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To whom it may concern:

Company Name: Micronics Japan Co., Ltd.
Representative: Masayoshi Hasegawa
President
(JASDAQ Code Number: 6871)
Contact: Senior Managing Director
Name and Title: Toru Kurasawa
General Manager of CSR Planning
Telephone: +81-422-21-2665

**Introduction of Countermeasures to Large-Scale Acquisitions of
Micronics Japan Shares (Takeover Defense Measures)**

Micronics Japan Co., Ltd. (the “Company”) adopted a plan for countermeasures to large-scale acquisitions of the shares in the Company (the “Former Plan”) subject to shareholders’ approval by resolution of its board of directors on November 22, 2007 and obtained approval at the ordinary general meeting of shareholders of the Company held on December 21, 2007 (the “37th 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 one year after the conclusion of the 37th Shareholders Meeting, and the Former Plan will become invalid at the conclusion of the 38th ordinary general meeting of shareholders of the Company to be held on December 19, 2008 (the “38th Shareholders Meeting”).

The Company announces that the Company’s board of directors determined at its board of directors meeting held on November 18, 2008 to introduce a new plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (the “Plan”) after the Former Plan becomes invalid, as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 127, Item (ii)(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 the main text of Article 127 of the Enforcement Regulations of the Corporation Law; the “Basic Policy”). The introduction will be subject to shareholders’ approval at the 38th Shareholders Meeting. Twelve out of all thirteen Company Directors including two outside directors were in attendance at the meeting described above, and the introduction of the Plan was unanimously approved by the Company Directors who attended and the Company received separate notice from the outside director

who was absent from the meeting declaring his approval of the Plan.. All of the Company's statutory auditors including outside statutory auditors did not raise any objections in respect of the introduction of the Plan.

I. Basic Policy Regarding 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 fully understand the details of the Company's financial and business affairs and the source of the Company's corporate value and who will make it possible to continually and persistently ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders.

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. Also, 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.

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 corporate value of the target company and 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 discuss or negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

Particularly, it is necessary and essential for the Company to (i) maintain the Company's electronic measuring technique capability and product range by maintaining and enhancing product development know-how and technological strength of individual employees, (ii) maintain the production facilities and systems that enable the Company to flexibly comply with the clients' needs, (iii) strengthen the research and development capability by organically consolidating the Company's group, and (iv) preserve relationships of mutual trust with the clients purchasing the products and suppliers or contractors of raw materials so that the Company may maintain its technical strength and production power superior to other companies and ensure and enhance its corporate value. 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 as well as the details of financial and business affairs 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. If the acquirer who is an outsider proposes a large-scale acquisition, the Company appropriately understands the tangible or intangible elements comprising the corporate value of the Company, understands the background of the acquirer such as the identity of the acquirer, the purpose of a proposed large-scale acquisition, the acquirer's intent regarding the Company's business and management, the method to avoid conflicts of interest with the existing shareholders and the policies to respond to employees and other stakeholders, and is required to determine the effects of such large-scale acquisition on the corporate value of the Company and the common interests of its shareholders so that the Company's shareholders may make the best choice. If the proposed large-scale acquisition is enforced without disclosure of such information, the corporate value of the Company and, in turn, the common interests of its shareholders may 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 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. The Source of the Company's Corporate Value

The Company commenced its business of maintenance of electronic equipment by utilizing its electronic measuring technique in 1970. Along with the expansion of the IT industry, the Company has developed, manufactured and sold inspection and measuring equipment relating to semiconductors since 1973 and relating to liquid crystal displays (LCD) since 1985. The Company set its management policy as "gathering accumulated techniques and manufacturing know-how to provide maximum benefits to customers," and has especially established a solid position as a worldwide leading company of the "Probe Card" in the semiconductor field and the "LCD Prober and Probe Unit" in the flat panel display (FPD) field based on the electronic measuring technique capabilities, production power and other strengths accumulated over the years.

The Company believes that the source of the corporate value of the Company is as follows:

- (i) excellent electronic measuring techniques and product range resulting from the Company's consistent efforts to develop employees and improve and develop techniques since its formation;
- (ii) production facilities and systems that enable the Company to flexibly and quickly comply with the various needs of semiconductor manufacturers or LCD panel manufacturers;
- (iii) strengthening of research and development capabilities and maintenance systems by organically consolidating the Company's group; and
- (iv) relationships of mutual trust with the buyers of the Company's products and suppliers of raw materials.

Specifically, (i) the Company has achieved an excellent electronic measuring technique and product range that are highly respected by semiconductor manufacturers and LCD panel manufacturers around the world by educating each employee on know-how, technical strength and safety management of product development in the medium-to-long term and by continuously challenging the development of new technologies and new products since its formation. In the field of cutting-edge technology such as semiconductors and FPDs where technical innovation is rapidly growing at all times and the manufacturers' needs and market are changing rapidly, it is necessary and essential for the Company to continuously secure and develop each employee with product development know-how and technical strength so that the Company may keep its electronic measuring technique capabilities and production power superior to other companies. The Company attempts to secure and develop human resources from a medium-to-long term viewpoint so that each employee may acquire such know-how and technical strength. The Company also maintains the corporate culture of labor-management corporation, and endeavors to improve the environment in which each employee may make the best contribution to the enhancement of the corporate value.

Also, (ii) the Company currently owns five factories in Japan, including one in Aomori, and local production bases overseas in three countries, including Taiwan, and plans to establish a second local production base in Korea next year, establishing a production system that enables the Company to flexibly and quickly comply with any needs of the manufacturers. Because the inspection equipment and tools for semiconductors and FPD produced by the Company are manufactured in accordance with the specifications of each manufacturer, the Company will not be able to maintain its superiority without establishing a production system that enables the Company to flexibly comply with the manufacturers' needs. The Company maintains stable production power by installing and arranging production facilities and jigs independently developed by the Company in each factory, and establishing a thorough

production system from design to assembly and inspection. The Company has also established a production system that enables the Company to comply with the manufacturers' needs by making continuous efforts to improve and develop production technology based on its electronic measuring technique and fine processing technology accumulated over the years. Know-how of the Company's employees who are good at quality control and production management is also necessary and essential for the efficient performance of the Company's production facilities and systems.

Further, (iii) the Company strengthens its research and development capability and maintenance system by carrying out worldwide marketing, establishing overseas affiliated corporations and sales agencies in foreign countries in addition to the abovementioned domestic and foreign production bases, and giving feedback such as know-how from such marketing to research and development.

In addition, (iv) the Company is required to preserve relationships of mutual trust with the manufacturers and preserve relationships of mutual trust with the suppliers of raw materials supporting the development and manufacture of the high-quality products of the Company so that the Company may continue to stably produce and sell the high-quality products. The Company preserves continuous business relationships and strong relationships of mutual trust with the manufacturers by continuously developing and manufacturing the products that flexibly comply with the manufacturers' needs as mentioned above, and by performing customer-oriented sales and development. The Company has also established a relationship of mutual trust with the suppliers of raw materials by mutually confirming the concept of "quality first."

2. Measures to Enhance the Corporate Value

In addition to the Plan, at the board of directors meeting held today, the Company has designed a mid-term business plan, "Consolidated Midterm 3-year Management Plan" (Challenge 11), for the period of three fiscal years from October 2008 to September 2011, setting its new basic policy of "strengthening the foundation for continuous growth and further improvement", with the aim of enhancing the corporate value and, in turn, the common interests of its shareholders.

In particular, the Company is making efforts to (i) obtain top brand awareness by aiming to become the world's biggest probe card manufacturer, expanding its semiconductor testing business, and expanding and increasing sales in its LCD panel related products as an LCD panel test provider, (ii) strengthen global competitiveness by expanding and refining its network of overseas bases and expanding its sales territory, (iii) promote process innovation

by speeding up product development, improving product quality, refining production process, and ensuring quick delivery, (iv) prepare for further growth by breaking into the new field of an advanced probe card, developing FPD repair equipment, continuing mid- to long-term research and development into areas such as sensor technology, image processing technology and high-frequency wave technology, (v) promote its intellectual property strategy such as strengthening global patents, (vi) strengthen its management base by improving internal control systems and financial risk management, and (vii) challenge to break into new business through the application of MEMS technology, micro fabrication technology and probing technology.

The Company believes that the implementation of various measures designated in the mid-term business plan will contribute to the maintenance and enhancement of the corporate value of the Company and, in turn, the common interests of its shareholders.

3. Strengthening of Corporate Governance

The Company resolved at its 37th Shareholders Meeting to shorten the term of office of the Directors to one year and appointed three highly independent outside directors, and will similarly propose to the 38th Shareholders Meeting an item of business for appointing three independent outside directors. Accordingly, the Company endeavors to further strengthen the corporate governance practices by reinforcing the management supervising and monitoring functions with respect to the management of the Company by the outside directors and outside statutory auditors and achieving highly transparent management. The Company made efforts to strengthen the internal control by establishing a management auditor division as an independent organization directly controlled by the President and Representative Director.

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.

The Company's board of director, as set out in the Basic Policy, 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 such proposal, and enable the board of directors to negotiate for the benefit of the shareholders.

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 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 with (a) an exercise condition that does not allow the acquirer etc. to exercise the rights (except where any exception event occurs) and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company's shares from persons other than the acquirer etc., by means of a gratis allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) 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 receive the Company's shares 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 establishes the Independent Committee, which is subject to the Rules of the Independent Committee (outlined in Attachment 1) and solely composed of members who are highly independent from the management of the Company such as outside directors of the Company (the expected members of the Independent Committee at the time of introduction of the Plan are as described in Attachment 2 ‘Profiles of the Members of the Independent Committee’) to make 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 prior to the decisions of the Company’s board of directors. 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 wariai*)² of a holder (*hoyuusha*)³ amounting to 20% or more of the share certificates, etc. (*kabuken tou*)⁴ issued by the Company;
or

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. Unless otherwise provided for in this document, the same is applied throughout this document.

- (ii) A tender offer (*koukai kaitsume*)⁵ that would result in the party conducting the tender 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 after the tender offer totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁸ issued by the Company.

The party effecting 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 gratis allotment of Stock Acquisition Rights in accordance with the Plan.

(b) Submission of Acquirer's Statement

The Company will request an Acquirer conducting an Acquisition to submit to the Company in the form separately prescribed by the Company, before commencing or effecting the Acquisition, 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 such document (collectively, "Acquirer's Statement"). The Acquirer's Statement must include the name and address (location of headquarters, in case of a corporation), location of offices, the governing law for establishment, name of the representative, contact information in Japan of the Acquirer and the outline of 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 the list of information that the Acquirer should provide 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").

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

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.

If the Company's board of directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolution, resolution matters, and other matters concerning the Independent Committee are as described in Attachment 1 'Outline of the Rules of the Independent Committee' and careers and other matters of members of the Independent Committee at the time of introduction of the Plan will be as described in Attachment 2 'Profiles of the Members of the Independent Committee'). If the Independent Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer additionally provide information. In such case, the Acquirer should additionally provide such information within the relevant time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws 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 holders⁹, persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation¹⁰ of)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.

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 to fall under the above 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.

(viii) Any other information that the Independent 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 Independent Committee requests (if any), the Independent Committee may set a reply period (up to sixty days as a general rule) 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, the materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

The Independent Committee should conduct its consideration of the Acquisition terms, collection of information on the materials 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 a period of time that does not, as a general rule, exceed sixty days after the date upon which the Independent Committee receives the information (including the information additionally requested) from the Acquirer and (if the Independent 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 is hereinafter referred to as the "Independent 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 Independent Committee will directly or indirectly discuss and negotiate with the Acquirer.

In order to ensure that the Independent Committee's decision contributes to the Company's corporate value and, in turn, the common interests of its shareholders, the Independent Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, consultants or any other experts). If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(e) Recommendation by the Independent Committee

The Independent 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 Independent Committee determines that one of the trigger events set out below at 3.2, 'Requirements for the Gratis Allotment of Stock Acquisition Rights' (collectively "Trigger Event") arises with respect to the Acquisition, the Independent 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 information disclosure from 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 Independent 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 Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation (i) that (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) that (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 without 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 otherwise upon which the recommendation decision was made.

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

If the Independent Committee determines there is no Trigger Event with respect to the Acquisition, the Independent 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 Independent Committee Consideration Period has ended.

Notwithstanding the foregoing paragraph, even after the Independent 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 otherwise upon which the recommendation decision was made and a Trigger Event arises, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) Extension of the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights during the initial Independent Committee Consideration Period, the Independent 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 negotiation with the Acquirer, extend the Independent Committee Consideration Period one time or multiple times, in principle up to a total of thirty days. If the Independent Committee Consideration Period is extended, the Independent Committee will continue to collect information, deliberate and perform like activities, and use 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 Independent Committee described above. If the Shareholders Meeting is convened in accordance with (g) below, the Company's board of directors, in exercising its role under the Corporation Law, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights in accordance with any resolution by 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"; the Shareholders Meeting may be different from general shareholders meetings (*kabunushi sokai*) under the Corporation Law, but the quorum or other matters relating to the Shareholders Meeting will be determined in a manner consistent with general shareholders meetings under the Corporation Law and the Articles of Incorporation of the Company) and confirm the intent of the Company's shareholders

regarding the implementation of the gratis allotment of the Stock Acquisition Rights, if (i) the Independent Committee recommend 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 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 information on matters that the Independent 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 and the Independent Committee Consideration Period has commenced), or an outline of recommendations made by the Independent Committee, an outline of resolutions by the board of directors and an outline of resolutions by the Shareholders Meeting in a timely manner, in accordance with the applicable laws and ordinances or the regulations 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 Independent Committee has been obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases that time and information reasonably 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 inflated price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
 - (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (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, customers, business partners 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 the common interests of shareholders, by destroying the technical strength or production power or relationships with the Company's employees, customers, business partners 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 and outstanding 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 of the Company’s board of directors 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 appear on or are recorded in the Company’s most recent register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for every one 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 JASDAQ Securities Exchange on each day during the ninety day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction of a 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 Party of any party falling under (I) through (V).¹⁵

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 shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed as the 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 below either (i) or (ii) above. Detailed conditions and procedures to exercise 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 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 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 15) 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 15) 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. This is applied throughout this document.

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and regulations 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 regulations). 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 without consideration.

(ii) On a day that falls 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 and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one 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

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.

Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a day falling on a date determined by the Company's board of directors after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that 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 every one 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 to the above, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

3.4 Effective Period, Abolition and Amendment of the Plan

The effective period of the Plan (the "Effective Period") shall 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 38th Shareholders Meeting.

However, if, before the expiration of the Effective Period, the Company's Shareholders' Meeting or 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 38th Shareholders Meeting such as cases where any law, regulation, rules of 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 the like, and subject to the approval of the Independent Committee.

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

3.5 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 November 17, 2008. 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, 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

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

If the Company's board of directors 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 registered or recorded in the Company's last 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 Independent 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 without 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.

(ii) Procedures for Exercising Stock Acquisition Rights

The Company will deliver, as a general rule, an exercise request form for 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 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 one share in the Company per Stock Acquisition Right upon submitting these necessary documents during the exercise period of Stock Acquisition Rights and, as a general rule, by paying to the place handling such payments 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. 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 (iii) 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.

(iii) 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 day that falls 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 every one Stock Acquisition Right as consideration for the acquisition by the Company of those Stock Acquisition Rights, without paying an amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to 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.

If the Gratis Allotment Resolution provides for the matters relating to acquisition of the Stock Acquisition Rights from the Non-Qualified Parties or other acquisition, the Company may take procedures in accordance with the provisions of the Gratis Allotment Resolution.

In addition to the above, the Company will disclose information or notify all of its shareholders with respect to the particulars of the allotment method, 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 purposes 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 satisfies the three principles (namely, the principle of ensuring and enhancing corporate value and shareholders' common interests, the principle of prior disclosure and shareholders' intent, and the principle of ensuring necessity and appropriateness) 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 ("Guidelines"). With this basis of the three principles under the Guidelines, the Plan will also introduce details based on the Takeover Defense Measures in Light of Recent Environmental Changes released on June 30, 2008 by the Corporate Value Study Group established under the Ministry of Economy, Trade and Industry, and other practice and discussion related to takeover defense measures.

The Plan also fully satisfies the "matters to be respected upon introduction of takeover defense measures" set out in Article 2-2 of the regulations concerning timely disclosure of corporation information by issuer of securities listed on JASDAQ Securities Exchange, Inc.

3. Placing High Value on the Intent of Shareholders

The Plan will be introduced upon approval by the Shareholders Meeting of the Company.

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 to be approximately three years and if, even before the expiration of the Effective Period of the Plan, the general meeting of shareholders of the Company passes a resolution to abolish the Plan, 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 Highly Independent Parties Such As Outside Directors and Obtaining the Advice of Third-Party Experts

The Company must obtain a recommendation from the Independent Committee, composed only of members who are highly independent, when making decisions for triggering the Plan.

Further, the Independent Committee may obtain advice from an independent third-party expert at the Company's expense, which is a mechanism to even more steadily ensure the objectivity and fairness of the decisions made by the Independent 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, 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 ---

This document is to publicly announce the introduction of measures against a proposed large-scale acquisition of shares (takeover defense measures), and is not to offer the Company's shareholders to delegate the Company or a third party to exercise their voting rights for the proposed items of business at the Company's ordinary general meeting of the shareholders.

Attachment 1

Outline of the Rules of the Independent Committee

- The Independent Committee shall be established by resolution of the Company's board of directors.
- There shall be no less than three (3) members of the Independent Committee, and the Company's board of directors shall elect the members from (i) outside directors of the Company, (ii) outside statutory auditors of the Company and (iii) other outside experts who are independent from the management that conducts the execution of the business of the Company. However, 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 similar provision.
- Unless otherwise determined by a resolution of the Company's board of directors, the term of office of members of the Independent Committee shall be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the 38th Shareholders Meeting. However, the term of office of any member of the Independent Committee who is an outside director or outside statutory auditor shall end simultaneously in the event that they cease to be a director or statutory auditor (except in the case of their re-appointment).
- The Independent Committee shall 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 recommendation. Respecting such recommendations of the Independent Committee to the maximum extent, the Company's board of directors shall make decisions as a function 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 Independent 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 the purpose of 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 Independent Committee.
- In addition to the matters prescribed above, the Independent Committee shall conduct the matters listed below.
 - (a) Determining whether the Acquisitions should be made subject to the Plan.
 - (b) Determining the information that the Acquirer and the Company's board of directors should provide to the Independent Committee, and the deadline for the provision of that information.
 - (c) Examination and consideration of the terms of the Acquirer's Acquisitions.
 - (d) Negotiation and discussion 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 Independent Committee Consideration Period.
 - (g) Approval of modification or amendment of the Plan.
 - (h) Any other matters that the Plan prescribes that the Independent Committee may conduct.
 - (i) Any matters that the Company's board of directors separately determines that the Independent Committee may conduct.
- If the Independent Committee decides that the details stated in the Acquisition Document are inadequate as Essential Information, it shall request that the Acquirer provide additional information. Further, if the Independent Committee receives from the Acquirer the Acquisition Document and any additional 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 Independent 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 Independent Committee shall either directly or indirectly discuss and negotiate with the Acquirer, or present to shareholders the alternative plan of the Company's board of directors or conduct any similar action.
- In order to collect the necessary information, the Independent Committee may request the attendance of a director, statutory auditor or employee of the Company,

or any other party that the Independent Committee considers necessary, and may require explanation of any matter it requests.

- The Independent Committee may, at the Company's expense, obtain the advice of an independent third party (including financial advisers, certified public accountants, lawyers, consultants and other experts) and conduct similar actions.
- Any member of the Independent Committee may convene a meeting of the Independent Committee when an Acquisition arises, or at any other time.
- As a general rule, resolutions of meetings of the Independent Committee shall pass with a majority when all of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; hereinafter the same). However, in unavoidable circumstances a resolution may pass with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

--- End of Document ---

Attachment 2

Profiles of the Members of the Independent Committee

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

Tsutomu Maruyama

Business Background

April 1971	Entered IBM Japan, Ltd.
January 1994	Appointed Director and General Manager of Personal Computer Development and Manufacture Department of IBM Japan, Ltd.
April 1998	Appointed Managing Director in charge of Display Business of IBM Japan, Ltd.
January 1999	Appointed Senior Managing Director in charge of Development and Manufacture of IBM Japan, Ltd.
April 2001	Appointed Vice President and Director in charge of Development and Manufacture of IBM Japan, Ltd.
March 2004	Appointed Technical Advisor of IBM Japan, Ltd.
December 2004	Appointed Director of the Company (current position)
June 2005	Appointed Technical Advisor of WILLCOM, Inc. (current position)
October 2005	Appointed Specially-Appointed Professor of Graduate School of Engineering/Faculty of Engineering of Tokyo University (current position)
April 2006	Appointed Chief Information Officer of Tokushima Prefecture (current position)
June 2006	Appointed Part-time Director of Advanced Peripherals Technologies, Inc. (corporate name changed to JB Advanced Technology Corporation) (current position)
April 2007	Appointed Advisor of IBM Japan, Ltd.
March 2008	Retired from an office of Advisor of IBM Japan, LTd.

*Mr. Tsutomu Maruyama is a candidate for outside director as set out in Article 2-3(7) of the Enforcement Regulations of the Corporation Law, and is scheduled to be appointed as an outside director upon his election as such at the 38th Shareholders Meeting.

Mr. Maruyama does not have any special interest in the Company.

Hirohisa Hayashi

Business Background

September 1971	Entered Nikkei-McGraw-Hill, Inc. (currently Nikkei Business Publications, Inc.) (writer for Nikkei Electronics)
July 1985	Appointed Chief Editor of Nikkei Microdevices of Nikkei-McGraw-Hill, Inc.
March 1996	Appointed Deputy Director of Electronic Machine Department of Nikkei Business Publications, Inc.
March 1997	Appointed Director of Nikkei Business Publications, Inc.
March 1998	Appointed Senior Managing Director of Nikkei Business Publications, Inc.
January 2004	Appointed Senior Advisor and Director of FPD Laboratory of Nikkei Business Publications, Inc.
January 2007	Counselor of Nikkei Business Publications, Inc. (current position)
December 2007	Appointed Director of the Company (current position)

*Mr. Hirohisa Hayashi is a candidate for outside director as set out in Article 2-3(7) of the Enforcement Regulations of the Corporation Law, and is scheduled to be appointed as an outside director upon his election as such at the 38th Shareholders Meeting.

Mr. Hayashi does not have any special interest in the Company.

Kengo Hijiya

Business Background

April 1963	Entered Administrative Department of Hiroshima Regional Tax Bureau
July 2002	Chief of Kawasaki-kita Tax Office
July 2003	Retired
September 2003	Representative of Hijiya Tax Accountant Office (current position)
December 2004	Statutory Auditor of the Company (current position)

*Mr. Kengo Hijiya is a candidate for outside statutory auditor as set out in Article 2-3(8) of the Corporation Law, and is scheduled to be appointed as an outside statutory auditor upon his election as such at the 38th Shareholders Meeting.

Mr. Hijiya does not have any special interest in the Company.