the Shareholders" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, and is designed in line with the timely disclosure system with respect to introduction of takeover defense measures pursuant to the "Partial Amendments to the Regulations concerning Maintenance of Listing System in Relation to Introduction of Takeover Defense Measures" set forth by Osaka Securities Exchange and effected in April, 2006. The purpose of This Plan is to ensure that the shareholders are given necessary information to make a decision as to whether or not to accept the Large-Scale Purchase as well as opportunities to receive opinions of the Board of Directors of the Company and alternative plans. We believe that This Plan will enable the shareholders and investors to make an appropriate judgment on their investment.

Also, with respect to This Plan, proposals will be presented at this year's Ordinary General Shareholders Meeting to amend the articles of incorporation of the Company to include stipulations that allows the General Shareholders' Meeting to decide matters concerning introduction of This Plan, etc., and also proposals based on the amended articles of incorporation will be also tabled to ask for the shareholders' decisions at this year's Ordinary General Shareholders Meeting so that intentions of the shareholders are reflected. Furthermore, in cases where the decision to abolish This Plan is made at a meeting of the Board of Directors constituted by directors elected by the General Shareholders' Meeting or at the General Shareholder's Meeting, This Plan will be automatically abolished upon such decision even before the expiration date of the effective term of This Plan. Therefore, extension as well as cancellation of This Plan reflects the intentions of the shareholders, and from this perspective as well, This Plan is not harmful to the common interests of the shareholders of the Company.

3. This Plan is not a dead-hand or slow-hand takeover defense measure

Since This Plan may be abolished by the Board of Directors of the Company constituted by directors elected by the General Shareholders' Meeting of the Company at any time, it is possible for the Large-Scale Purchaser to appoint directors of their choice at the General Shareholders' Meeting of the Company and have the Board of Directors of the Company constituted by members of their

choice abolish This Plan.

Therefore, This Plan is not a dead-hand takeover defense measure (a takeover defense measure which cannot be stopped implementing even if a majority of the members of the Board of Directors are replaced). Also, since the term of office of directors is set as 2 years and the Company does not adopt the classified board system, This Plan is not a slow-hand takeover defense measure (a takeover defense measure which cannot be stopped implementing without taking time because all of the members of the Board of Directors cannot be replaced at once).

4. This Plan is not intended to allow officers of the Company to maintain their positions

This Plan requires compliance with the Large-Scale Purchase Rules within the scope necessary to protect the corporate value of the Company and by extension the common interests of the shareholders and implements countermeasures, having the dominant principle that it is the shareholders of the Company who ultimately decide whether or not to accept the proposal of a Large-Scale Purchase. As stated in the above, This Plan is designed to have a mechanism in which unless reasonable and detailed objective requirements are met, no countermeasures will be implemented, and therefore the mechanism to prevent the Board of Directors of the Company from performing arbitrary activities is secured.

Also, it is impossible for the Board of Directors of the Company alone to extend the effective term of This Plan, and This Plan's extension is subject to approval of the shareholders of the Company.

Furthermore, in cases where the Board of Directors of the Company assesses, examines, and forms an opinion in capacity of the Board of Directors with regard to a Large-Scale Purchase, presents an alternative plan, negotiates with the Large-Scale Purchaser, or implements countermeasures, the Board of Directors of the Company is required to seek advice from outside specialists, obtain recommendations from the Independent Committee, and respect such recommendations to the maximum extent.

Additionally, in cases where the General Shareholders Meeting for Confirmation of Shareholder's Intentions is held, intentions of the shareholders as to whether it is appropriate to implement countermeasures or not will be confirmed directly.

In these ways, procedures to secure appropriate operations of the Board of Directors of the Company are incorporated in This Plan.

As mentioned above, it is clear that This Plan is not intended to allow officers of the Company to maintain their positions.

Attachment 1: Shareholders of the Company (As of March 31, 2008)

- (1) **The total number of authorized shares** 79,479,000 shares
- (2) **The total number of issued shares** 45,246,212 shares (including 2,564,279 treasury shares)
- (3) **Number of shareholders** 6,610 shareholders
- (4) **Major shareholders (Ten Largest)**

Name of Shareholder	Shareholders' Investment in the Company	
	Number of shares held (shares)	Investment ratio (%)
Foundation for Hasegawa Welfare Organization	3,000,000	6.63
Japan Trustee Services Bank, Ltd. (Trust account)	1,894,000	4.19
Sohei Hasegawa	1,717,287	3.80
Morgan Stanley & Co. International PLC	1,277,000	2.82
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,240,000	2.74
Mellon Bank Treaty Clients Omnibus	1,133,000	2.50
State Street Bank and Trust Company 505019	1,084,000	2.40
The Dai-ichi Mutual Life Insurance Company	1,016,000	2.25
Nippon Life Insurance Company	1,003,800	2.22
Kredietbank SA Luxembourgaise, Sirius Fund, Japan Opportunities Subfund	728,000	1.61

(Note)

In addition to the above, the Company has 2,564,279 treasury shares.

The investment ratio is calculated by the percentage to the issued shares including treasury shares.

Attachment 3: Outline of Issuance of Stock Acquisition Rights for No Consideration

1. Decision on matters concerning an allotment of stock acquisition rights for no consideration

(1) Descriptions and number of stock acquisition rights

The descriptions of stock acquisition rights shall be as stated in the below 2. The number of stock acquisition rights shall be the number equivalent to the final, total number of the outstanding shares (excluding the Company's shares held by the Company) on the date determined as the date of allotment by the Company's Board of Directors (hereinafter, referred to as "Date of Allotment").

(2) Subject shareholders to allotment

One stock acquisition right shall be granted to a shareholder, per one share held by such shareholder, whose name is recorded in the final register of shareholders or the register of beneficial shareholders of the Company as of the Date of Allotment.

(3) Effective date of allotment of stock acquisition rights for no consideration

To be separately determined by the Board of Directors.

2. Descriptions of stock acquisition rights

(1) Type and number of shares to be acquired upon exercise of stock acquisition rights

The type of shares to be acquired upon exercise of stock acquisition rights shall be common stock, and the total number of shares to be acquired upon exercise of stock acquisition rights shall be up to the number of shares determined by subtracting the total number of common stock shares outstanding (excluding the Company's common stock shares held by the Company) from the total number of common stock shares issuable as of the record date specified by the Board of Directors of the Company. The number of shares to be acquired upon exercise of one stock acquisition right shall be determined by the Board of Directors of the Company separately, provided, however, that in cases where the Company conducts a share split or consolidation of shares, the requisite adjustment shall be adopted.

(2) Price of assets to be invested upon exercise of each stock acquisition right

The price of assets to be invested upon exercise of a stock acquisition right per one share shall be one Japanese yen or more, which is to be determined by the Board of Directors of the Company.

(3) Exercise period of stock acquisition rights

To be separately determined by the Board of Directors of the Company.

(4) Conditions of exercise of stock acquisition rights

The Board of Directors shall prohibit a person belonging to A Group of Shareholders including a Large-Scale Purchaser from exercising stock acquisition rights. Details of other conditions for exercise of stock acquisition rights shall be provided for by the Board of Directors of the Company separately.

(5) Restriction on transfer of stock acquisition rights

Acquisition of stock acquisition rights by way of assignment thereof shall require the approval of the Board of Directors.

(6) Acquisition of stock acquisition rights by the Company

a. The Company may stipulate a condition that stock acquisition rights held by a person other than those who are prohibited from exercising stock acquisition rights, such as a person belonging to a group of shareholders, including a Large-Scale Purchaser, may be acquired by the Company, and thereafter the Company may issue the applicable number of shares of the Company per one such stock acquisition right in the acquisition provision of stock acquisition right along with other conditions.

b. The Company may stipulate a condition that in cases where the Board of Directors of the Company recognizes it reasonable to acquire stock acquisition rights for no consideration, the Company may acquire all stock acquisition rights for no consideration as of the date separately determined by the Company.

c. Other details concerning acquisition provisions shall be provided for by the Board of Directors separately.

(7) Others

Other necessary matters shall be provided for by the Board of Directors of the Company separately.

Attachment 4: Outline of the Rules for the Independent Committee

(* The Company shall, based on this outline, establish the Rules for the Independent Committee, on which the Independent Committee shall base their procedures and judgment standards with regard to operation of This Plan and implementation of countermeasures.)

(1) Decision-making organ to be established

The Independent Committee shall be established by the resolution of the Boards of Directors of the Company.

(2) Committee members

[1] The number of the members

The number of the members of the Independent Committee (hereinafter referred to as “Members of the Independent Committee”) shall be three (3) or more.

[2] Qualification

In order for the Members of the Independent Committee to be capable of making fair and equitable judgments, the Members of the Independent Committee shall be elected and appointed by the Company’s Board of Directors from among the outside directors, outside company auditors, or outside knowledgeable persons who are independent from the Company’s management in charge of the execution of the Company’s operations. Please note that knowledgeable persons shall mean corporate operator, former employee of the government, an individual well versed in investment banking business, lawyer, certified public accountant, or other individual analogous to the foregoing.

[3] Election

The election of the Members of the Independent Committee shall be made by the resolution of the Board of Directors of the Company.

[4] Term of the office

The term of the office of the Members of the Independent Committee shall expire on the close of the Company’s annual General Meeting of Shareholders on the last business year that ends within the period of two years after the day of the election of the Members of the Independent Committee, unless any other Independent provision is adopted by the resolution of the Board of Directors of the Company.

(3) The powers of the Independent Committee

[1] Recommendations, etc.

The Independent Committee shall, from a neutral standpoint, carefully evaluate and discuss the items stipulated in the below, which the Board of Directors makes an inquiry or refer to the Independent Committee, and shall make recommendations or opinions (hereinafter, referred to as “recommendations, etc.”) to the Board of Directors. The Board of Directors shall, after respecting the recommendations, etc. to the maximum extent, make a decision as to whether or not to implement countermeasures within the Board of Directors Assessment Period promptly.

(i) In cases where a Large-Scale Purchase of the Company’s shares, etc. is conducted, whether or not necessary, sufficient information is given by the Large-Scale Purchaser so that the Company’s shareholders are able to make an appropriate judgment and so that the Board of Directors is able to evaluate, form opinions, and present an alternative plan. In cases where necessary and sufficient information is not given by the Large-Scale Purchaser, additional information the Company should require the Large-Scale Purchaser to submit within a certain period.

(ii) In cases where the procedures stipulated in This Plan are observed, whether or not to implement countermeasures.

(iii) In cases where the procedures stipulated in This Plan are not observed, whether or not to implement countermeasures.

(iv) In the case of (ii), whether the countermeasures the Board of Directors is taking are appropriate or not.

(v) After the Company begun a procedure for implementation of countermeasures, whether proceeding with the implementation of the procedures is appropriate or not.

(vi) Whether or not to convoke the General Shareholders’ Meeting for Confirmation of Shareholders’ Intentions on whether or not to implement countermeasures.

(vii) Other matters related to the above items.

[2] Convocation of Directors, etc.

The assessment and examination stated in the above [1] shall be made solely by the members of the Independent Committee, and Directors shall not be present at the meeting for the assessment and examination made by the Members of the Independent Committee. However, the Independent Committee may require directors, employees, etc., or auditors to attend the meeting for the purpose of obtaining necessary information for their assessment and examination.

[3] Request for provision of materials to the Board of Directors, etc.

The Independent Committee may require directors, employees, etc., or auditors to submit materials concerning the Company required for their assessment and examination.

[4] Request for advice from outside professionals

The Independent Committee may, at the Company's expense, obtain advice from independent outside professionals (financial advisor, certified public accountant, lawyer, consultant and other professionals.)

(4) Method of making a decision on recommendations, etc.

A resolution of the Independent Committee shall be made at an Independent Committee meeting with an attendance of at least half of the members of the Independent Committee and by approval of more than half of the members in attendance.

A resolution as to convocation of the General Shareholders' Meeting for Confirmation of Shareholders' Intentions shall be made in a unanimous vote of all of the incumbent Members of the Independent Committee.

Attachment 5: Career Summary of the Special Committee Members

The Company plans to appoint the following three persons as members of the Independent Committee after this Plan is adopted:

Ikuo Shiomi (Date of birth: January 2, 1943)

April 1961 Joined Osaka Regional Taxation Bureau
July 1991 Vice District Director, Kobe Tax Office (in Charge of Corporations)
July 1993 Special Examiner, Examination Department No.1, Osaka Regional Taxation Bureau
July 1994 General Examiner, Examination Department No.2, Osaka Regional Taxation Bureau
July 1996 Appeals Judge, Kobe Branch, National Tax Tribunal, Osaka Regional Taxation Bureau
July 1997 Section Chief of Consumption Tax Section, Taxation Department No. 2, Osaka Regional Taxation Bureau
July 1998 Director of Tax Consultation Office, General Affairs Department, Osaka Regional Taxation Bureau
July 1999 District Director, Ibaraki Tax Office
July 2000 District Director, Amagasaki Tax Office
August 2001 Opened a Certified Public Tax Accountant Office
June 2004 Auditor, Daishinku Corporation (incumbent)

* Mr. Ikuo Shiomi is an outside auditor of the Company under Article 2, Item 16 of the Companies Act and holds 1,000 shares of the Company (the percentage of share ownership is 0.002%).

Except for the above, there are no special financial relationships between Mr. Ikuo Shiomi and the Company.

Akio Kawakami (Date of birth: July 22, 1951)

September 1979 Passed the Second Section of Certified Public Accountant Examination
November 1979 Joined Nakaya Certified Public Accountant Office
January 1980 Joined Yoko Auditing Corporation (Current Ernst & Young ShinNihon)
August 1980 Passed the Third Section of Certified Public Accountant Examination
April 1988 Opened Kawakami Accountant Office
October 1992 Opened Pal Consultants K.K. and assumed the position of Representative Director
May 2006 Opened Asterisk Works Co., Ltd. and assumed the position of representative

director (incumbent)

* There are no special financial relationships between Mr. Akio Kawakami and the Company.

Toshio Itaba (Date of birth: March 15, 1947)

April 1965 Joined K.K. Hyogo Mutual Bank

February 1980 Sales Director, Nada Branch, K.K. Hyogo Mutual Bank

July 1985 Branch Manager, Neyagawa Branch, K.K. Hyogo Mutual Bank

June 1991 Director and Branch Manager, Sumoto Branch, K.K. Hyogo Mutual Bank

January 1996 Branch Manager, Osaka Branch, K.K. Midori Bank

June 1997 Representative Director, Wakaba Insurance Representative K.K.

June 2005 Corporate Auditor (incumbent), Kotani Corporation

* There are no special financial relationships between Mr. Toshio Itaba and the Company.

Attachment 6: Details of the Changes to the Articles of Incorporation

(Underlined means portions to be changed)

Current Articles of Incorporation	Proposed Change
<p>(New)</p> <p>(New)</p>	<p><u>Chapter 8 Takeover Defense Measures</u> <u>(Introduction of takeover defense measures, etc.)</u> <u>Article 41 The General Shareholders' Meeting</u> <u>may resolve introduction, maintenance, change</u> <u>and abolition of the countermeasure concerning a</u> <u>Large-Scale Purchase of the Company's shares,</u> <u>etc. (hereinafter, referred to as "Takeover</u> <u>Defense Measures")</u></p> <p><u>2. Introduction, maintenance, change, and</u> <u>abolition of the Takeover Defense Measures</u> <u>stipulated in the foregoing paragraph shall mean</u> <u>that the Company stipulates provisions</u> <u>concerning the procedures to be observed by a</u> <u>Purchaser of the Company's shares and other</u> <u>rights the Company issued as well as concerning</u> <u>countermeasures, etc. to be implemented against</u> <u>a Purchaser who violates the procedures, and</u> <u>maintains the implementation of the procedures</u> <u>and countermeasures, changes the details of the</u> <u>procedures and countermeasures, or abolishes</u> <u>the procedures and countermeasures, for the</u> <u>purpose of preventing a person who is deemed to</u> <u>be inappropriate in light of the Basic Policy for</u> <u>the way of being of a person who controls the</u> <u>Company's financial and business policy</u> <u>decisions from controlling the Company's</u> <u>financial and business policy decisions.</u></p>

(New)

(Body to resolve the allotment of the stock acquisition rights for no consideration)
Article 42 The Company shall, in accordance with the procedures for Takeover Defense Measures stipulated in the foregoing Article, may allot stock acquisition rights for no considerations based on the resolution made by the Board of Directors, the resolution of General Shareholders' Meeting, or the resolution made by the Board of Directors based on a letter of proxy resolved by the General Shareholders' Meeting.