

May 15, 2009

To whom it may concern:

Company Name: Toyo Seikan Kaisha, Ltd.
Representative: Hirofumi Miki,
President
(Code Number: 5901; Listing: First Sections of Tokyo
Stock Exchange and Osaka Securities
Exchange)
Contact: Yasuyuki Shimizu,
Executive Officer and General Manager
of General Affairs Division
Telephone: +81-3-3508-2113

**Introduction of Countermeasures to Large-Scale Acquisitions of
Toyo Seikan Kaisha, Ltd. Shares (Takeover Defense Measures)**

Toyo Seikan Kaisha, Ltd. (the “Company”) resolved to introduce a plan for countermeasures to large-scale acquisitions of the shares in the Company (the “Former Plan”) subject to the approval of shareholders by resolution of its board of directors on May 19, 2006 and obtained approval at the ordinary general meeting of shareholders held on June 29, 2006 for the 93rd fiscal year (the “93rd Shareholders Meeting”). The effective period of the Former Plan expires at the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years of the conclusion of the 93rd Shareholders Meeting, and therefore the effective period of the Former Plan will expire at the conclusion of the ordinary general meeting of shareholders for the 96th fiscal year to be held on June 25, 2009 (the “96th Shareholders Meeting”).

The Company announces that the Company’s board of directors determined at its board of directors meeting held on May 15, 2009 to introduce a renewed plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (the “Plan”) before the Former Plan expires as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b) of the Enforcement Regulations of the Corporation Law) under a basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Corporation Law; the “Basic Policy”). The introduction will be subject to the approval of shareholders at the 96th Shareholders Meeting. At the board of directors meeting described above, all of the Company directors who attended unanimously approved the introduction of the Plan and none

of the Company's statutory auditors who attended raised any objections in respect of the introduction of the Plan.

I. Basic Policy Regarding the Persons Who Control Decisions on the Company's Financial and Business Policies

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and who will make it possible to continually and steadily ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders.

The Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to the corporate value of the Company and, in turn, the common interests of its shareholders. Also, the Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company.

Nonetheless, there are some forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including those with a purpose that would obviously harm the corporate value of the target company and, in turn, the common interests of its shareholders, those with the potential to substantially coerce shareholders into selling their shares, those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal, and those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company's corporate value is found in (i) integrated technological capabilities in packaging containers based on experience and know-how accumulated since its founding as a leading packaging container company, (ii) a diverse product line able to closely match the diverse needs of customers that is made possible by group companies capable of manufacturing an extensive range of products from a variety of raw materials, (iii) firm and long-term relationships of the trust with customers, and (iv) a healthy financial position. Unless the acquirer of a proposed large-scale acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed.

The Company believes that persons who would make a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become a person who would control decisions on the Company's financial and business policies. The Company also believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against a large-scale acquisition by such persons.

II. The Source of the Company's Corporate Value and Special Measures to Realize the Basic Policy

1. Corporate Philosophy and Business Lines

Since its founding in 1917, the Company has been guided by a corporate philosophy of contributing to society through packaging containers as a manufacturing factory of containers that works in partnership with our customers. The company has promptly provided safe, high-quality, and high value-added products at a low cost in response to customer needs, and has contributed to the improvement of consumer lifestyles at the global level, and has worked to enhance corporate value.

Packaging containers are required not only to preserve the contents but also to satisfy the diverse needs of customers, such as maintaining the quality of the contents, convenient distribution and use, the ability to be shaped and decorated according to the contents, and being environmentally friendly. The Company owns group companies and factories with technological capabilities to manufacture packaging containers meeting these needs and, as an integrated container manufacturer, engages in the manufacture and sale of containers using such raw materials as metals, plastic, glass, and paper.

2. Source of Corporate Value

The Company's corporate value is found in (i) integrated technological capabilities in packaging containers based on experience and know-how accumulated since its founding as a leading packaging container company, (ii) a diversity of product line able to closely match the diverse needs of customers that is made possible by group companies capable of manufacturing an extensive range of products from a variety of raw materials, (iii) firm and long-term relationships of trust with customers, and (iv) a healthy financial position.

Most important in securing corporate value is the Company's integrated technological

capabilities, including its broad knowledge about shaping and forming containers and their suitability for the contents. The foundation of such technological capabilities is the experience and know-how of individual employees. To maintain and improve its technological capabilities, the Company develops technologies primarily through Toyo Seikan Group Corporate R&D, which carries out basic research for group companies, and through the Company's Technology and Packaging Development division, which focuses on developing application technology, and has maintained a strong research and development structure.

Furthermore, through its integrated technological capabilities, the Company brings together the technological capabilities and know-how of group companies specializing in the packaging container industry to build up a wide ranging capacity for product development and succeed in standing out from its competitors.

The Company is not affiliated with any larger corporate group, and it has enhanced its corporate value through ongoing transactions and licensing agreements with many customers and licensors. To maintain and enhance the corporate value, it will be indispensable to maintain these trust-based relationships with customers and related parties.

Also, for the Company to expand its business foundation, such as by manufacturing new packaging containers and expanding the business overseas, it will need a solid financial position to be able to make necessary capital investments.

3. Medium-Term Management Plan

The Company has strived to enhance its corporate value and taken various actions in accordance with the fundamental strategies. The Company states the fundamental strategies in the Company's medium-term business plan for fiscal years ending in March 2010; specifically (i) improvement of the growth and profitability of existing business, (ii) development of new business aiming to establish foundations for growth fields and businesses, (iii) development of overseas business aiming to establish business structure from a global viewpoint, (iv) pursuit of the group synergy, and (v) the execution of CSR-based management.

Following is an outline of the measures that the Company group has been taking to pursue synergy of the group under the medium-term business plan.

- (i) Improvement of the growth and profitability of existing business

We have been making the most of experience, technologies and know-how that the Company group has accumulated over the years to establish higher-grade production technology and to produce new containers, engaging in development of high-value-added products such as differentiating products and marketing environmentally conscious products, and aiming to expand our sales and strengthen our competitiveness.

In addition, we have been promoting the group restructure in order to improve manufacturing and logistics efficiency by integrating subsidiaries with similar functions and consolidating locations of the group companies.

We have also been striving to lighten containers and reduce the costs for procuring various materials in conjunction with group companies and from overseas.

(ii) Development of new business

The Company established a subsidiary to engage in chemical recycling for plastic bottles in October 2008 in order to build a recycling-focused society as a part of an environmental strategy, one of its most important business strategies.

We have also expanded our business field from traditional packaging containers and related business, and engaged in development of products in IT, energy, life science, environment, and other new business fields based on our core technologies.

(iii) Development of overseas business

The Company group traditionally provided technologies overseas from the view point of supporting the container manufacturing business. Now, the Company group actively develops its overseas business by making capital contributions in order to develop new markets from a mid to long term standpoint. We continue to develop the business, focusing on China, ASEAN countries and India that are experiencing an increased demand for containers that is sustained by population increase and economic development.

We have endeavored to expand the sale of products unrivaled by our competitors, utilizing the original technologies and environmental technologies of the Company group, with a focus on “TULC,” which is our major product, that have considerably increased environmental preservation.

In addition to the traditional container business, we have also focused on the plastic bottle filling business to create new value overseas.

The Company will establish a new medium-term business plan for fiscal three years commencing in April 2010 in order to further enhance the corporate value of the Company.

4. Strengthening of Corporate Governance

The Company's board of directors consists of 13 directors, 3 of whom are independent outside directors. The term of office of the Company's directors is one year, which enables management responsibilities to be clarified and a management system that responds in a timely manner to changes of the management environment to be flexibly established. Three out of the Company's five statutory auditors are independent outside statutory auditors. The Company ensures monitoring of the management system through monitoring of management by outside directors and outside statutory auditors as well as monitoring by shareholders who pass the proposal regarding appointment of directors every year at a shareholders meeting.

The Company also ensures efficient and flexible management, and clarifies management's decision making, and supervision and administrative functions by introducing an executive officer structure.

The Company is committed to achieving strengthened corporate governance and ensuring and enhancing corporate value and, in turn, common interests of shareholders of the Company through the above-mentioned measures.

III. Purpose of the Plan and Plan Outline

1. Purpose of the Plan

The Company will adopt the Plan for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders in accordance with the Basic Policy set out in Section I above.

As set out in the Basic Policy, the Company's board of directors believes that persons who would propose a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed

inappropriate, to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, and on the occasion that it receives a large-scale acquisition proposal from an acquirer, to enable the Company's board of directors to present an alternative proposal to the shareholders or ensure necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and to enable the board of directors to negotiate for the benefit of the shareholders.

Major shareholders of the Company as of March 31, 2009 are listed in Attachment 1 titled 'Major Shareholders of the Company.' The Company has not received any proposal of a large-scale acquisition of the shares in the Company from specific third parties.

2. Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company's share certificates or other equity securities.

The acquirer must not effect a large-scale acquisition of the shares and other equity securities in the Company until and unless the Company's board of directors or general meeting of shareholders determines not to trigger the Plan in accordance with the procedures for the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares and other equity securities in the Company could harm the corporate value of the Company and the common interests of its shareholders, and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights (*shinkabu yoyakuken mushou wariate*) with (a) an exercise condition that does not allow the acquirer to exercise the rights as a general rule, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from persons other than the acquirer, by means of a gratis allotment of stock acquisition rights to all shareholders, except the Company, at that time. If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of 50%.

In order to eliminate arbitrary decisions by directors, the Company will establish the

Special Committee, which is subject to the Rules of the Special Committee (outlined in Attachment 2) and solely composed of members who are independent from the management of the Company such as outside directors of the Company (the expected members of the Special Committee at the time of introduction of the Plan are as described in Attachment 3 ‘Profiles of the Members of the Special Committee’) to make objective decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights under the Plan. In addition, the Company’s board of directors may, if prescribed in the Plan, convene a meeting of shareholders and confirm the intent of the Company’s shareholders regarding the implementation of the gratis allotment of the stock acquisition rights.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company’s shareholders.

3. Plan Details (Measures to Prevent Decisions on the Company’s Financial and Business Policies from being Controlled by Persons Deemed Inappropriate Under the Basic Policy)

3.1 Procedures for Triggering the Plan

(a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action, or a proposal¹ for such action (except for such action as the Company’s board of directors separately determines not to be subject to the Plan; the “Acquisition”) takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)² of a holder (*hoyuusha*)³ totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁴ issued by the Company; or
- (ii) A tender offer (*koukai kaitsuke*)⁵ that would result in the party conducting the tender

¹ “Proposal” includes solicitation of a third party.

² Defined in Article 27-23(4) of the Financial Instruments and Exchange Law. This definition is applied throughout this document.

³ Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the board of directors of the Company). The same is applied throughout this document.

⁴ Defined in Article 27-23(1) of the Financial Instruments and Exchange Law. The same is applied throughout this document unless otherwise provided for.

⁵ Defined in Article 27-2(6) of the Financial Instruments and Exchange Law. The same is applied throughout this document.

offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*)⁶ and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*)⁷ totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁸ issued by the Company.

The party intending to make the Acquisition (the "Acquirer") shall follow the procedures prescribed in the Plan, and the Acquirer must not effect an Acquisition until and unless the Company's board of directors passes a resolution not to implement the gratis allotment of Stock Acquisition Rights (defined in 3.1(e)(i)) in accordance with the Plan.

(b) Submission of Acquirer's Statement

The Company will request an Acquirer to submit to the Company in the form separately prescribed by the Company a document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the name, address or location of headquarters, location of offices, the governing law for establishment, name of the representative, contact information in Japan for the Acquirer and an outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide an Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Company's board of directors with the document in the form provided by the Company ("Acquisition Document"), which includes the information described in each item of the list below ("Essential Information").

If the Company's board of directors receives the Acquisition Document, it will promptly send it to the Special Committee (standards for appointing members, requirements

⁶ Defined in Article 27-2(8) of the Financial Instruments and Exchange Law. The same is applied throughout this document.

⁷ Defined in Article 27-2(7) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the board of directors of the Company); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Law. The same is applied throughout this document.

⁸ Defined in Article 27-2(1) of the Financial Instruments and Exchange Law.

for resolutions, resolution matters, and other matters concerning the Special Committee are as described in Attachment 2 ‘Outline of the Rules of the Special Committee’ and business backgrounds and other matters of members of the Special Committee at the time of introduction of the Plan will be as described in Attachment 3 ‘Profiles of the Members of the Special Committee’). If the Special Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer provide additional information. In such case, the Acquirer should provide the additional information within the set time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), and terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders,⁹ persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation¹⁰).¹¹
- (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
- (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
- (iv) Information relating to any previous acquisition of shares in the Company by the Acquirer.
- (v) Financial support for the Acquisition (specifically including the names of providers of funds for the Acquisition (including all indirect providers of funds), financing methods and the terms of any related transactions).
- (vi) Post-Acquisition management policy, business plan, capital and dividend policies for the Company group.
- (vii) Policies for the Company’s shareholders (other than the Acquirer), employees, business partners, customers, and any other stakeholders in the Company.
- (viii) Specific measures to avoid any conflict of interest with other shareholders in the Company.

⁹ Defined in Article 27-23(5) of the Financial Instruments and Exchange Law, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Law (including persons who are deemed a joint holder by the Company’s board of directors). The same is applied throughout this document.

¹⁰ Defined in Article 9(5) of Enforcement Regulation for the Financial Instruments and Exchange Law.

¹¹ If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

(ix) Any other information that the Special Committee reasonably considers necessary.

(d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Company's Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Document and any additional information that the Special Committee requests (if any), the Special Committee may set a reply period (up to 60 days as a general rule taking into consideration the scale, nature and diversity of business and composition of shareholders of the Company group including the 63 subsidiaries) considering the time required for the Company's board of directors to collect information and consider company value, and request that the Company's board of directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information that the Special Committee considers necessary.

(ii) Special Committee Consideration

The Special Committee should conduct its consideration of the Acquisition terms, collection of information such as the management plans and business plans of the Acquirer and the Company's board of directors and comparison thereof, and consideration of any alternative plan presented by the Company's board of directors, and the like for an appropriate period of time (up to 60 days as a general rule taking into consideration the scale, nature and diversity of business and composition of shareholders of the Company group including the 63 subsidiaries) after the date on which the Special Committee receives the information (including the information additionally requested) from the Acquirer and (if the Special Committee requests the Company's board of directors to provide information as set out in (i) above) the Company's board of directors (the period for information collection and consideration by the Special Committee is hereinafter referred to as the "Special Committee Consideration Period"). Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Special Committee will directly or indirectly discuss and negotiate with the Acquirer.

In order to ensure that the Special Committee's decision contributes to the Company's corporate value and, in turn, the common interests of its shareholders, the Special Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts). If the Special Committee directly or indirectly requests the Acquirer to

provide materials for consideration or any other information, or to discuss and negotiate with the Special Committee, the Acquirer must promptly respond to such request.

(e) Recommendation by the Special Committee

The Special Committee will make recommendations to the Company's board of directors as follows based on the abovementioned procedures.

(i) Recommendations for the Triggering of the Plan

If the Special Committee determines that the Acquisition falls under one of the trigger events set out below at 3.2, 'Requirements for the Gratis Allotment of Stock Acquisition Rights' (collectively "Trigger Event"), the Special Committee will recommend the implementation of the gratis allotment of stock acquisition rights (as detailed in 3.3 'Outline of the Gratis Allotment of Stock Acquisition Rights'; the relevant stock acquisition rights hereinafter referred to as "Stock Acquisition Rights") to the Company's board of directors except in any specific case where further disclosure of information by the Acquirer or discussion or negotiation with the Acquirer is necessary. If it is concerned that an Acquisition may fall under the second Trigger Event ("Trigger Event (2)") set out in 3.2, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' the Special Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance.

Notwithstanding the foregoing paragraph, even after the Special Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Special Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

(A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

(B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

(ii) Recommendations for the Non-Triggering of the Plan

If the Special Committee determines the Acquisition does not fall under the Trigger Event, the Special Committee will recommend the non-implementation of the gratis allotment

of Stock Acquisition Rights to the Company's board of directors, regardless of whether the Special Committee Consideration Period has ended.

Notwithstanding the foregoing paragraph, even after the Special Committee has already made one recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or other matters on which the recommendation decision was made and a Trigger Event arises, the Special Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) Extension of the Special Committee Consideration Period

If the Special Committee does not reach a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights during the initial Special Committee Consideration Period, the Special Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and discussion and negotiation with the Acquirer, extend the Special Committee Consideration Period once or multiple times, in principle up to 30 days. If the Special Committee Consideration Period is extended, the Special Committee will continue to collect information, deliberate, discuss, negotiate and perform similar activities, and use its best efforts to make a recommendation for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

(f) Resolutions of the Board of Directors

The Company's board of directors, in exercising their role under the Corporation Law, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting to the maximum extent any recommendation of the Special Committee described above. If the Shareholders Meeting is convened in accordance with (g) below, the Company's board of directors will be subject to any resolution at the Shareholders Meeting.

(g) Convocation of the Shareholders Meeting

Upon the implementation of the gratis allotment of the Stock Acquisition Rights pursuant to the Plan, the Company's board of directors may convene a meeting of shareholders (the "Shareholders Meeting") and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights, if (i) the Special Committee recommends implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance in accordance with (e)(i) above, or (ii) the applicability of Trigger Event (2) becomes an issue

and the board of directors determines it appropriate to confirm the shareholders' intent for the Acquisition taking into consideration the time required to convene a shareholders' meeting or other matters pursuant to the duty of care of a good manager.

(h) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Special Committee or the Company's board of directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the fact of whether the Acquirer has provided sufficient information, the fact that an Acquirer who intends to effect the Acquisition without submitting the Acquirer's Statement and Acquisition Document emerges, the fact the Special Committee Consideration Period has commenced, and the fact that the Special Committee Consideration Period has been extended, as well as the reason for the extension), an outline of recommendations made by the Special Committee, an outline of resolutions by the board of directors and an outline of resolutions by the Shareholders Meeting, in accordance with the applicable laws and ordinances or the regulations and rules of the financial instruments exchange.

3.2 Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement gratis allotment of Stock Acquisition Rights are as follows. As described above at (e) of 3.1, 'Procedures for Triggering the Plan,' the Company's board of directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Special Committee has been obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

Trigger Event (2)

The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:

- (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company's affiliates at an high price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
 - (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
 - (c) Acquisitions whose terms (including amount and type of consideration, the timeframe, the legality of the Acquisition method, the feasibility of the Acquisition being effected, and post-Acquisition policies dealing with the Company's other shareholders, employees, business partners, customers and any other stakeholders in the Company) are inadequate or inappropriate in light of the Company's intrinsic value.
 - (d) Acquisitions that materially threaten to oppose the corporate value of the Company and, in turn, the common interests of shareholders, by destroying relationships with the Company's employees, business partners, customers and the like, which are indispensable to the generation of the Company's corporate value.

3.3 Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights scheduled to be implemented under the Plan is described below.

(a) Number of Stock Acquisition Rights

The Company will implement a gratis allotment of Stock Acquisition Rights in the same number as the most recent total number of issued shares in the Company (excluding the

number of shares in the Company held by the Company at that time) on a certain date (the “Allotment Date”) that is separately determined in a resolution by the Company’s board of directors or the general meeting of shareholders relating to the gratis allotment of Stock Acquisition Rights (“Gratis Allotment Resolution”).

(b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to those shareholders, other than the Company, who are recorded in the Company’s register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for each share in the Company held.

(c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The number of shares in the Company to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) shall, in principle, be one share.

(e) Amount to be Contributed upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. “Fair market value” means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the 90 day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction less than one yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

(g) Conditions for Exercise of Stock Acquisition Rights

Except where any exceptional event¹² occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders;¹³
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;¹⁴
- (IV) Persons having a Special Relationship with Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Company’s board of directors; or
- (VI) Any Affiliated Party¹⁵ of any party falling under (I) through (V).

¹² Specifically, the Company intends to set out that an “exceptional event” means when (x) an Acquirer cancels or revokes an Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so, and (y) the Acquirer’s shareholding ratio determined by the Company’s board of directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be Acquirer’s Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the “Non-Qualified Parties’ Shareholding Ratio”) falls below the lower of (i) the Non-Qualified Parties’ Shareholding Ratio before the Acquisition, or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Company’s board of directors.

¹³ “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed applicable to the above by the Company’s board of directors); provided, however, that a party that the Company’s board of directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or a certain other party that the board of directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this document.

¹⁴ “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note 14) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note 14) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order of the Enforcement of the Financial Instruments and Exchange Law) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed to fall under the above by the Company’s board of directors); provided, however, that a party that the Company’s board of directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or certain other party that the Company’s board of directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this document.

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (ii) of paragraph (i) below, ‘Acquisition of the Stock Acquisition Rights by the Company,’ subject to complying with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, may not exercise the Stock Acquisition Rights.

(h) Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Company’s board of directors.

(i) Acquisition of Stock Acquisition Rights by the Company

(i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Company’s board of directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Company’s board of directors, acquire all of the Stock Acquisition Rights for no consideration.

(ii) On a date separately determined by the Company’s board of directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Company’s board of directors, that are held by parties other than Non-Qualified Parties (if any) and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Company’s board of directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may,

¹⁵ An “Affiliated Party” of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Company’s board of directors), or a party deemed by the Company’s board of directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3(3) of the Enforcement Regulations of the Corporation Law) of other corporations or entities.

on a date determined by the Company's board of directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Company's board of directors (if any) and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

(j) Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Stock Acquisition Rights
Certificates representing the Stock Acquisition Rights will not be issued.

(l) Other

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

3.4 Procedures for the Introduction of the Plan

In accordance with Article 13 of the current Articles of Incorporation of the Company (or the amended Article 12 of the Articles of Incorporation of the Company if the amendments to the Articles of Incorporation separately proposed at the 96th Shareholders Meeting are approved), the Company will introduce the Plan subject to shareholder approval at the 96th Shareholders Meeting to assign to the Company's board of directors the authority to decide matters relating to the gratis allotment of Stock Acquisition Rights under the conditions set out in the Plan.

3.5 Effective Period, Abolition and Amendment of the Plan

The effective period of the Plan (the "Effective Period") will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the 96th Shareholders Meeting.

However, if, before the expiration of the Effective Period, (i) a resolution is passed at the Company's Shareholders Meeting to revoke its resolution to assign to the Company's board of directors the authority set out in 3.4 above relating to gratis allotment of Stock

Acquisition Rights with respect to the Plan, or (ii) the Company's board of directors passes a resolution to abolish the Plan, the Plan will be abolished at that time.

Further, the Company's board of directors may revise or amend the Plan even during the Effective Period of the Plan, if such revision or amendment is not against the purpose of a resolution of the 96th Shareholders Meeting such as cases where any law, ordinance, or regulation or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, or cases where such revision or amendment is not detrimental to the Company's shareholders, and subject to the approval of the Special Committee.

If the Plan is abolished, modified or amended, the Company will promptly disclose the fact that such abolition, modification or amendment has taken place, and (in the event of a modification or amendment) the details of the modification, amendment and any other matters.

3.6 Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 15, 2009. If it becomes necessary after such date to amend the terms and conditions or definitions of terms set out in the paragraphs above due to the formulation, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such formulation, amendment or abolishment.

4. Impact on Shareholders and Investors

4.1 Impact on Shareholders and Investors Upon Introduction of the Plan

Upon introduction, the Plan will have no direct or material impact on shareholders and investors. This is because at that time, only the assignment of authority to the Company's board of directors to decide matters relating to the gratis allotment of Stock Acquisition Rights will take place and no actual gratis allotment of Stock Acquisition Rights will be implemented.

4.2 Impact on Shareholders and Investors at the Time of the Gratis Allotment of Stock

Acquisition Rights

(a) Procedures for Shareholders upon Gratis Allotment of Stock Acquisition Rights

If the Company's board of directors or Shareholders Meeting passes a resolution for a gratis allotment of Stock Acquisition Rights, the Company's board of directors will also decide the Allotment Date in the same resolution and give public notice of this Allotment Date. In this case, the Company will make a gratis allotment of Stock Acquisition Rights to the shareholders who are recorded in the Company's register of shareholders as of the Allotment Date (the "Entitled Shareholders") for one Stock Acquisition Right per share in the Company held by the Entitled Shareholders. All Entitled Shareholders will become Stock Acquisition Right holders as a matter of course on the effective date of the gratis allotment of Stock Acquisition Rights, and no further procedures, such as applying for such gratis allotment, will be necessary.

In addition, even after the Company's board of directors passes a resolution for gratis allotment of Stock Acquisition Rights, the Company may, by respecting any recommendation of the Special Committee described above at section (e)(i) of 3.1, 'Procedures for Triggering the Plan,' to the maximum extent, (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights), cancel the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) acquire the Stock Acquisition Rights for no consideration. In such cases, no dilution of the value per share in the Company held by the shareholders will result, and it is likely that any investors who have sold or bought the shares in the Company expecting to see such a dilution will be commensurately affected as a result of a fluctuation in the share price.

(b) Procedures for Exercising Stock Acquisition Rights

The Company will deliver, as a general rule, a document necessary to be submitted for the exercise of the Stock Acquisition Rights (in the form prescribed by the Company and containing necessary matters such as the terms and number of the Stock Acquisition Rights for exercise and the exercise date for the Stock Acquisition Rights, as well as representations and warranties regarding matters such as that the shareholders themselves satisfy the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, and information necessary to allocate shares of the Company to the account of the Entitled Shareholders) and other documents necessary for the exercise of the Stock Acquisition Rights to the Entitled Shareholders. After the gratis allotment of Stock Acquisition Rights, the shareholders will be issued, as a general rule, one share in the Company per Stock Acquisition Right upon submitting these necessary documents during the exercise period of Stock

Acquisition Rights and by paying in the prescribed manner an amount equivalent to the exercise price determined in the Gratis Allotment Resolution, which will be an amount within the range of one yen and one-half of the fair market value of the Company's stock per Stock Acquisition Right, as a general rule. The Non-Qualified Parties intending to exercise Stock Acquisition Rights must follow the Company's separate determination in accordance with (g) of 3.3, 'Outline of the Gratis Allotment of Stock Acquisition Rights.'

If the Company's shareholders do not exercise their Stock Acquisition Rights or pay the amount equivalent to the exercise price, the shares they hold in the Company will be diluted by the exercise of Stock Acquisition Rights by other shareholders.

However, it is also possible for the Company to acquire the Stock Acquisition Rights of all shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company, in accordance with the procedures set out in (c) below. If the Company carries out such an acquisition procedure, all shareholders other than Non-Qualified Parties will come to receive shares in the Company without exercising their Stock Acquisition Rights or paying an amount equivalent to the exercise price and, in principle, there will be no subsequent dilution of the shares in the Company they hold.

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

If the Company's board of directors determines to acquire the Stock Acquisition Rights, the Company will acquire the Stock Acquisition Rights in accordance with the statutory procedures from the shareholders other than Non-Qualified Parties, on the date separately determined by the Company's board of directors and, in exchange, deliver shares in the Company. In this case, the shareholders concerned will, in principle, come to receive one share in the Company for each Stock Acquisition Right as consideration for the acquisition by the Company of those Stock Acquisition Rights, without paying the amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to provide information necessary to allocate shares of the Company to the account of the Entitled Shareholders and submit, in the form prescribed by the Company, a written undertaking including representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.

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

IV. Rationale of the Plan

1. Ensure and Enhance the Company's Corporate Value and the Common Interests of Shareholders

The Plan will be introduced under the Basic Policy, with the purpose of maintaining the corporate value of the Company and, in turn, the common interests of its shareholders by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc. of the Company and for the board of directors to present an alternative proposal to the shareholders, and by enabling the board of directors to negotiate with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected.

2. Satisfying the Requirements of the Guidelines for Takeover Defense Measures

The Plan fully satisfies the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, namely, the principles of:

- ensuring and enhancing the corporate value and shareholders' common interests;
- prior disclosure and shareholder intent; and
- ensuring necessity and appropriateness.

3. Placing High Value on the Intent of Shareholders

The Plan will be introduced on the condition that a resolution of the 96th Shareholders Meeting is obtained to assign to the Company's board of directors the authority to decide matters relating to the Plan.

The Company's board of directors may, under certain circumstances, confirm the intent of the Company's shareholders at a meeting of shareholders regarding the need to trigger the Plan.

Further, the Plan is subject to a so-called sunset clause setting the Effective Period of approximately three years and if, even before the expiration of the Effective Period of the Plan, the Shareholders Meeting passes a resolution to revoke its resolution to assign the authority set out above, the Plan will be abolished at that time. In this regard, the life of the Plan depends on the intent of the Company's shareholders.

4. Emphasis on the Decisions of Independent Parties Such As Outside Directors

and Obtaining the Advice of Third-Party Experts

The Company must obtain a recommendation from the Special Committee, composed only of members who are independent, such as outside directors, when making decisions for triggering the Plan.

Further, the Special Committee may obtain advice from independent third-party experts at the Company's expense, which is a mechanism to even further ensure the objectivity and fairness of the decisions made by the Special Committee.

5. Establishment of Reasonable Objective Requirements

As set out above at section (e) of III.3.1, 'Procedures for Triggering the Plan,' and section III.3.2, 'Requirements for the Gratis Allotment of Stock Acquisition Rights,' the Company believes that the Plan is established so that it will not be triggered unless reasonable and objective requirements have been satisfied, and ensures a structure to eliminate arbitrary triggering by the Company's board of directors.

6. No Dead-Hand or Slow-Hand Takeover Defense Measures

The Plan may be abolished by a meeting of the board of directors composed of directors who are nominated by a person who acquires a large number of share certificates and appointed at the Company's general shareholders' meeting. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the board of directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office for the board of directors, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that all members of the board of directors cannot be replaced at once).

--- End of Document ---

Attachment 1

Major Shareholders of the Company

Major shareholders of the Company as of March 31, 2009 are as follows:

Name of Shareholders	Investment in the Company	
	Number of shares held (thousands)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,474	8.0
Toyo Institute of Food Technology	12,310	6.0
Toyo College of Food Technology	11,192	5.4
Yoshiro Takasaki	10,823	5.3
Japan Trustee Services Bank, Ltd. (Trust Account)	10,687	5.2
Fukoku Mutual Life Insurance Company	8,000	3.9
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	7,537	3.7
Sumitomo Mitsui Banking Corporation	6,500	3.2
Mitsui Sumitomo Insurance Co., Ltd.	4,291	2.1
The Sumitomo Trust and Banking Co., Ltd.	4,097	2.0

(Note)

1. In addition to the shares above, there is treasury stock held by the Company (10,701,000 shares).
2. The shareholding ratio is calculated after deducting the number of treasury stock (10,701,000 shares).

Attachment 2

Outline of the Rules of the Special Committee

- The Special Committee will be established by resolution of the Company's board of directors.
- There will be no less than three members of the Special Committee, and the Company's board of directors shall elect the members from (i) outside directors of the Company, and (ii) outside statutory auditors of the Company. If any of (i) the outside directors of the Company or (ii) the outside statutory auditors of the Company is unable to act as a member, and the number of members of the Special Committee does not satisfy the quorum detailed above, the Company's board of directors may elect the members from (iii) outside experts. Such experts must be experienced corporate managers, former government employees, parties with knowledge of the investment banking industry, lawyers, certified public accountants, researchers whose research focuses on the Corporation Law or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Company's board of directors that contains a provision obligating them to exercise the duty of care of a good manager or a similar provision.
- Unless otherwise determined in a resolution by the Company's board of directors, the term of office of members of the Special Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of the 96th Shareholders Meeting. However, the term of office of any member of the Special Committee who is an outside director or outside statutory auditor will end simultaneously in the event that they cease to be a director or statutory auditor (except in the case of their re-appointment).
- The Special Committee will make decisions on the matters listed below and make recommendations to the Company's board of directors containing the details of and reasons for the decisions. Respecting such recommendations of the Special Committee to the maximum extent, the Company's board of directors shall resolve implementation or non-implementation of gratis allotment of Stock Acquisition Rights as an organization under the Corporation Law (or, if the Shareholders Meeting otherwise passes a resolution for the implementation of the gratis allotment of Stock Acquisition Rights as set out in (a) below, in accordance with such resolution). Each member of the Special Committee and each director of the Company must make such decisions solely with a view to whether or not the corporate value of the Company and, in turn, the common interests of its shareholders will be enhanced, and they must not serve their own interests or those

of the management of the Company.

- (a) The implementation or non-implementation of the gratis allotment of Stock Acquisition Rights.
 - (b) The cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights.
 - (c) Any other matters that are for determination by the Company's board of directors in respect to which it has consulted the Special Committee.
- In addition to the matters prescribed above, the Special Committee may conduct the matters listed below.
 - (a) Determination whether the Acquisition should be made subject to the Plan.
 - (b) Determination of the information that the Acquirer and the Company's board of directors should provide to the Special Committee, and the deadline for the provision of that information.
 - (c) Examination and consideration of the terms of the Acquirer's Acquisition.
 - (d) Discussion and negotiation with the Acquirer.
 - (e) Request for an alternative proposal and consideration of the alternative proposal by the Company's board of directors.
 - (f) Determination regarding extension of the Special Committee Consideration Period.
 - (g) Approval of modification or amendment to the Plan.
 - (h) Determination whether or not takeover defense measures other than the Plan should be introduced.
 - (i) Any other matters prescribed in the Plan that the Special Committee may conduct.
 - (j) Any matters that the Company's board of directors separately determines that the Special Committee may conduct.
 - If the Special Committee decides that the Acquisition Document and information provided are inadequate as Essential Information, it will request that the Acquirer provide additional information. Further, if the Special Committee receives from the Acquirer the Acquisition Document and the Essential Information that it requests, it may request that the Company's board of directors provide within a certain period an opinion regarding the terms of the Acquisition by the Acquirer and materials supporting that opinion, an alternative proposal (if any), and any other information that the Special Committee may consider necessary from time to time.
 - If it is necessary in order to have the terms of the Acquirer's Acquisition revised from the standpoint of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Special Committee will either directly or indirectly discuss and negotiate with the Acquirer, or present to the shareholders the alternative plan of the Company's board of directors or conduct

any similar action.

- In order to collect the necessary information, the Special Committee may request the attendance of a director, statutory auditor or employee of the Company, or any other party that the Special Committee considers necessary, and may require explanation of any matter it requests.
- The Special Committee may, at the Company's expense, obtain the advice of an independent third party (including financial advisers, certified public accountants, lawyers, tax accountants, consultants and other experts) or conduct similar actions.
- Any member of the Special Committee may convene a meeting of the Special Committee when an Acquisition arises, or at any other time.
- As a general rule, resolutions of meetings of the Special Committee will pass with a two-thirds majority vote when at least two-thirds of the members of the Special Committee are in attendance (including attendance via video conference or telephone conference; hereinafter the same). However, in unavoidable circumstances a resolution may be passed with a majority of voting rights when a majority of the members of the Special Committee are in attendance.

--- End of Document ---

Attachment 3

Profiles of the Members of the Special Committee

The following three persons are scheduled to be the initial members of the Special Committee upon introduction of the Plan.

Mitsuo Arai

Career Summary:

1945	Born
Aug. 1971	Joined Otsuka Public Accounting Firm
Mar. 1976	Registered as certified public accountant (current appointment)
Sep. 1976	Registered as certified tax accountant (current appointment)
July 1983	Left Otsuka Public Accounting Firm
Aug. 1983	Established Arai Public Accounting Firm
	Became president of Arai Public Accounting Firm (current position)
Apr. 1990	Appointed part-time instructor of Faculty of Economics at Kokugakuin University (current position)
June 2006	Appointed director of the Company (current position)

Mitsuo Arai is an outside director of the Company. He is scheduled to be reappointed as an outside director upon approval at the 96th Shareholders Meeting.

He does not have any special interest in the Company.

Ryusaku Konishi

Career Summary:

1952	Born
Feb. 1986	Appointed director of Nippon Zoki Pharmaceutical Co., Ltd.
Feb. 1988	Appointed managing director of Nippon Zoki Pharmaceutical Co., Ltd.
June 1992	Appointed senior managing director of Nippon Zoki Pharmaceutical Co., Ltd.
June 1997	Appointed representative director and senior managing director of Nippon

Zoki Pharmaceutical Co., Ltd.
Jan. 2002 Appointed CEO/President of Nippon Zoki Pharmaceutical Co., Ltd. (current position)
June 2004 Appointed statutory auditor of the Company (current position)

Ryusaku Konishi is an outside statutory auditor of the Company.

He does not have any special interest in the Company.

Takahiko Mio

Career Summary:

1945 Born
May 1982 Appointed director of Awaji Sangyo K.K.
May 1986 Appointed senior managing director of Awaji Sangyo K.K.
Mar. 2006 Appointed president of AWAJI MATERIA Co., Ltd. (current position)
June 2008 Appointed director of the Company (current position)

Takahiko Mio is an outside director of the Company. He is scheduled to be reappointed as an outside director upon approval at the 96th Shareholders Meeting.

He does not have any special interest in the Company.

---End---