

[Translation]

May 18, 2007

Name of the Company: Nippon Meat Packers, Inc.  
(the “Company”)  
Name of the Representative: Hiroshi Kobayashi  
Director and President  
(Code No.: 2282 Listed on 1<sup>st</sup> Section of Tokyo Stock  
Exchange and Osaka Securities Exchange)

---

To whom it may concern:

Notice regarding Introduction of a Defense Plan Against a Large Purchase Action of  
Shares of the Company (Takeover Defense Plan)

The Company hereby announces that the Company determined, at the meeting of the Board of Directors of the Company held on May 18, 2007, the introduction of a defense plan which is a partly modified version (the modified plan hereinafter referred to as the “Plan”) of “the Defense Plan Against a Large Purchase Action of Shares of the Company (Takeover Defense Plan)” for the purpose of securing and enhancing the corporate value of the Company and the common interest of the shareholders made public on May 19, 2006 (hereinafter referred to as the “Year 2006 Plan”), in the light of the subsequent environment including, among other things, the amendments to laws and ordinances. The determination was made on the condition that the Plan will be submitted as a proposal to, and will become effective upon the approval by a majority of shareholders present (including those shareholders exercising their voting rights through voting forms) at the ordinary general meeting of shareholders of the Company to be held on June 27, 2007.

Like the Year 2006 Plan, the Plan consists of (i) a policy for countering a Large Purchase Action, in the event that a specified shareholder group<sup>1</sup> (hereinafter referred to as the “Specified Shareholders Group”) commences or is objectively expected to commence the purchase of share certificates, etc.<sup>2</sup> of the Company which will result in such group holding 20% or more of

---

<sup>1</sup> A specified shareholder group means (i) a holder(s) (as defined under Article 27-23, Paragraph 1 of the Securities and Exchange Law (hereinafter referred to as “the SEL”) and includes a person deemed the holder under Paragraph 3 of the same Article thereof) of share certificates etc. (as defined under Article 27-23, Paragraph 1 of thereof) of the Company and a common holder(s) (as defined under Article 27-23, Paragraph 5 of thereof and includes a holder(s) deemed common holder(s) under Paragraph 6 of the same Article thereof), or (ii) a person(s) conducting purchase, etc. (as defined under Article 27-2, Paragraph 1 and including those made at the exchange in a securities market) of shares certificates, etc. (as defined under Article 27-2, Paragraph 1 thereof) of the Company and specially connected person(s) (as defined under Article 27-2, Paragraph 7 thereof).

<sup>2</sup> Share certificates means “share certificates, etc.” as defined under Article 27-23, Paragraph 1 of the Securities and Exchange Law.

the voting rights<sup>3</sup> of the Company (except for a case in which the Board of Directors of the Company has given its prior consent thereto; herein referred to as the “Large Purchase Action”, and the person including a legal entity engaging in the Large Purchase Action being referred to as the “Large Purchaser”), for the purpose of determining whether or not the Large Purchase Action would stably and continuously enhance the corporate value of the Company and the common interest of its shareholders, and (ii) a policy on the terms and conditions under which the Company will trigger exceptional countermeasures in the event that the Large Purchase Action is deemed to prejudice the Company’s corporate value and the common interests of its shareholders which cannot be avoided unless the countermeasure is triggered.

The Plan was designed after fully taking into consideration 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, the “Matters to be Considered for Protection of Investors in connection with Introduction of Hostile Takeover Defense” made public by The Tokyo Stock Exchange, Ltd. on April 21, 2005 and the proxy voting policies and guidelines on hostile takeover defense plans made public by institutional investors from last year.

All the Corporate Auditors of the Company including the External Corporate Auditors of the Company have agreed on the introduction of the Plan on the condition that the Plan will be actually and duly executed. Also, all the incumbent members of the Corporate Value Evaluation Committee which was established to secure the due implementation of the Year 2006 Plan have agreed on the Plan.

## **1. The Company’s Efforts to Enhance the Corporate Value**

### **(1) Corporate Ideas of the Company Group**

We set forth two corporate ideas, namely “Based on the theme “Enjoying Eating”, the Company is contributing to society through creation of a new cultural age” and “The Company serves as a place where employees can find true happiness and purpose in life”, under which the Company engages in food business with the goal of contributing to the cheerful and healthy living of our customers through the provision of safe, secure and tasty food. Since the Company group’s business nurtures life, and protects the benefits and processes of food, we believe that such business is very important to society because we are required to provide a stable supply of food from now to the future. We believe that it is also a business needed by society for enriching people’s life through the introduction of new eating settings and creating a new eating culture. We also recognized that working in a satisfying industry enhances our employees, who will enable the Company to provide its customers with better goods and services.

---

<sup>3</sup> Voting rights means (i) in the case of footnote 1 (i) above, share certificates etc. percentage (as defined under Article 27-23, Paragraph 4 of the SEL, in which case the number of shares held by a common holder as defined under the same paragraph shall be added, or (ii) in the case of footnote 1 (ii) above, total owning ratio of share certificates etc. of the person(s) conducting purchase and specially interested person(s) (meaning the number of shares and the like as defined under Article 27-2, Paragraph 8).

(2) Efforts to Enhance the Company's Corporate Value and the Common Interests of Shareholders

The Company designed the "New Medium-Term Management Plan Part II" for the three fiscal years commencing on the fiscal year April 2006 to the fiscal year ending March 2009, the theme of which is the "Firm Renovation and Enhancement of the Corporate Value through Challenge". It is based on three management policies, namely, "Execution of compliance management to the full extent", "Management that places special emphasis on customers" and "Promotion of group management", which were enumerated in the "New Medium-Term Management Plan I - Renovation of Corporate Culture and Promotion of Management Reform" in April 2003; and it aims for the Company to develop and expand and concentrate on the enhancement of management quality during this three-year period. We understand that the operational environments in the future, represented by a "society with a declining birth rate and composed largely of elderly people", "development of globalization", an "intensified price competition (reduction of product price)", a "structural change in distribution system", "high prices of raw materials due to livestock disease" and "high cost of energy and materials due to crude oil high price", are severe, and we recognize that any change would be sudden and substantial. We will steadily carry out the renovations and challenges enumerated in the New Medium-Term Management Plan Part II so that we can respond to our customers' expectation and realize continued growth and stable profits, which will lead to the enhancement of the corporate value and the common interest of the Company's shareholders.

In the New Medium-Term Management Plan Part II, the Company will execute specified measures under three management policies, namely "Promotion of quality No. 1 management", "Enhancement of the quality of the group management and active expansion of business" and "Promotion of CSR and enhancement of brand value".

"Promotion of Quality No. 1 Management"

The Company group ensures the safety and quality of all products that the Company group handles to enhance customer satisfaction and discloses to customers information that they wish to know to the extent possible to ensure and guarantee safety and quality. From now on, the Company will facilitate communication with customers more actively than before, to understand customers' request and respond in detail to such request. Through this, the Company will promote "Quality No. 1 management" enabling it to continuously produce and develop fascinating and impressive products and technologies. The Company will continue to enhance quality so that its competitiveness would overwhelm others in the food industry in Japan and the corporate emphasis on customers and quality will be further enforced.

In the year commencing April 2006, the first year of the New Medium-Term Management Plan Part II, each of the relevant business departments and each company of the Company group established the Quality Enhancement Committee for the purpose of seeking high quality including freshness and taste. This undertaking to enhance the quality of products continued to be taken principally by the Quality Enhancement Committee; specifically, quality grade standards were newly set forth on the representative products of the Company and the products

are stored in good condition to keep their freshness and taste in addition to safe and secured food. In the year commencing April 2007, this undertaking continues to be taken and there are plans to expand the products.

Since the quality standards on food became stricter (through the establishment of the positive list system on agricultural medicines, etc. and other products) in Japan in the year commencing April 2006, the Company arranged for examination facilities inside and outside Japan to enable the Company to strengthen its system of compliance with laws and food safety. The Company will procure that the Company group's foods are safe by using the global examination system. The Company will use the examination analysis technology developed by the Central Laboratory of the Company, and will carry on research work to further develop technology.

“Enhancement of quality of the group management and active expansion of business”

The Company will promote further the “Group management” facilitated under the New Medium-Term Management Plan Part I, rearrange for strategically grouping operational resources such as “personnel”, “facilities”, “fund”, “information” and “brands”, and will assign resources to achieve overall optimum for the entire group. With respect to specified business fields which are expected to grow and expand, the Company will actively and principally assign its management resources to develop and expand such business fields. With respect to the existing business, the Company will further refine the direct marketing system in which the Company holds a competitive edge, enforce its marketing power by virtue of the synergy effect associated with the consolidation of the group and expand business. While at the same time enforcing the corporate governance function by establishing the internal control system of the Company, each group company will promote independent management in such a way that the quality of the group management will be further enhanced.

In the year commencing April 2006, employees of the business department were reshuffled, resulting in the increase of the number of employees assigned to marketing, and at the same time manufacturing plants were integrated, and thereby enhancing cost competitiveness. Furthermore, the group standard accounting system which was introduced in the year commencing April 2005 is scheduled to cover 40 companies of the Company group, which will result in immediately grasping the operational conditions of the entire group or of each group company and making precise management decision. Moreover, in July 2007, the Company strengthened the administration of the personal resources of the entire group through the establishment of the group personnel information system. The Company will continue to arrange for IT infrastructure which serves as the common basis for the entire group in the light of enhancing competitiveness of the entire group.

“Promotion of CSR and enhancement of brand value”

The Company group has exerted efforts to execute compliance management to the fullest extent practicable during the New Medium-Term Management Plan I. The Company has decided to continue such efforts to actively promote CSR (corporate social responsibility) with

respect to social contribution, environmental issues and other issues. The Company engages in actual activities connected tightly with its business, such as “Food and health”, “Agriculture by way of circulation (wastes being returned to the earth for fertilizer)”, “Anti-food allergy measure”, “Raising food” and “Package that also takes care of environmental”, and will establish such CSR as no person other than this Company can do so. We believe that the promotion of CSR will create reliability and group expectation among customers and also enhance the group pride and concentration of employees of the Company group.

The Company established a group brand representing its corporate ethics and management idea in the fiscal year commencing April 1, 2005. The Company wishes the group brand to be shared by stakeholders as their common value, which would be linked with the continued growth of the Company group. The Company believes that CSR activities would also result in increasing the value of the corporate brand.

In the year commencing April 2006, the Company installed the “Exclusive Manufacturing Line for Anti-Allergy Food”, with a view to assisting customers suffering from allergic conditions and to manufacture and market food that achieves such goal. The Company is actively sponsoring baseball classes and association football (soccer) classes held by “Nippon Ham Fighters” and “Serezo Osaka”, respectively, is actively continuing circulation-type agriculture operated by the business department, and is regularly holding meal-taking campaigns by using the *Hamrins* character. CSR activities of the group included the dispatch of information through the issuance of reports, such as environment reports and annual reports, and the utilization of the Company website in the Internet. At the same time the group made efforts to increase the brand value.

For the year ending March 2009, the Company is targeting to reach Yen 120,000 million of consolidated net sales and Yen 30,000 million of consolidated income before income taxes.

(3) Reasons for Introduction of the Plan – Defense for risks impairing corporate value and common interests of shareholders

The Company, in unifying all the group companies to the Company group target, has exerted efforts to enhance corporate value through the New Medium-Term Management Plan Part I and Part II since the fiscal year commencing April 1, 2003. However, in the event that a Large Purchase Action of shares of the Company is consummated without prior consent of the Board of Directors of the Company, it would impair the Company’s fundamental concept of giving joy to people by eating safe food, the Company’s efforts for continued business growth based on the stable supply of food which the Company deems a social mission and a corporate idea, and the Company’s brand image, etc., all of which would result in prejudicing the corporate value of the Company, including interests of shareholders, customers, business partners, communities, employees and interested parties, and the common interests of shareholders representing the total interests common to overall shareholders of the Company.

On the other hand, if one studies its share distribution, one can see that currently there is no shareholder that holds 10% or more of the shares of the Company and that the shareholders of the Company represent a wide range of persons, although mostly financial institutions and foreign corporations, etc. Mainly for this reason, in the event that a Large Purchase Action of

shares of the Company is consummated by a Large Purchaser, which would result in impairing the corporate value and common interests of the shareholders, the Company could not defend against it without the preparation of any defense measure, in which case the common interests of the shareholders and the interested parties of the Company might be prejudiced.

In order to cope with the aforesaid risks and impairment of the corporate value and common interests of its shareholders, the Company decided to introduce the Plan as a defense plan against Large Purchase Action following the Year 2006 Plan.

The Plan's initial purpose is to obtain, prior to a Large Purchase Action, from a Large Purchaser information relating to the intended purchase of shares, etc. of the Company (e.g., a summary of the Large Purchaser, the purpose, method and content of the Large Purchase Action, the basis of how the purchase price is fixed, and management policy following the consummation of purchase), secure a time period during which the Board of Directors of the Company will negotiate with the Large Purchaser and deliberate the proposal of the Large Purchaser and make a judgment of whether or not the Large Purchase Action will facilitate the maximization of the Company's corporate value and the common interests of its shareholders. Notwithstanding the above, in the event that a Large Purchaser commences to purchase the shares of the Company for Large Purchase Action without providing information prior to a Large Purchase Action or commences a Large Purchase Action without any prior notice to the Company, or in the event that the Company is of reasonable opinion that judging from the content, form and method of such Large Purchase Action, it will impair the Company's corporate value and common interests of its shareholders, the Company will grant a gratis allotment of stock acquisition rights with company's partial call option (Article 277 of Company Law, Article 236, Paragraph 1, Item 7 of Company Law) upon triggering the defense measure. The overall flow of the Plan from the introduction to triggering or not triggering the defense measure is described in Attachment I.

The Company is not currently confronted with any Large Purchase Action; however, the introduction of the Plan will enable the Company to prevent the Company's corporate value and common interests of its shareholders from being impaired by any Large Purchase Action.

## **2. Defense Measure for Purchase Proposal for Large Purchase Action of the Company's Shares**

The Company believes that any Large Purchase Action must ultimately facilitate the maximization of the Company's corporate value and common interests of its shareholders, as shown by the specified policy and content of the Large Purchase Action. Therefore, in the event that the Company's corporate value and common interests of its shareholders will be inevitably impaired unless the defense measure of the Company is triggered, the Company will trigger the defense measure of the Company and grant to shareholders gratis allotment of stock acquisition rights with company's partial call option.

To gather the information necessary in deciding whether or not the defense measure should be triggered, the Company will request the Large Purchaser to provide a summary of the Large Purchase Action and large purchase proposal of the shares of the Company (hereinafter referred to as the "Large Purchase Proposal") and other information to the Company. Upon being

provided with such information, the Company will carefully prepare and make public its opinion after deliberation by the Corporate Value Evaluation Committee (composed of three to five evaluation members appointed by the Company, upon satisfaction of specified standards,<sup>4</sup> from among the independent External Director, External Corporate Auditor and well informed persons including university professors, outside professionals such as lawyer or certified public accountant; reference is made to Attachment II describing a summary of the Committee's activities and the résumé of the current members), which was established at the time of the introduction of the Year 2006 Plan, and the Board of Directors, if necessary, will negotiate with the Large Purchaser and present to its shareholders an alternative proposal (the "Alternative Proposal", which means specified measures relating to the Company's corporate value and common interests of its shareholders actualized by the Board of Directors of the Company; the same applicable hereinafter).

As a result of such deliberation, the Corporate Value Evaluation Committee will decide whether or not the requirements set forth below for triggering or not triggering the defense measure are met, the Committee will submit to the Board of Directors a recommendation for or against triggering the defense, and then the Board of Directors will decide to trigger or not to trigger the defense measure upon giving full consideration to such recommendation.

(1) Large Purchase Action, Large Purchaser and Large Purchase Proposal under the Plan

"Large Purchase Action" under the Plan means purchase of share certificates, etc. of the Company for the purpose of holding or resulting in holding 20% or more of voting rights of the Company by the Specified Shareholder Group; a "Large Purchaser" under the Plan means a person including legal entity executing a Large Purchase Action; and a "Large Purchase Proposal" means a purchase proposal which Large Purchaser will submit to the Company a purchase proposal for share certificates of the Company in connection with a Large Purchase Action; provided, however, that the Plan will not be applicable in the event that a prior consent is given by the Board of Directors of the Company to the Large Purchase Action concerned.

(2) Necessary Information Providing Procedure

The Board of Directors of the Company will ask the Large Purchaser to provide information relating to each of the following items (hereinafter referred to collectively "Necessary Information"; and the procedure by which the Company asks Large Purchaser providing Necessary Information being referred to as "Necessary Information Providing Procedure").

- ① A summary of the Large Purchaser and its group (its joint holders, its especially interested parties, or in case of investment fund the partners or other constituents).

---

<sup>4</sup> Specified standards means the standards provided for in Article 3, Section 2, Attachment IV "Defense Policy for Large Purchase Action of Shares of the Company".

- ② The purpose, method and content of Large Purchase Proposal (including price and kind of the consideration of purchase, time of purchase, structure of related transactions, legality of purchase method, probability of consummation of purchase).
- ③ Calculation basis of the purchase price (including facts underlying the calculation, calculation method and the numeral information used for calculation) and purchase fund availability (the specified name of fund provider including a substantial provider, financing method, content of related transactions).
- ④ In addition to information legally required to be disclosed in the take-over bid registration statement, information relating to management policy and business plan of the Company following the acquisition (meaning the purchaser's opinion on "Food safety" including traceability or the public aspect of food industry) and information relating to capital policy and dividend policy, etc of the Company.
- ⑤ Policies on employees, business partners, customers, the communities and other interested parties of the Company following the Large Purchase Action.
- ⑥ In addition, information reasonably required by the Board of Directors or the Corporate Value Evaluation Committee.

Since the specified content of Necessary Information under the Necessary Information Providing Procedure can differ depend on the content and size of a Large Purchase Action, a Large Purchaser must submit a Large Purchase Proposal including Necessary Information deemed reasonable, necessary and sufficient to the Board of Directors of the Company prior to the consummation of the Large Purchase Action. In the event that the Board of Directors of the Company judged the content of the Large Purchase Proposal to be insufficient vis-à-vis Necessary Information, the Board of Directors will present to the Large Purchaser a list of Necessary Information to be additionally submitted to the Board of Directors by the Large Purchaser within 10 business days following the submission of the Large Purchase Proposal. Upon presentation of the list, the Large Purchaser shall provide to the Board of Directors from time to time additional Necessary Information as requested from time to time by the Board of Directors so that Necessary Information Providing Procedure shall be completed in principle within 60 days following the giving to the Large Purchaser of the list of Necessary Information to be additionally submitted to the Board of Directors of the Company (hereinafter referred to "Necessary Information Providing Period"). However, since the specified content of Necessary Information may deviate, the Board of Directors of the Company may extend the Necessary Information Providing Period by a maximum 30 days taking into consideration the content and size of the Large Purchase Action, and the conditions on which the Necessary Information has been submitted. In judging of whether or not the Necessary Information is sufficient, whether or not the content and range of Necessary Information requested to be submitted by the Board of Directors are reasonable, whether or not Necessary Information Providing Period is extended,

the Board of Directors of the Company will decide upon receiving advice and recommendation from the Corporate Value Evaluation Committee.

(3) Deliberation Procedure of the Board of Directors

During or following the termination of the Necessary Information Providing Period depending on the status of the Necessary Information submitted and on receiving advice and recommendation from the Corporate Value Evaluation Committee, the Board of Directors of the Company will examine and analyze the Large Purchaser and the Large Purchase Proposal, carefully prepare and make public the opinion of the Board of Directors of the Company and, if necessary, negotiate with the Large Purchaser and present Alternative Proposal to its shareholders. The shareholders of the Company also will be able to examine the Large Purchase Proposal and the Alternative Proposal comparatively with reference to the opinion of the Board of Directors of the Company.

Since, depending on the content and size of the Large Purchase Proposal (excluding the Large Purchase Proposal to which the Company's Board of Directors resolved to consent), a period is required to evaluate and examine the Large Purchase Proposal, and for the Company's Board of Directors to negotiate with the Large Purchaser or present an Alternative Proposal (hereinafter referred to as "Board Examination Period"), it will be in the interest of the Company and its shareholders if the Large Purchase Action commences following the expiration of the Board Examination Period. The Board Examination Period will be no longer than 60 days following the complete provision of the Necessary Information (in case of purchase of the Company's shares by way of public take-over bid, the consideration being limited only to cash in Japanese yen) or no longer than 90 days (in case of other purchase proposals); but if the Company's Board of Directors, after receiving a recommendation from the Corporate Value Evaluation Committee, resolves either to trigger or not to trigger the defense measure, the Board Examination Period will terminate at that time.

(4) Respecting Recommendation of Corporate Value Evaluation Committee

The Corporate Value Evaluation Committee will make recommendations to the Company's Board of Directors with respect to matters stated in Attachment II, and the Company's Board of Directors will respect the recommendation of the Corporate Value Evaluation Committee to the full extent in making judgment on such matters.

(5) Disclosure of Content of Board Examination

During the Board Examination Period the Company's Board of Directors will disclose to the Company's shareholders the fact that a Large Purchaser has made a Large Purchase Proposal and that the Company is receiving advice and recommendation from the Corporate Value Evaluation Committee, and such information as may be necessary for the shareholders to decide based on the Necessary Information, at such time as the Board of Directors deems

appropriate, and further evaluate and examine the Necessary Information provided, carefully prepare the opinion of the Board of Directors and disclose it at an appropriate time.

The Company, if necessary, will negotiate with the Large Purchaser, in order to assist the shareholders in deciding on the Alternative Proposal that the Company's Board of Directors may present to the Company's shareholders.

(6) Time limit for the Large Purchase Action by the Large Purchaser

The Large Purchaser cannot commence the Large Purchase Action with respect to shares of the Company prior to the end of the Board Examination Period for the Necessary Information Providing Procedure and the Board examination procedure.

**3. Requirement for Triggering or not Triggering Defense Measure, Content of Defense Measure**

- (1) Triggering defense measures (Resolution on gratis allotment of stock acquisition rights with company's partial call option by the Company's Board of Directors) and Not triggering defense measures

In the event that, in connection with a Large Purchase Proposal and a Large Purchase Action, the Corporate Value Evaluation Committee makes a positive recommendation to the Company's Board of Directors on the basis that conditions meeting one of the Requirements for triggering the defense measure stated in Schedule I below exist, the Company's Board of Directors will, upon giving full consideration to such recommendation, for the purpose of securing the interests of the Company and its shareholders and also securing the Company's corporate value and common interests of its shareholders, resolve to trigger the defense measure, i.e., resolving a gratis allotment of stock acquisition rights with company's partial call option (Article 277 of Company Law and Article 236, Paragraph 1, Item 7 of Company Law) (reference is made to Attachment III for the summary of the stock acquisition rights with company's partial call option; stock acquisition rights concerned being referred to as the "Stock Acquisition Rights"). The defense measure will be triggered in an exceptional case where the triggering of defense measure is unavoidable to prevent the Company's corporate value and common interests of its shareholders from being impaired by a Large Acquisition and, unless the defense measure is triggered at the time concerned, the Company's corporate value and common interests of its shareholders would inevitably be impaired.

Furthermore, in order to give the Company flexibility to make a gratis allotment of stock acquisition rights, the Company filed new securities registration statement for the issue of Stock Acquisition Rights by July 6, 2008 with the authorities concerned under the Year 2006 Plan.

Shareholders, other than the shareholders belonging to the Specified Shareholder Group including a Large Purchaser with respect to which the Requirements for Triggering Defence Measure are determined to have been met, will be free from any restriction on the exercise of Stock Acquisition Rights (however, any transfer of Stock Acquisition Rights and exercise of

Stock Acquisition Rights by shareholders belonging to the Specified Shareholder Group including the Large Purchaser will be subject to restrictions; and if requirements are imposed for the exercise of Stock Acquisition Rights under the laws and ordinances of the relevant country to which the shareholders are subject, such as a requirement to perform a specified procedure or specified condition (including a specified inaction period or submission of a specified document, etc. or both), the Stock Acquisition Rights cannot be exercised without meeting such requirement). Furthermore, since the Stock Acquisition Rights will be granted gratis with the Company's partial call option, upon decision of the Board of Directors of the Company, shareholders other than the shareholders belonging to the Specified Shareholder Group including the Large Purchaser, with respect to which the Requirements for Triggering Defence Measure are determined to have been met (however, excluding the shareholders stated below in this sentence, if requirements are imposed for the exercise of Stock Acquisition Rights under the laws and ordinances of the relevant country to which the shareholders are subject, such as a requirement perform a specified procedure or specified condition (including a specified inaction period or submission of a specified document, etc. or both), the shareholders subject to the above requirements cannot exercise the Stock Acquisition Rights without meeting such requirement; the same applicable hereinafter), may receive shares of the Company in exchange for the Stock Acquisition Rights held by such shareholders other than the shareholders belong to the Specified Shareholder Group including the Large Purchaser, with respect to which Requirements for Triggering Defense Measure are determined to be met. Therefore, in accordance with the Plan, in the event that Stock Acquisition Rights are granted gratis and shareholders, other than the shareholders belonging to the Specified Shareholder Group including the Large Purchaser, with respect to which the Requirements for Triggering Defense Measure are determined to have been met, exercise the Stock Acquisition Rights, or shares of the Company are delivered to such shareholders other than the shareholders belong to the Specified Shareholder Group including the Large Purchaser, with respect to which Requirements for Triggering Defense Measure are determined to be met, in exchange for Stock Acquisition Rights transferred to the Company, the Voting Right Ratio held by the shareholders belonging to the Specified Shareholder Group including the Large Purchaser, with respect to which the Requirements for Triggering Defence Measure are determined to have been met, will be diluted; provided, however, that if the Board of Directors of the Company believes that is reasonable for the Company to withdraw the defense measure which the Company has triggered due to the fact, etc. that the Large Purchaser deemed by the Company to have met the Requirements for Triggering Defence Measure has withdrawn the Large Purchase Action or the Large Purchase Proposal, then the Company may either stop the allotment of the Stock Acquisition Rights prior to the effective date for the gratis allotment (as defined below) or acquire free of charge all the Stock Acquisition Rights on the date the Board of Directors of the Company specifies at any time prior to the date preceding the commencement date of the exercise period after the effective date for the gratis allotment (hereinafter referred to as the "Withdrawal of the defense measure").

However, if the Corporate Value Evaluation Committee recommends there exists conditions meeting any of the Requirements for Not Triggering Defense Measure set forth in items ① to ④ of Schedule II below, the Board of Directors of the Company will assign maximum value to the recommendation and accordingly will not adopt a resolution for

triggering the defense measure against the Large Purchase by the Large Purchaser or will adopt a resolution not triggering it. If the Corporate Value Evaluation Committee does not confirm the existence of any conditions meeting any of the Requirements for Triggering Defense Measure or the Requirements for Not Triggering Defense Measure and therefore does not make any recommendation for or against triggering the defense measure to the Board of the Directors of the Company by the expiration of the Board Examination Period, the Board of Directors of the Company will not trigger any defense measure.

Moreover, the Board of Directors of the Company will exert its best efforts to continue smoothly the examination of the Large Purchase Proposal and negotiation with the Large Purchaser even after the expiration of the Board Examination Period.

The Board of Directors of the Company will quickly disclose information relating to any resolution to trigger or not trigger the defense measure and such other matters as the Board of Directors of the Company determines appropriate so as to enable the shareholders to make the appropriate decision.

#### Schedule I. Requirements for Triggering Defense Measure

- ① in the event that it is objectively and reasonably assumed that a Large Purchaser has no true intention to participate in the management of the Company and a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal for the purpose of selling shares at high prices to parties related to the Company (including but not limited to, affiliated companies of the Company, officers, employees, or business partners of the Company) by unduly raising the price of shares of the Company.
- ② in the event that it is objectively and reasonably presumed that a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal for the purpose of enabling a Large Purchaser to transfer a so-called “crown jewel” including assets, intellectual proprietary rights, know-how, trade secret, principal business partners, and customers, etc. of the Company to a Large Purchaser and/or its affiliated companies.
- ③ in the event that it is objectively and reasonably presumed that a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal with a view to diverting assets of the Company to mortgages and/or repayments of liabilities incurred to a Large Purchaser and its group companies, etc.
- ④ in the event that it is objectively and reasonably presumed that a Large Purchaser engages in a Large Purchase Action or a Large Purchase Proposal for the purpose of enabling a Large Purchaser to cause the Company to pay temporarily high returns (including but not limited to dividends to be paid out of earned surplus; the same applicable hereafter) to the shareholders with proceeds from sales of the Company’s assets, etc. or to sell out the Company’s shares at such high prices arising from the temporary rise of the Company’s shares due to a temporary high return, etc. to the shareholders.
- ⑤ in the event that a Large Purchaser does not comply with Necessary Information Providing Procedure and it is difficult for the shareholders to evaluate the Large Purchase Proposal due to lack of sufficient information to determine whether to transfer the Company’s shares to a

Large Purchaser, or continue to hold them, and a Large Purchaser commences a Large Purchase without any prior notice to the Company, or it is objectively and reasonably presumed that a Large Purchaser commences such Large Purchase.

- ⑥ in the event that, despite a Large Purchaser having responded in the Necessary Information Providing Procedure, it is objectively and reasonably presumed that a Large Purchase Proposal is a two-tier coercive purchase proposal (i.e., at the first stage the entire Company's shares are not solicited for purchase, but at the second stage purchase will be consummated at less favorable or unspecified conditions to shareholders).
- ⑦ in addition to items ① to ⑥ above, in the event that it is objectively and reasonably presumed that the common interests of the Company's shareholders and corporate value of the Company's group including the Company's shareholders, business partners, customers, employees, communities and other interested parties of the Company, might be impaired to substantially the same extent as set forth in items ① to ⑥ above due to the Large Purchase Proposal or the Large Purchase Action.

## Schedule II.

### Requirements for Not Triggering Defense Measure

- ① in the event that, during Board Examination Period and after the expiration of Board Examination Period, the Board of Directors of the Company failed to present to shareholders any Alternative Proposal including management plan in which corporate value evaluation, which is higher than the corporate value evaluation stated in a Large Purchase Proposal, can reasonably be expected to materialize, and it is evident that the Company has not taken any negotiation etc. with the Large Purchaser.
- ② in the event that it is objectively evident that a Large Purchase Proposal contains higher corporate value evaluation than any Alternative Proposal presented by the Board of Directors of the Company, and it is not evident that the Large Purchase Proposal would threaten to impair the Company's corporate value and common interests of its shareholders.
- ③ in the event that the Board of Directors of the Company has not presented any Alternative Proposal during the Board Examination Period.
- ④ in the event that it is apparent that any condition meeting the requirement of ① to ⑦ of the Requirements for Triggering Defense Measure above.

#### (2) Content of defense measure

##### ① Allotees of Stock Acquisition Rights

One Stock Acquisition Right will be allotted gratis to one share held by a shareholder (other than any common stock held by the Company) who is entered or recorded in the last shareholders' register or beneficial shareholders' register as at the record date for allotment<sup>5</sup> to be announced publicly upon the resolution of the Board of Directors of the Company. No allotment of the Stock Acquisition Rights will be

---

<sup>5</sup> The record date for allotment will be determined by the Board of Directors of the Company as the record date (Article 124 of the Company Law) to determine shareholders who are entitled to gratis allotment of the Stock

made to shareholders who are entered into or recorded in the shareholders' register or beneficial shareholders' register after the record date for allotment. Also no allotment of the Stock Acquisition Rights will be made to shareholders who hold shares at present but are not entered or recorded in the last shareholders' register or beneficial shareholders' register on the record date for allotment due to a sale of the shares of the Company, etc.

② Exercise Period of Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights will be thirty (30) days from the commencement date<sup>6</sup> thereof. Shareholders other than the shareholders belonging to the Specified Shareholder Group including a Large Purchaser, with respect to which the Requirements for Triggering Defense Measure are determined to have been met, may acquire the Company's shares upon the exercise of the Stock Acquisition Rights at any time during the exercise period; provided, however, that in the event that the Company exercises its call option in part, with respect to the Stock Acquisition Rights which the Company called, the exercise period for the Stock Acquisition Rights will expire on the date called by the Company as defined in ④ below.

③ Limit on Exercise of Stock Acquisition Rights (discriminatory conditions)

Upon exercise of the Stock Acquisition Rights, each Stock Acquisition Right may be exchanged for one share of common stock of the Company (but subject to adjustment). However, the Stock Acquisition Rights are attached with discriminatory condition that the shareholders belonging to the Specified Shareholder Group including a Large Purchaser, with respect to which the Requirements for Triggering Defense Measure are determined to have been met, can not exercise the Stock Acquisition Rights even if such shareholders are allotted with the Stock Acquisition Rights. Furthermore, if requirements are imposed for the exercise of Stock Acquisition Rights under the laws and ordinances of the relevant country to which the shareholders are subject, such as performing a specified procedure or specified condition (including requirement for a specified inaction period or submission of a specified document, etc. or both), the Stock Acquisition Rights might not be exercised without meeting such requirement.

---

Acquisition Rights and is a different date from the effective date of gratis allotment of the Stock Acquisition Rights (hereinafter referred to as "Gratis Allotment Effective Date" Article 278, Section 1, Paragraph 3 of the Company Law).

<sup>6</sup> The commencement date of the exercise period is planned to be approximately one and a half month later than the record date for allotment. This period shall take into consideration the time period practically required to deal with sending notice to beneficiary shareholders by the Japan Securities Depository Center, Inc., preparing the shareholders' register by the transfer agent, and sending notice to shareholders and registered share pledgers under Article 279, Paragraph 2 of the Company Law.

④ Reacquisition of Stock Acquisition Rights by the Company (Stock Acquisition Rights with Company's Partial Call Option)

The Company hereby sets forth the terms of the Company's partial call option (Article 236, Paragraph 1, Item 7 of the Company Law) in connection with a gratis allotment of the Stock Acquisition Rights. In the event that the Board of Directors of the Company determines it appropriate for the Company to reacquire the Stock Acquisition Rights in part, the Company shall be entitled to reacquire the Stock Acquisition Rights held by shareholders other than the shareholders belonging to the Specified Shareholder Group including a Large Purchaser, with respect to which the Requirements for Triggering Defense Measure are determined to have been met, on the date to be determined by the Board of Directors of the Company (hereinafter referred to as "Reacquisition Date"). The Board of Directors of the Company will determine the Reacquisition Date, that can be from the gratis allotment effective date to the last date of the exercise period (provided, however, that the period during which the Board of Directors of the Company may resolve the Reacquisition Date shall terminate prior to the date preceding the commencement date of the exercise period of the Stock Acquisition Rights). In this case, on the Reacquisition Date the Company will may reacquire all unexercised Stock Acquisition Rights held by shareholders other than the shareholders belonging to the Specified Shareholder Group including a Large Purchaser, with respect to which the Requirements for Triggering Defense Measure are determined to have been met, in exchange for one share of common stock of the Company to be delivered per one Stock Acquisition Right (subject to adjustment).

Furthermore, in the event that the Board of Directors of the Company determines that it is reasonable for the Company to acquire, as a withdrawal of the defense measure, the Stock Acquisition Rights due to circumstances where the Large Purchaser, deemed by the Company to have met the Requirements for Triggering Defense Policy, has withdrawn the Large Purchase Action or the Large Purchase Proposal, the Company may, at any time prior to the date preceding the commencement date of the exercise period, determine to acquire free of charge all the Stock Acquisition Rights on the date specified by the Board of Directors of the Company.

Moreover, prior to the effective date for the gratis allotment, the Company may stop an allotment of Stock Acquisition Rights as a withdrawal of the defense measure through a resolution of the Board of Directors of the Company.

#### **4. Effective Period of the Plan, Abolishment and Amendment Procedure of the Plan**

The Plan was introduced by resolution of the Board of Directors of the Company on May 18, 2007, and will become effective on June 27, 2007 on the condition that the Plan as a proposal will be submitted to and approved by a majority of voting rights of the shareholders present, at the ordinary general meeting of shareholders of the Company scheduled to be held June 27, 2007, and the effective period will be until the close of the ordinary general meeting of shareholders of the Company which is scheduled to be held in June 2008 (or the time when the Board of Directors of the Company resolves to abolish the Plan prior thereto). Even during the effective period of the Plan, in the light of developments relating to the Company Law and other related laws and ordinances, the Plan may be reviewed from time to time from the viewpoint of securing and enhancing the Company's corporate value and common interests of its shareholders, and may be abolished or amended, if necessary, upon resolution of the Extraordinary General Meeting of Shareholders or the Board of Directors of the Company.

Furthermore, the term of office of all Directors of the Company is one year and the Directors are elected at an ordinary general meeting of shareholders in June each year. Since the Company does not have a staggered board and any restriction on the removal of Directors, it is possible for all the Directors to be elected or removed at one general meeting of shareholders so that the Board of Directors composed of Directors elected at such general meeting of shareholders can abolish or amend the Plan. For this reason we believe that the intentions of the shareholders can be fully reflected in the introduction, abolishment or amendment of the Plan (Furthermore, we believe that abolishment and amendment of the Plan by a resolution of the Board of Directors will reflect the intentions of the shareholders because the Board of Directors is composed of Directors who are elected at the Ordinary General Meeting of Shareholders).

In the event that the Plan is abolished or amended, the abolishment or amendment and content of amendment and such other matters determined by the Board of Directors of the Company as appropriate will be disclosed promptly.

Incidentally, regarding a defense plan in and after the fiscal year commencing in April 2008, the Board of Directors in a meeting to be held prior to an ordinary general meeting of shareholders will adopt a resolution on continuation, amendment or abolishment of such plan every year. If such plan continues or is amended, such plan will become effective upon the resolution of the Board of Directors. However, the summary of such plan will be listed on the agenda for the ordinary general meeting of shareholders and the plan will become effective with approval of a majority of voting rights of shareholders present as from the date of the ordinary general meeting of shareholders of the Company (Sunset Provision).

## **5. Reasonableness of the Plan**

### **(1) Consistency with Guidelines Regarding Takeover Defense Measure**

The Plan satisfies all of the three principles provided in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (hereinafter referred to as "Guidelines for Takeover

Defense”), namely, ① securing the corporate value and shareholders’ common interests, ② prior disclosure and the principle of upholding the shareholders’ intent, and ③ necessity and suitability principle, so that the Plan is fully consistent with Guidelines for Takeover Defense.

The following explains how the Plan satisfies the Requirements set forth in Takeover Defense Guidelines:

- (2) Introduction of the Plan for the purpose of securing and enhancing shareholders’ common interests

As stated above, if a Large Purchaser targets the Company’s shares, it becomes necessary to secure information and to have a period to enable the shareholders to judge whether or not the Large Purchase Action is inappropriate and to enable the Company to negotiate or take other actions on behalf of the shareholders. The Plan is thus introduced for the purpose of securing and enhancing the Company’s corporate value and shareholders’ common interests.

- (3) Shareholders’ Intent fully Respected (Sunset Provision)

The Plan will become effective upon the approval of a majority of shareholders with voting rights present at the ordinary general meeting of shareholders of the Company scheduled to be held June 27, 2007. It is provided for in the Plan that the effective period of the Plan will be until the close of the ordinary general meeting of shareholders of the Company scheduled to be held in June 2008 (or the time when the Board of Directors of the Company resolves to abolish the Plan prior thereto) and thereafter the intent of the shareholders with respect to the continuation or amendment of the Plan will be sought at the Company’s ordinary general meeting of shareholders to be held every year. Accordingly, we believe that the Plan is a Takeover Defense Measure that fully reflects shareholders’ intent.

- (4) Respecting Opinion of Corporate Value Evaluation Committee composed of External Independent Members

Under the Plan, in the event that a Large Purchase Action occurs in the Company, the Corporate Value Evaluation Committee will make a substantial judgment on whether or not the Large Purchase Action will impair the Company’s corporate value and common interests of its shareholders, and then the Company’s Board of Directors will decide on whether or not the defense measure should be triggered upon giving full consideration to the Corporate Value Evaluation Committee’s judgment. Since the Corporate Value Evaluation Committee strictly reviews arbitrary actions of the Company’s Board of Directors and the summary of its decision will be disclosed to the shareholders, there is an assurance that the Plan will be managed in a way that benefits the Company’s corporate value and common interests of its shareholders.

- (5) Setting forth Objective and Reasonable Requirement; Elimination of Arbitrary Judgment by the Board of Directors

As stated above the Plan is designed in principle not to trigger the defense measure unless the Corporate Value Evaluation Committee judges that the Requirements for Triggering Defense Measure, which are reasonable, detailed and objective, are satisfied. Accordingly, we believe that the Plan secures a system under which the Company's Board of Directors will not arbitrarily trigger the defense measure against a Large Purchase Action targetting the Company's shares by setting forth objective and reasonable requirements.

As stated above, the Plan also sets forth the Requirements for Not Triggering Defense Measure, which are reasonable and objective. In connection with the implementation of these requirements, the Corporate Value Evaluation Committee will, after judging whether or not the conditions underlying the Requirements for Not Triggering Defense Measure exist, make recommendation to the Company's Board of Directors, and the Company's Board of Directors will decide whether or not the Requirements for Not Triggering Defense Measure have been satisfied upon giving full consideration to the judgment of the Corporate Value Evaluation Committee. Accordingly, with respect to any decision that the defense measure against the Large Purchase Action engaged in the Company's shares has not been triggered, the Plan ensures a system under which the Company's Board of Directors will not arbitrarily make such a decision.

(6) Not Dead Hand Type Takeover Defense Measure

The Plan may be abolished by the decision of the Board of Directors composed of the Directors elected at the Company's general meeting of shareholders. Since the term of all Directors of the Company is one year, the terms of Directors do not end at different times, and the removal of any Director is not restricted, it is possible for all the Directors to be elected or removed at one general meeting of shareholders. Therefore, in the event that the Directors designated by person who acquired a large number of the Company's Shares Certificates, etc. and elected at the general meeting of shareholders constitute a majority of the Board of Directors of the Company, the Plan may be abolished by resolution of the Board of Directors. Accordingly, the Plan is characterized as completely different from the so-called dead hand type Takeover Defense Measure (i.e., a Takeover Defense Measure which is not prevented from triggering even if a majority of members of the board of directors change) or slow hand pill, which is a defense measure which avoids, or makes it difficult to abolish, the Takeover Defense Measure.

(7) Obtaining Opinion from Third Party Professionals

Under the Plan, the Corporate Value Evaluation Committee may obtain at the Company's expense an opinion from independent third parties (including financial advisers, certified public accountants, lawyers, consultants and other professionals). The fairness and objectiveness of Corporate Value Evaluation Committee's judgment will be strongly secured by such feature.

## **6. Effect on Shareholders and Investors**

(1) Effect on Shareholders when the Plan is introduced

At the time the Plan is introduced, since no gratis allotment of the Stock Acquisition Rights itself is made, no rights of shareholders will be affected in any respect.

(2) Effect on Shareholders when defense measure is triggered (at the time of gratis allotment of the Stock Acquisition Rights)

In the event that a gratis allotment of Stock Acquisition Rights is made upon triggering a defense measure under the Plan, shareholders who have been entered or recorded in the last shareholders' register or beneficial shareholders' register on the record date for allotment will become holders of Stock Acquisition Rights as a matter of course without following any procedure for application etc. on the Gratis Allotment Effective Date of the Stock Acquisition Rights. On the assumption that shareholders do not take any procedure for the exercise of the Stock Acquisition Rights, such as payment of certain amount during the exercise period, the Stock Acquisition Rights will be canceled (Article 287 of the Company Law). For this reason, in the event that the Stock Acquisition Rights of certain shareholder are canceled, the shares of the Company held by such shareholder will be diluted by the exercise of the Stock Acquisition Rights held by other shareholders. However, upon resolution of the Company's Board of Directors the Company may exercise its call option to reacquire the Stock Acquisition Rights from shareholders other than the shareholders belonging to A Specified Shareholder Group including a Large Purchaser who is determined to have met the Requirements for Triggering Defense Measure, and deliver the Company's common stock in exchange therefor under the procedure stated in (3)③ below. In the event that the Company takes such procedure, shareholders, other than the shareholders belonging to A Specified Shareholder Group including a Large Purchaser who is determined to have met the Requirements for Triggering Defense Measure, will receive the Company's shares without exercise of the Stock Acquisition Rights and without payment of amount equivalent to the exercise price, resulting in dilution of the value per share of the Company; however the value of a total of shares of the Company held will not be diluted.

Furthermore, during the process for triggering the defense measure the Company will disclose information necessary to the shareholders; however, although the Board of Directors has adopted a resolution for the gratis allotment of Stock Acquisition Rights and the gratis allotment of Stock Acquisition Rights was actually made, if the Board of Directors of the Company recognizes it to be reasonable for the Company to withdraw the defense measure due to the occurrence of events, such as the Large Purchaser withdrawing the Large Purchase Action or Large Purchase Proposal, the Company shall stop the allotment of the Stock Acquisition Rights prior to the effective date of the gratis allotment or the Company will acquire free of charge all the Stock Acquisition Rights prior to the date preceding the date commencing the exercise period without delivering shares of the Company in exchange for the Stock Acquisition Rights. In such case, since market prices of shares of the Company might fluctuate to a certain extent, the shareholders of the Company are expected to take this factor into account.

(3) Gratis Allotment of Stock Acquisition Rights, Exercise and Procedure Necessary for Shareholders in connection with Reacquisition by the Company

① Procedure for Transfer of Registration

In the event that the Company's Board of Directors resolves a gratis allotment of the Stock Acquisition Rights, the Company will make a public notice of the record date for allotment of the Stock Acquisition Rights. Since the Stock Acquisition Rights will be allotted to the shareholders who have been entered or recorded in the last shareholders' register or beneficial shareholders' register on the record date for allotment, the shareholders are requested to quickly take procedure for transfer of registration. (However, share certificates deposited with the Japan Securities Depository Center, Inc. do not need to take any procedure for transfer of registration.)

② Procedure for Exercise of the Stock Acquisition Rights

The Company will send the exercise application form of the Stock Acquisition Rights and documents necessary for the exercise of the Stock Acquisition Rights to the shareholders who have been entered or recorded in the last shareholders' register or beneficial shareholders' register on the record date for allotment. In the event that the shareholders exercise the Stock Acquisition Rights allotted gratis during the exercise period, the Company will issue one common stock of the Company (subject to adjustment) per one Stock Acquisition Right upon submitting the stock acquisition right exercise application form, etc. and other documents and payment of Yen 1.00 per Stock Acquisition Right at the payment handling place. However, since the Stock Acquisition Rights are issued with a discriminatory condition, the shareholders belonging to A Specified Shareholder Group, including a Large Purchaser who is determined to have met the Requirements for Triggering Defense Measure, shall not exercise the Stock Acquisition Rights. Furthermore, in the event that requirements are imposed for the exercise of Stock Acquisition Rights under the laws and ordinances of the relevant country to which the shareholders are subject, such as requirement for performing a specified procedure or specified condition (including a specified inaction period or submission of a specified document, etc. or both), the Stock Acquisition Rights may not be exercised without meeting such requirements.

③ Procedure for Reacquisition of the Stock Acquisition Rights by the Company

In the event that the Company's Board of Directors decides to reacquire the Stock Acquisition Rights in part in exchange for the Company's common stock, the shareholders other than the shareholders belonging to a Specified Shareholder Group including a Large Purchaser who is determined to have met the Requirements for

Triggering Defense Measure will receive the common stocks of the Company on the Reacquisition Date as set forth separately by the Company's Board of Directors without payment of the exercise price.

In addition to the above, with respect to the details of the methods for the transfer of registration and payment, the Company will make a public notice or give notice to the shareholders upon resolution of the Company's Board of Directors relating to the gratis allotment of the Stock Acquisition Rights so that the shareholders are informed thereof.

## **7. Amended Portion of the Year 2006 Plan**

### **(1) Withdrawal of Defense Measure**

The Plan explicitly provides that, although the Board of Directors has adopted a resolution for the gratis allotment of Stock Acquisition Rights or the gratis allotment of Stock Acquisition Rights was actually made, if, for example, due to circumstances such as that the Large Purchaser has withdrawn the Large Purchase Action or Large Purchase Proposal, the Company shall stop the allotment of the Stock Acquisition Rights prior to the effective date of the gratis allotment or the Company will acquire free of charge all the Stock Acquisition Rights prior to the date preceding the date commencing the exercise period without delivering shares of the Company in exchange for the Stock Acquisition Rights. By virtue of the provisions of the Plan, the Company may withdraw the defense measure in the absence of the circumstances under which the Large Purchaser might prejudice the corporate value of the Company and the common interest of its shareholders.

### **(2) Terms and Conditions of the Exercise of the Stock Acquisition Rights**

The Plan provides an additional clause to the effect that the Stock Acquisition Rights may not be exercised without meeting the requirements mentioned below, in the event that requirements are imposed for the exercise of Stock Acquisition Rights under the laws and ordinances of the relevant country to which the shareholders are subject, such as a requirement for performing a specified procedure or specified condition (including a specified inaction period or submission of a specified document, etc. or both). (Please refer to Attachment III for the summary of the stock acquisition rights with the Company's call option.) This is a note with respect to the exercise of the Stock Acquisition Rights to avoid any question. Shareholders who may be subject to the laws and ordinances of any foreign country in connection with the exercise of Stock Acquisition Rights are required to confirm, in advance, the terms and conditions necessary for the exercise of Stock Acquisition Rights under such laws and ordinances.

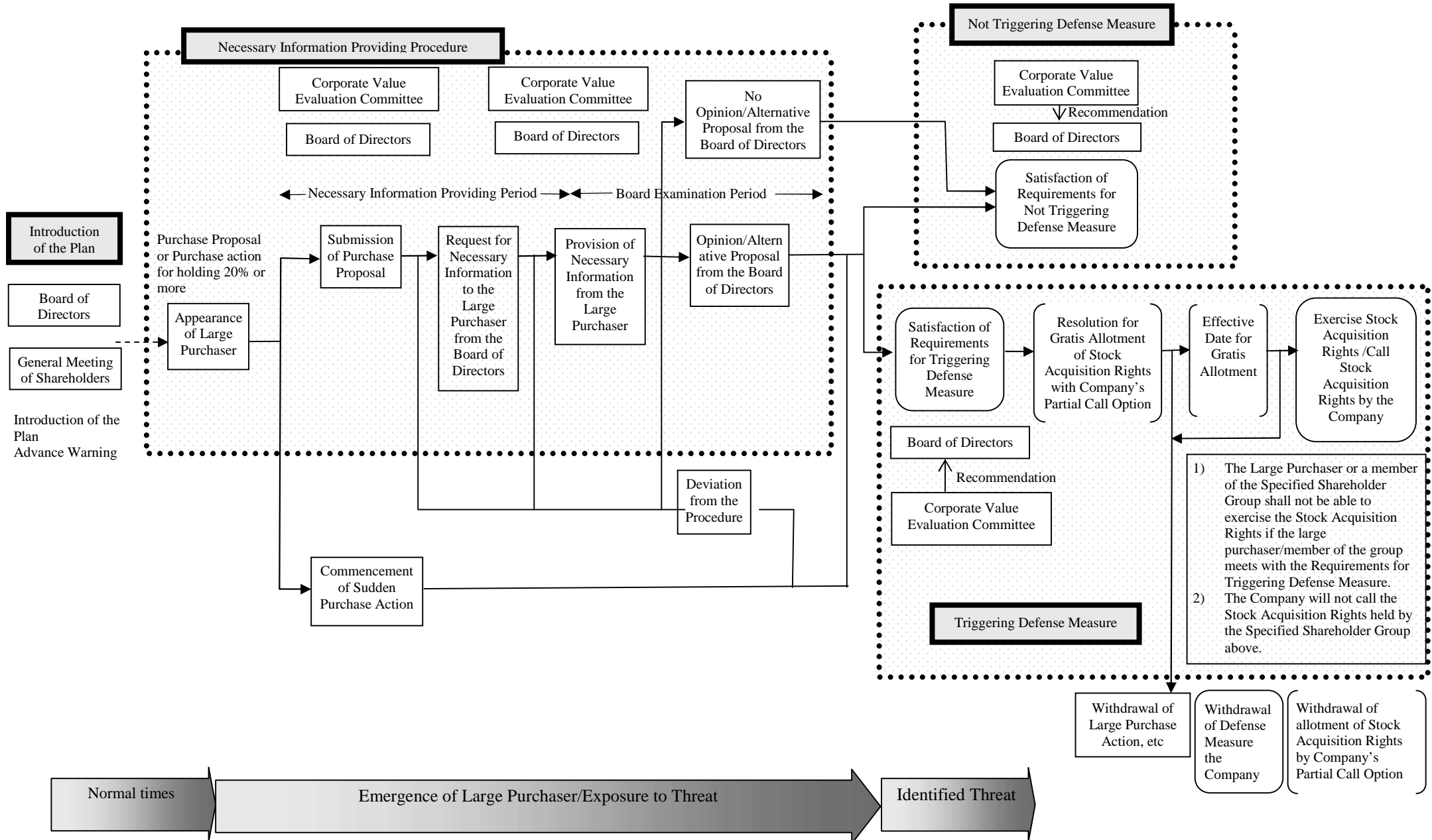
### **(3) Recommendation of the Corporate Value Evaluation Committee relating to triggering defense measure**

Under the Plan insofar as the Corporate Value Evaluation Committee does not determine that the Requirements for Triggering Defense Measure have been objectively met, the Board of Directors of the Company shall not resolve on triggering defense measure. Accordingly, the Plan ensures a system which prevents the Board of Directors from arbitrarily triggering the defense measure against a Large Purchase Action.

Except for the above, there are no other amendments to the Year 2006 Plan which might materially affect the shareholders and related parties.

- End -

Attachment I Overall flow of the Plan from the introduction to triggering or not triggering the Defense Measure



**Attachment II**  
**Summary of Activities of the Corporate Value Evaluation Committee**  
**and**  
**Introduction of Members**

1. Summary of Activities of the Corporate Value Evaluation Committee

If the Company's Board of Directors so requires upon determining the following matters, the Corporate Value Evaluation Committee will be convened and, upon deliberation of the following matters, will give advice or recommendation to the Company's Board of Directors:

- ① Reviewing and examining a Large Purchase Proposal and Necessary Information provided by a Large Purchaser
- ② Determination of whether or not a condition under the Requirements for Triggering Defense Measure or Requirements for Not Triggering Defense Measure exists in order to determine the triggering or not triggering of the defense measure (the gratis allotment of stock acquisition rights) against a Large Purchase by a Large Purchaser
- ③ Examining and reviewing corporate value evaluation based on a Large Purchase Proposal by a Large Purchaser and corporate value evaluation based on an Alternative Proposal by the Company's Board of Directors

This convening of the Corporate Value Evaluation Committee will be held in principle once per quarter, and will deepen the understanding of the Corporate Value Evaluation Committee Members of the Company's management policy and operational status, etc. so that the committee may make quick and appropriate decisions in connection with activities stated above. The Corporate Value Evaluation Committee is composed of a total of three (3) to five (5) members selected out of external independent persons not interested in the introduction of the Plan. In principle, a Director of the Company will attend the Corporate Value Evaluation Committee and explain the matters necessary for examination by the Corporate Value Evaluation Committee. Furthermore, the Corporate Value Evaluation Committee may receive advice at the Company's expense from independent third parties (including financial adviser, certified public accountant, lawyer, consultant and other professionals). The Company will execute a business entrusting agreement with the Evaluation Members of the Corporate Value Evaluation Committee relating to the above activities of the Evaluation Members in the Corporate Value Evaluation Committee, pursuant to which any Evaluation Member will engage in the above activities with good manager's due care. Moreover, in the event that a Corporate Value Evaluation Committee Member is elected as an External Director or an External Corporate Auditor of the Company, such Member will also perform duties as External Director or External Corporate Auditor. The Company's Board of Directors shall make decision on the aforesaid matters upon giving full consideration to the recommendation of the Corporate Value Evaluation Committee, except for a case where it is clear that the Company's corporate value and common interests of its shareholders will be impaired as a result of complying with the recommendation of the Corporate Value Evaluation Committee.

The Corporate Value Evaluation Committee held four meetings for the fiscal year ended March, 2007. It grasped the results of operation of the Company from the viewpoint of securing and enhancing the corporate value of the Company and the common interest of its shareholders and provided the Company with valuable pieces of advice upon examination.

1<sup>st</sup> meeting on June 20, 2006

2<sup>nd</sup> meeting on September 12, 2006

3<sup>rd</sup> meeting on December 15, 2006

4<sup>th</sup> meeting on March 13, 2007

The following three members who had been appointed as the Corporate Value Evaluation Committee Members under the year 2006 Plan have been re-appointed as Members of the Committee under the Plan. The following is an introduction of each member of the Committee.

## 2. Introduction of Members of the Corporate Value Evaluation Committee

### Mr. Iwao Taka

1996 Assistant Professor, School of International Economics, Reitaku University (the University)

2001 Professor, School of International Economics, and Vice Director, Business Ethics and Compliance Research Center of the University

2002 Professor, School of International Economics, Graduate School, the University (to present)

2003 Professor, School of International Economics, and Chief Director, Business Ethics and Compliance Research Center of the University (to present)

2005 Director, Mitsui Sumitomo Insurance Company, Limited (to present)

2007 Visiting Professor, Graduate School of Management, Kyoto University (to present)

### Mr. Fumio Motoi

1967 Supreme Court Legal Research and Training Institute

1969 Appointment as Judge, Tokyo District Court

1975 Retirement from Judge, Morioka District/Family Court

Registration as Attorney-at-Law (Osaka Bar Association)

Partner, Midosuji Legal Profession Corporation(to present)

### Mr. Masahiro Seki

1965 Registration as Certified Public Accountant

1987 Chief Representative, Deloitte Haskins and Sells Tokyo Office

2001 Visiting Professor, Graduate School, International University of Japan (IUJ)

2002 President, Japanese Institute of International Accounting Education

2006 External Corporate Auditor, the Company (to present)  
External Corporate Auditor, MIZUHO Financial Group, Inc. (to present)  
Supreme Counselor, Japanese Institute of International Accounting Education (to present)

**Attachment III**  
**Summary of Stock Acquisition Rights**

(Shareholders to be allotted the Stock Acquisition Rights and number of Stock Acquisition Rights to be allotted)

Stock Acquisition Rights will be allotted to shareholders who have been entered or recorded in the last shareholders' register or beneficial shareholders' register on the date determined in the resolution of the Board of Directors for gratis allotment of Stock Acquisition Rights (hereinafter referred to as the "Record Date for Allotment" defined in (11) below ) at the rate of one Stock Acquisition Right per share (excluding treasury common stock) held by the shareholder.

(Matters related to gratis allotment of the Stock Acquisition Rights)

(1) Title of the Stock Acquisition Rights.

"The First Series of Nippon Meat Packers, Inc. Stock Acquisition Rights"

(2) Purpose of gratis allotment of the Stock Acquisition Rights

The Company will make a gratis allotment of Stock Acquisition Rights for the purpose of preventing the Company's corporate value and common interests of its shareholders from being impaired by a Large Purchase Action and utilizing such allotment as a reasonable measure to secure the Company's corporate value and common interests of its shareholders against a Large Purchase Action and Large Purchase Proposal.

(3) Class and number of shares to be issued upon exercise of the Stock Acquisition Rights.

- (a) The class of shares to be issued upon exercise of the Stock Acquisition Rights is common stock of the Company.
- (b) The total number of shares to be issued upon exercise of the Stock Acquisition Rights is not more than the number of existing shares (excluding treasury common stock) as of the Record Date for Allotment. However, in the event that the Number of Subject Shares (as defined in (4) below) is adjusted pursuant to (17) below, the total number of shares to be issued upon exercise of the Stock Acquisition Rights will be adjusted to the number obtained by multiplying the Number of Subject Shares by the total number of the Stock Acquisition Rights for gratis allotment.

(4) Total number of the Stock Acquisition Rights for gratis allotment.

Not more than the number of shares issued as of the Record Date for Allotment (excluding treasury common stock). Furthermore, the number of shares to be issued upon exercise of one

Stock Acquisition Right (hereinafter referred to as “Number of Subject Shares”) is one share; provided, however, that the Number of Subject Shares will be adjusted pursuant to (18) below.

(5) Total amount of issue price of shares upon exercise of the Stock Acquisition Rights.

Not more than an amount obtained by multiplying the Payment Amount (as defined in (6) below) by the total number of the Stock Acquisition Rights as provided in (4) above.

(6) An amount to be paid in upon exercise of each Stock Acquisition Right and an amount per share.

An amount to be paid in (hereinafter referred to as the “Payment Amount”) upon exercise of each the Stock Acquisition Right is Yen 1.00; provided, however, that in the event that the Number of Subject Shares is adjusted pursuant to (17) below, the Payment Amount will be adjusted to an amount obtained by dividing Yen 1.00 by the Number of Subject Shares after the adjustment.

(7) Amount of capital increased upon exercise of the Stock Acquisition Rights

The capital of the Company will increase by the total amount of the Payment Amount upon the exercise of the Stock Acquisition Rights.

(8) Exercise period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights is 30 days from the date determined in the resolution of the Board of Directors for gratis allotment of Stock Acquisition Rights;<sup>7</sup> provided, however, that with respect to the Stock Acquisition Rights reacquired by the Company pursuant to (10) below, the Exercise Period will expire on the Reacquisition Date as defined in (10) (a) below (the exercise period defined in this (8) hereinafter referred to as the “Exercise Period”). Furthermore, in the event that the last date of the Exercise Period falls on a bank holiday, the bank business date preceding the bank holiday shall be the last date.

(9) Condition to exercise of the Stock Acquisition Rights

- (a) In the event that a holder of the Stock Acquisition Rights holds more than one the Stock Acquisition Rights, the holder may exercise all or part of the Stock Acquisition Rights; provided, however, in the event of the partial exercise, the holder may exercise only any integral number (other than any fraction thereof) of the Stock Acquisition Rights.

---

<sup>7</sup> The commencement date of the Exercise Period is scheduled to be set forth one and a half month following the Record Date for Allotment of the Stock Acquisition Rights.

- (b) Only persons who are allotted the Stock Acquisition Rights may exercise only the Stock Acquisition Rights allotted to them; provided, however, that ① in the event that a holder of Stock Acquisition Rights succeeded to such Stock Acquisition Rights from a person who was allotted the Stock Acquisition Rights upon the Board of Directors' approval as provided in (15) below, and ② in the event that a holder of Stock Acquisition Rights duly succeeded to such Stock Acquisition Rights in accordance with laws and ordinances and the Board of Directors' approval provided for in (15) below is not required, the successor may exercise the Stock Acquisition Rights so succeeded.
- (c) Notwithstanding provisions of (a) or (b) above, with respect to a Large Purchaser, at the time of the resolution of the Board of Directors for the gratis allotment of the Stock Acquisition Rights, in the event that the Corporate Value Evaluation Committee determines, and so recommends to the Board of Directors, that circumstances under the Requirement for Triggering Defense Measures exist due to a Large Purchase Proposal submitted by a Large Purchaser or the holding of the Company's Share Certificates, etc. based on Large Purchase Action by Large Purchaser, and the Company's Board of Directors confirms the satisfaction of the Requirement for Triggering Defense Measures according to such recommendation, pursuant to which the Board of Directors resolves to make a gratis allotment of the Stock Acquisition Rights, the following persons shall not exercise the Stock Acquisition Rights they hold:
- a. Large Purchaser
  - b. Joint Holders of the Large Purchaser
  - c. Special Affiliated Persons of the Large Purchaser
  - d. Persons succeeding to or receiving by transfer the Stock Acquisition Rights from persons stated in a. to c. above without obtaining the approval of the Board of Directors.
  - e. Any person determined by the Board of Directors of the Company to be substantially controlled by the person stated in a. to d. above, or to be under common control of the persons stated in a. to d. above, or to have taken action in cooperation with the persons stated in a. to d. above.

Further, the terms enumerated in (a) to (l) have the meanings stated in (a) to (l) unless otherwise provided.

(a) "Special Affiliated Person" means the special affiliated person as provided in Article 27-2, Paragraph 7 of Securities and Exchange Law (Law No. 25 of April 13, 1948, as amended; the same applicable hereinafter).

(b) "Share Certificate(s)" means Share certificates, , etc. as provided in Article 27-23, Paragraph 1 of Securities and Exchange Law.

(c) "Joint Holder(s)" means joint holder (s) provided in Article 27-23, Paragraph 5 of Securities and Exchange Law and includes person deemed as joint holder pursuant to Article 27-23, Paragraph 6 thereof..

(d) “Hold” means hold provided in Article 27-23, Paragraph 4 of Securities and Exchange Law.

(e) “Holder” means holder provided in Article 27-23, Paragraph 1 of Securities and Exchange Law and includes person deemed holder pursuant to Article 27-23, Paragraph 3 thereof.

(f) “Plan” means defense plan against the Large Purchase Action of the Company’s shares determined at the Company’s Board of Directors on May 18, 2007.

(g) “Large Purchase Action” means Large Purchase Action provided in the Plan.

(h) “Large Purchaser” means Large Purchaser provided in the Plan.

(i) “Large Purchaser, etc.” means Large Purchaser, and the joint holder(s) of the Large Purchaser and the special affiliated person (s).

(j) “Large Purchase Proposal” means Large Acquisition proposal provided in the Plan.

(k) “Requirements for Triggering Defense Measure” means Requirements for Triggering Defense Measure provided in the Plan.

(l) “Control” means an instance in which a person(s) controls to determine policies for finance and business of another company, etc. (Article 3, Paragraph 3 of the Ordinance for Enforcement of Company Law).

(d) In the event that requirements are imposed for the exercise of Stock Acquisition Rights under the laws and ordinances of the relevant country to which the shareholders are subject, such as requirement for performing a specified procedure or specified condition (including a specified inaction period or submission of a specified document, etc. or both), and the exercise of Stock Acquisition Rights without meeting such requirement would violate such laws and ordinances, and only if the shareholder subject to such jurisdiction verifies the compliance with and satisfaction of all the local legal procedural requirements, such shareholder may be able to exercise the Stock Acquisition Rights; provided, however, that the Company would not have any duty to comply with or meet any local legal procedures even if the local legal procedures required the Company to do so for the purpose of enabling the shareholder to exercise the Stock Acquisition Rights. Furthermore, in the event that the shareholder subject to the subject jurisdiction may not exercise the Stock Acquisition Rights under the laws and ordinances of the jurisdiction, he/she shall not exercise the Stock Acquisition Rights.

(e) Notwithstanding anything contrary to (d) above, the shareholder residing in the United States may exercise the Stock Acquisition Rights only if he/she

- I. represents to and warrants the Company that he/she is an accredited investor as defined under Rule 501(a) of the Securities Act of 1933 of the United States; and
- II. covenants that he/she will sell shares of the Company acquired as a result of the exercise of the Stock Acquisition Rights held by him/her through ordinary trading on the Tokyo Stock Exchange or Osaka Securities Exchange (provided, however, that sales will be conducted without any prior arrangement or prior solicitation).

Only in such case, the Company shall discharge or fulfill the local legal procedural requirements of Regulation D of the Securities Act of 1933 of the United States and the

relevant state laws of the United States which require the Company to discharge or fulfill to enable the shareholders subject to the United States jurisdiction to exercise the Stock Acquisition Rights. Moreover, in the event that the Board of Directors of the Company determines that the shareholder subject to the United States jurisdiction, even if he/she satisfies the requirements stated in I and II above, may not duly exercise the Stock Acquisition Rights under the Securities Act of the United States due to subsequent changes, etc. in the laws and ordinances in the United States, the shareholder subject to the United States jurisdiction shall not exercise the Stock Acquisition Rights.

(f) The Company shall not in any way be responsible for any compensation to holders of the Stock Acquisition Rights in the event that holders of the Stock Acquisition Rights may not exercise the Stock Acquisition Rights pursuant to (c) to (e) above.

(10) Condition on reacquisition of the Stock Acquisition Rights by the Company

(a) In the event that the Company's Board of Directors deems it appropriate for the Company to reacquire the Stock Acquisition Rights in part, the Company may reacquire the Stock Acquisition Rights pursuant to (10) (b) below on the date determined by the Company's Board of Directors (hereinafter referred to as "Reacquisition Date"). Reacquisition Date shall be determined pursuant to (12) below during the Gratis Allotment Effective Date to the last date of the Exercise Period by the Company's Board of Directors; provided, however, that the Company's Board of Directors shall resolve the Reacquisition Date by the date preceding the commencement date of the Exercise Period.

(b) The Company may reacquire all the Stock Acquisition Rights held by persons other than those persons provided in (9) (c) to (e) above who are not entitled to exercise the Stock Acquisition Rights and may in exchange deliver common stocks of the Company in the Number of Subject Shares per the Stock Acquisition Right.

(c) In the event that the Board of Directors of the Company determines that it is reasonable for the Company to acquire the Stock Acquisition Rights due to circumstances where, among other things, the Large Purchaser has withdrawn the Large Purchase Action or the Large Purchase Proposal, the Company may, at any time prior to the date preceding to the date commencing the exercise period, determine to acquire free of charge all the Stock Acquisition Rights on the date specified by the Board of Directors of the Company.

(11) Record Date for Allotment of the Stock Acquisition Right.

The date determined in the resolution of the Board of Directors for gratis allotment of Stock Acquisition Rights

(12) Effective date of gratis allotment of the Stock Acquisition Rights.

The date determined in the resolution of the Board of Directors for gratis allotment of Stock Acquisition Rights

(13) Place to receive exercise request of the Stock Acquisition Rights.

The place to receive exercise request determined in the resolution of the Board of Directors for gratis allotment of Stock Acquisition Rights

(14) Payment handling financial institution to which payment should be made upon exercise of the Stock Acquisition Rights.

The payment handling financial institution determined in the resolution of the Board of Directors for gratis allotment of Stock Acquisition Rights

(15) Restriction for transfer of the Stock Acquisition Rights.

Any transfer of the Stock Acquisition Rights is subject to approval of the Company's Board of Directors.

(16) Matters related to issuance of certificates for the Stock Acquisition Rights.

Certificates for the Stock Acquisition Rights will be issued only upon request of holder of the Stock Acquisition Rights.

(17) Adjustment of the Number of Subject Shares

(a) After a gratis allotment of the Stock Acquisition Rights, in the event that the Company makes a split, gratis allotment of or consolidation of its shares, the Number of Subject Shares will be adjusted in accordance with the following formula. In calculating the Number of Subject Shares after the adjustment, such calculation will be made to one - ten thousandth (1/10000) and five - ten thousandth (5/10000) or more is rounded upward to one - thousandth (1/1000) and four - ten thousandth (4/10000) or less is disregarded.

Number of Subject Shares after the adjustment	=	Number of Subject Shares before the adjustment	x	Ratio of split, gratis allotment or consolidation
--	---	---	---	--

(b) The time, etc. from which the Number of Subject Shares after adjustment will be applied is set forth as follows:

(i) The Number of Subject Shares after adjustment will be applied ① in the case of split of shares, on and after the effective date of the split of shares provided in Article 183, Paragraph 2, Item 2 of Company Law (hereinafter referred to as the

“Effective Date of Share Split); ② in the case of a gratis allotment of shares, on and after the effective date of the gratis allotment of shares provided in Article 180, Paragraph 1, Item 2 of Company Law (hereinafter referred to as “Effective Date of Share Gratis Allotment”); ③ in the case of consolidation of shares, on and after the effective date of consolidation of shares provided in Article 180, Paragraph 2, Item 2 of Company Law; provided, however, that in the event that the Board of Directors resolves to issue shares of common stock of the Company by a split of shares or gratis allotment of shares in consideration of distributable surplus on condition that such distributable surplus is incorporated into its capital, and the Effective Date of Share Split or the Effective Date of Share Gratis Allotment is set forth on or prior to the date of close of the general meeting of shareholders at which the incorporation of the distributable surplus to its capital is resolved, the Number of Subject Shares after adjustment will be applied on and after the date following the date of close of the general meeting of shareholders at which the incorporation of the distributable surplus to its capital is resolved.

- (ii) In the case of proviso of (i) above, the Company will issue of common stocks of the Company, which number will be calculated in accordance with the following formula on and after the date following the date of close of the subject general meeting of shareholders to the person who exercises the Stock Acquisition Rights during the period from the date following the Effective Date of Share Split or the Effective Date of Share Gratis Allotment to the date of close of the general meeting of shareholders at which the incorporation of the distributable surplus to its capital is resolved. In this case, any fraction less than one share will be disregarded and no cash adjustment will be made.

Number of shares = (Ratio of split or gratis allotment of its share distribution - 1)  
x (in case of exercise of the Stock Acquisition Rights during the subject period,  
the number of shares issued based on the Number of Subject Shares before the  
adjustment)

(18) Modification due to amendments, etc. of laws and ordinances

The provisions of the laws and ordinances referred to above are those enforceable as of May 1, 2007. In the event that the terms and the meaning, etc. of words provided for in each of the provisions above need to be modified by new enactment, amendment or abolishment of laws and ordinances on and after May 1, 2007, the Board of Directors of the Company is entitled and authorized to, from time to time, read replace or substitute terms and meaning, etc. of words provided for in each of the provisions above upon taking into consideration the intents of the new enactment, amendment or abolishment to a reasonable extent that does not adversely affect the shareholders of the Company without rewriting the terms and the meaning, etc. of words provided for in each of the provisions above.

- End -

Attachment IV

Operation Rules  
“Defense Plan to Large Purchase Action of Shares of the Company”

Establishment: May 19, 2006

Amendment: May 18, 2007

(Purpose)

Article 1.

The Rules set forth the procedures by which the Company will evaluate the Large Purchase Proposal and the Large Purchase Action defined in the “Defense Plan to Large Purchase Action of Shares of the Company (Takeover Defense Plan)” (hereinafter the “Plan”) determined by resolution of the Board of Directors of the Company as of May 18, 2007 for the purpose of securing and enhancing the corporate value of the Company and the common interest of its shareholders, the procedures with respect to activities of the Corporate Value Evaluation Committee under the Plan, and the procedures and guidelines for operation necessary for the determination by the Board of Directors on whether to trigger or not trigger the defense measure for the purpose of duly operating the Plan.

(Details of Activities of the Corporate Value Evaluation Committee)

Article 2.

In the event that the Board of Directors requires the opinions of the Corporate Value Evaluation Committee in connection with determining the following items, the Corporate Value Evaluation Committee, in response to the request of the Board of Directors, shall in principle examine the following items and determine its opinions, and recommend its opinions together with the reasons to the Board of Directors.

- (1) Reviewing and examining the Large Purchase Proposal and the Necessary Information;
- (2) Judging whether or not are met the conditions for the Requirement for Triggering Defense Measure or the conditions for the Requirement for not Triggering Defense Measure for the purpose of determining triggering or not triggering the defense measure (gratis allotment of stock acquisition rights) to the Large Purchase Action by the Large Purchaser; and
- (3) Comparatively reviewing and examining the corporate value evaluation based on the Large Purchase Proposal by the Large Purchaser and the corporate value evaluation based on the Alternative Proposal presented by the Board of Directors.

2. “Large Purchaser” in the preceding paragraph means a purchaser(s) who purchases share certificates, etc. of the Company so that a specified shareholder group (a “specified shareholder group” stated below) holds or results in holding 20% or more of voting rights (the “voting right percentage” as stated below) of the Company. A specified shareholder group means (i) a holder(s) (as defined under Article 27-23, Paragraph 1 of the Securities and Exchange Law of

Japan (the “SEL”) and includes a person deemed the holder under Paragraph 3 of the same Article of the SEL) of “share certificates, etc.” (as defined under Article 27-23, Paragraph 1 of the SEL) of the Company and a common holder(s) (as defined under Article 27-23, Paragraph 5 of the SEL and includes a holder(s) deemed common holder(s) under Paragraph 6 of the same Article the SEL), or (ii) a person(s) conducting purchase, etc. (as defined under Article 27-2, Paragraph 1 of the SEL and including those made at the exchange in a securities market) of shares certificates etc. of the Company and specially connected person(s) (as defined under Article 27-2, Paragraph 7 of the SEL). The voting right percentage means (i) in the case of (i) above, share certificates etc. percentage (as defined under Article 27-23, Paragraph 4 of the SEL, in which case the number of shares held by a common holder (meaning the number of shares, etc. as defined under Article 27-23, Paragraph 4 of the SEL) shall be added, or (ii) in the case of (ii) above, total owning percentage of share certificates etc. of the person(s) conducting purchase and specially interested person(s)(meaning of the voting right as defined under Article 27-2, Paragraph 8 of the SEL); provided, however, that the Large Purchaser who was approved by the Board of Directors in advance shall be excluded.

3. “Large Purchase Action” in the Plan means the Large Purchase Action by the Large Purchaser provided for in the preceding paragraph, and “Large Purchase Proposal” means a Purchase Plan proposed to the Company in connection with the Large Purchase Action by the Large Purchaser.

4. “Necessary Information” stated in Paragraph 1 (1) of this Article means the following information;

- (1) The summary of the Large Purchaser and its group (the common holder, specially connected persons (including, in the case of funds, the members and other constituents));
- (2) The purpose and method of the Large Purchase Action, the details of the Large Purchase Proposal (the amount and kind of consideration for purchase, the time of purchase, the structure of the related transactions, legality of the method of purchase and the probability of consummation of purchase);
- (3) The calculation basis for the consideration for the purchase (including the facts on the basis of which the consideration is calculated, the calculation method and numerical information used for the calculation) and the source of the purchase fund (including the name of the provider of the purchase fund (including the substantial provider), financing method and the details of the related transactions);
- (4) Information legally required to be disclosed in the Registration Statement for Tender Offer Bid, etc., including the management policy and business plan of the Company (meaning the understanding and thoughts of the Large Purchaser on “Food safety” or the public aspect of the food industry) after the purchase;
- (5) The policy for the Company’s employees, business partners, customers, communities and other interested parties; and

- (6) Other information that the Board of Directors or the Corporate Value Evaluation Committee deems reasonably necessary.
5. “Defense measure” stated in Paragraph 1 (2) of this Article means gratis allotment of stock acquisition rights with company’s partial call option.
6. “Requirements for Triggering Defense Measure” stated in Paragraph 1 (2) of this Article any of the following events:
- (1) It is objectively and reasonably assumed that notwithstanding the Large Purchaser has no true intention to participate in the management of the Company, he/she conducts the Large Purchase Action or proposes the Large Purchase Proposal of the Company’s shares for the purpose of causing the market price of the Company’s shares to unduly rise and inducing Company-related persons (including not limited to the Company affiliated companies, officers, employees, business partners of the Company) to acquire at the higher price.
  - (2) It is objectively and reasonably assumed that the Large Purchaser conducts the Large Purchase Action or proposes the Large Purchase Proposal for the purpose of so to say managing the scorched earth tactics, i.e., the Large Purchaser transferring to himself or its related companies assets, intellectual properties, know-how, corporate confidential information, principal business partners and customers, etc. which are important to the Company’s business operation;
  - (3) It is objectively and reasonably assumed that the Large Purchaser conducts the Large Purchase Action or proposes the Large Purchase Proposal for the purpose of making use of assets of the Company to create mortgages for, or to repay, indebtedness of the Large Purchaser or its group companies, etc.
  - (4) It is objectively and reasonably assumed that the Large Purchaser conducts the Large Purchase Action or proposes the Large Purchase Proposal for the purpose of reducing the Company to distribute a temporary high return of profit (including, but not limited to, distribution of surplus; the same applicable hereinafter) with profits arising from sales, etc. of the Company’s assets, etc. or selling shares of the Company the Large Purchaser acquired at such price arisen as favorably affected by the temporary high return of profit to shareholders;
  - (5) It is objectively and reasonably assumed that in the event that the Large Purchaser does not comply with the Necessary Information Providing Procedure (the “Necessary Information Providing Procedure”; the details to be provided for in Article 6) provided for in the Plan and it is difficult for shareholders to judge on the Large Purchase Proposal due to the lack of sufficient information necessary for judgment on whether shareholders transfer or continue to hold the Company’s shares, the Large Purchaser commences to conduct the Large Purchase Action without any warning to the Company; and
  - (6) It is objectively and reasonably assumed that even though the Large Purchaser complies with the Necessary Information Providing Procedure, in the light of the

method of the Large Purchase Proposal, the proposal method and other conditions, the Large Purchase Proposal composes of the second stage coercive Large Purchase Proposal (the initial purchase does not solicit to purchase all the shares of the Company nor explicit the terms and conditions for the second stage purchase, and the second stage purchase set forth unfavorable purchase conditions to shareholders of the Company).

- (7) In addition to (1) to(6) above, it is objectively and reasonably assumed that the Large Purchase Proposal or the Large Purchase Action might prejudice the corporate value and the common interest of shareholders of the Company group, including the Company's shareholders, business partners, customers, employees, communities and other interested persons to the substantially same extent as stated in (1) to (6) above.

7. "Requirements for Not Triggering Defense Measure" stated in paragraph 1 (2) of this Article means any of the following events:

- (1) It is apparent that the Board of Directors fails to present to the shareholders an Alternative Proposal including management plan under which the corporate value evaluation higher than the corporate value evaluation indicated by the Large Purchase Proposal is reasonably expected to be realized during or following the Board Examination Period (defined in paragraph 2 of Article 5) provided for in the Plan;
- (2) It is objectively apparent that the Large Purchase Proposal contains higher corporate value evaluation than the Alternative Proposal submitted to the Board of Directors, and it is not apparent that the Large Purchase Proposal might prejudice the corporate value of the Company and the common interest of its shareholders;
- (3) The Board of Directors does not submit any Alternative Proposal to shareholders of the Company during the Board Examination Period; and
- (4) It is apparent that any of the Requirements for Triggering Defense Measure stated in (1) to (7) of Article 6 does not exist at all.

(Composition, etc. of the Corporate Value Evaluation Committee)  
Article 3

The Corporate Value Evaluation Committee shall be composed of no less than three (3) and not more than five (5) Evaluation Members appointed pursuant to below (hereinafter referred to as the "Member(s)").

2. The Board of Directors shall designate and appoint Evaluation Members from among External Directors, External Corporate Auditors, well-informed persons (including university professor, etc.), outside professionals such as lawyers, certified public accountants, etc. who meet all the qualifications provided for below and are independent from the Company.

- (1) The candidate is not and was not in the past Director, Executive Officer, employee, Corporate Auditor of the Company, nor Relative ("Relative" means the relative defined

under Article 725 of the Civil Code of Japan; the same applicable hereinafter) of those persons (however, the foregoing shall not be applicable to External Director and External Corporate Auditor of the Company).

- (2) The candidate is not a director or executive officer of any principal business partner or relative of those persons (a “principal business partner” means business partner the Company’s transactions accounting for more than 2% of the annual average of the consolidated net sales of the Company for past five (5) years (including but not limited to suppliers, etc.; the same applicable hereinafter);
- (3) The candidate is not an outside advisor of the Company and a principal business partner of the Company or relative of those persons (“Outside Advisor “ includes, but not limited to, outside legal counsel, certified public accountant, tax advisor, judicial scrivener, and financial advisor, etc.);
- (4) The candidate is not director, executive officer, employee or Outside Advisor of the company whom the Representative Director of the Company serves as concurrently nor Relative of those persons.

3. The Board of Directors shall timely disclose the name and resume of Evaluation Member in the event that the candidate designated pursuant to the preceding paragraph accepted such designation.

(Convocation and Determination Procedure, etc. of Corporate Value Evaluation Committee)

#### Article 4

The Corporate Value Evaluation Committee shall be convened, from time to time, by the Evaluation Member entrusted by the Representative Director of the Company or resolution of the Board of Directors pursuant to resolution of the Board of Directors by notifying each Evaluation Member in writing, orally or in any other appropriate manner.

2. Each Evaluation Member has one voting right at the Corporate Value Evaluation Committee.

3. The recommendation provided for in paragraph 1 of Article 2 (hereinafter referred to simply the “Recommendation”) by the Corporate Value Evaluation Committee shall be adopted with the approval of a majority of the voting rights at the Corporate Value Evaluation Committee in which all the Evaluation Members have participate and shall be presented to the Board of Directors if so approved; provided, however, that in the event that a part of the Evaluation Members is unable to attend for the unavoidable reason, such as being sick, the Recommendation shall be resolved with approval by a majority of the voting rights present at the Corporate Value Evaluation Committee, the quorum being a majority of all the incumbent Evaluation Members and shall be presented to the Board of Directors if so approved.

4. One Director and, if necessary, a person in charge of the Company qualified to explain to the Evaluation Members shall attend the Corporate Value Evaluation Committee and explain

items and events necessary for the Recommendation to be rendered by the Corporate Value Evaluation Committee.

(Recommendation Procedure of Corporate Value Evaluation Committee)

#### Article 5

In the event that the Corporate Value Evaluation Committee submits the Recommendation to the Board of Directors, the Recommendation must be able to maximize the corporate value of the Company group (including the Company's shareholders, business partners, customers, employees, communities and the Company's interested persons) and the common interest of the shareholders, based on information provided by the Board of Directors pursuant to Article 6 and information collected by the Corporate Value Evaluation Committee itself upon fully taking into consideration the following items and matters to a reasonable extent:

- (1) The matters related to the due value or source value of shares in issue of the Company calculated based on the business plan and other materials, etc. of the Company;
- (2) The matters related to whether or not the Large Purchaser has the purpose of controlling the management and business activities of the Company, and the matters related to the purpose of the Large Purchaser acquiring shares of the Company;
- (3) The matters related to the intention of the Large Purchaser in acquiring shares of the Company through a tender offer bid and the matters related to the Large Purchaser's acquisition plan of shares of the Company (including, but not limited to, legal issues accompanying such acquisition plan);
- (4) The matters related to the Large Purchaser's expected acquisition ratio of shares of the Company, the details of the plan relating to capital policy of the Company following the completion of the Large Purchase Action and the matters that the Large Purchaser affect shareholders of the Company because of the Large Purchase Action;
- (5) The matters related to the attributes and the details of business of the Large Purchaser, the details of materials indicating the financial conditions of the Large Purchaser, the operational conditions and results of operation of the Large Purchaser, the particulars of takeovers by the Large Purchaser and the results in the past, the matters related to whether or not the Large Purchaser has capability to manage the Company's business, etc., the details of the corporate governance and internal control system of the Large Purchaser, the matters related to whether or not the Large Purchaser violated the laws and ordinances in the past and the details of any such violation, the history of officers of the Large Purchaser (including, not limited to, the matters related to whether or not the officer violated the laws and ordinances in the past and the details thereof if violated), the social reputation of the Large Purchaser and the officers thereof, whether or not any relationship between the Large Purchaser and any anti-social group and the details thereof if any and any and all other matters related to the Large Purchaser;
- (6) Whether or not synergy will be effected between the Large Purchaser's business and the Company's business, the result of calculation of the Company's corporate value and the method utilized by the Large Purchaser, the management policy following the

completion of the Large Purchase Action (in particular, the tactics, etc. for maintaining and enhancing continuously and stably the corporate value of the Company), and the details of the plan, etc. relating to the Company's business, the matters relating to the Company and the Company's shareholders affected by the management policy and the plan, etc. relating to the Company's business proposed by the Large Purchaser following the completion of the Large Purchase Action, the conditions incidental to the Large Purchase Proposal presented to the Company by the Large Purchaser, the treatment of employees of the Company following the Large Purchase Action, the kind and amount of consideration for purchase, the time of payment of the consideration for purchase and the payment method, the matters related to whether or not the Large Purchaser has intention or capability, etc. to pay the consideration for purchase in such manner as provided for in the Large Purchase Proposal, the name of the fund provider to the Large Purchaser and the relationship between the Large Purchaser and the fund provider, and the matters related to the other details of the Large Purchase Proposal;

- (7) The particulars and the details of the negotiation between the Company and the Large Purchaser relating to the Large Purchase Proposal of the Company's shares by the Large Purchaser;
- (8) The matters related to the details of information provided to the Company by the Large Purchaser and the time when provided, in connection with the Large Purchaser proposing the Large Purchase Proposal, the details of information provided by the Large Purchaser and the time thereof when the Company requested the Large Purchaser to provide information relating to the Large Purchase Proposal, and the matters related to the Large Purchaser's providing information to the Company; and
- (9) Any other matter to be considered for resolution of the Board of Directors.

2. The Corporate Value Evaluation Committee shall submit the Recommendation (if any) at the appropriate time to the Board of Directors so that the Board of Directors may examine the Large Purchase Proposal and complete the determination provided for in Article 7 at the latest within 60 days following the termination of the Necessary Information Providing Procedure provided for in Article 6 (in the case of the Large Purchase Proposal being a proposal for the purchase of shares of the Company through a tender offer bid for the consideration being in cash (Japanese Yen) only) or at the latest within 90 days following the termination of the aforesaid Procedure (in the case of the Large Purchase Proposal being the purchase proposal in any other method) (hereinafter referred to as the "Board Examination Period"); provided, however, that in the event that the Corporate Value Evaluation Committee submits a Recommendation and the Board of Directors resolved upon triggering or not triggering the defense measure, the Board Examination Period shall terminate at such time.

3. The Corporate Value Evaluation Committee may collect information relating to the matters provided for in paragraph 1 of Article 2 or otherwise take by itself measure, or request the Board of Directors to take measure, necessary for the Recommendation.

4. The Board of Directors shall, if requested by the Corporate Value Evaluation Committee as provided for in the preceding paragraph, cooperate with the Committee to the full extent practicably possible.

5. The Corporate Value Evaluation Committee, when examining the matters provided for in paragraph 1 of Article 2, may seek advices from lawyers, certified public accountants, tax advisors, financial advisors and other professionals as needed.

6. In the event that any Evaluation Member requests payment for each of the following items in connection with executing the powers of the Corporate Value Evaluation Committee, the Company shall not refuse to make such payment unless it verifies that the expenses or obligations charged have nothing to do with the execution of the powers of the Corporate Value Evaluation Committee.

- (1) Prepayment of expenses;
- (2) Repayment of expenses expended and accrued interest on the expenses expended following the time of expenditure; and
- (3) Payment to the obligee for the obligation (in the event that the obligation is not due, appropriate security to be provided)

(Collection of Information under the Necessary Information Providing Procedure)

#### Article 6

The Board of Directors shall collect the Necessary Information from the Large Purchaser under the Necessary Information Providing Procedure.

2. In the event that the Large Purchaser submitted the Large Purchase Proposal to the Board of Directors in the Necessary Information Providing Procedure, it will examine whether or not the details of the Large Purchase Proposal sufficiently cover the Necessary Information under advice and the Recommendation received from the Corporate Value Evaluation Committee and if it judged them insufficient, the Board of Directors shall present to the Large Purchaser a written list of the Necessary Information the Large Purchaser is required to additionally submit not later than 10 business days following the date on which the Large Purchase Proposal was submitted. Following the presentation of such list by the Company, in the event that the Large Purchaser did not at all additionally provide the Necessary Information or the Board of Directors judged that the information submitted additionally was insufficient, the Board of Directors shall, from time to time, request, negotiate and communicate with, the Large Purchaser to provide the Necessary Information so that the Necessary Information additionally requested shall be completely provided to the Board of Directors not later than 60 days following the submission of the list for the Necessary Information by the Board of Directors to the Large Purchaser (hereinafter referred to the “Necessary Information Providing Period”); provided, however, that the Board of Directors may extend the Necessary Information Providing Period the maximum

30 days, taking into consideration the details and size of the Large Purchase Action and the actual status of information provided.

3. The Board of Directors shall provide, from time to time, the Necessary Information provided by the Large Purchaser pursuant to the Necessary Information Providing Procedure stipulated in the preceding two paragraphs, and it shall explain the Necessary Information to the Corporate Value Evaluation Committee pursuant to paragraph 4 of Article 4 as the necessity arises.

4. The Board of Directors shall take measures, from time to time, required for resolutions of the Board of Directors relating to the matters provided for in each item of Article 2, in addition to the Necessary Information Providing Procedure of paragraph 1 of this Article 6.

(Determination Procedure of the Board of Directors)  
Article 7

The Board of Directors may adopt resolution with respect to the following matters, upon fully taking into consideration the matters provided for in each item of paragraph 1 of Article 5 to the reasonable extent:

- (1) Triggering defense measure;
- (2) Not triggering defense measure;
- (3) Withdrawal of the defense measure the Company triggered (however, “Withdrawal of defense measure” means that defined under paragraph 6 of this Article 7);
- (4) Proposal of the Alternative Plan to the Large Purchaser; and
- (5) Abolishment of the Plan.

2. The Board of Directors shall request the Corporate Value Evaluation Committee to render the Recommendation prior to the Board of Directors’ resolution of the preceding paragraph (however, other than item (4) above), and the Board of Directors shall adopt resolution of the preceding paragraph upon giving full consideration to such any recommendation.

3. The Board of Directors may adopt resolution provided for in item (1) of paragraph 1 of this Article 7 only if the Board of Directors judged that the Requirements for Triggering Defense Measure were fulfilled pursuant to paragraphs 1 and 2 of this Article 7.

4. In the event that the Board of Directors judged pursuant to paragraph 1 of this Article 7 that the Requirements for Not Triggering Defense Measure provided for in paragraph 7 of Article 2 were fulfilled, the Board of Directors may adopt resolution provided for in item (2) of paragraph 1 of this Article 7 pursuant to such Requirements for Not Triggering Defense Measure.

5. In the event that the Requirements for Not Triggering Defense Measure were fulfilled, it may adopt resolution provided for in item (2) of paragraph 1 of this Article 7 notwithstanding the provisions of paragraphs 1 and 2 of this Article 7.

6. In the event that the Board of Directors of the Company recognized it appropriate for the Company to withdraw the defense measure, because, among other things, the Large Purchaser has withdrawn the Large Purchase Action or the Large Purchase Proposal, which was judged to fulfill the Requirements for Triggering Defense Measure, the Company may stop the gratis allotment of Stock Acquisition Rights prior to the effective date of the gratis allotment of the Stock Acquisition Rights or acquire free of charge all the Stock Acquisition Rights on the date specified by the Board of Directors prior to the date preceding the date commencing the exercise period so that the defense measure of item (3) of paragraph 1 of this Article 7 triggered may be withdrawn.

7. The Board of Directors shall seek advice from lawyers, certified public accountants, tax advisors, financial advisors and other professionals to the extent practicably possible when it considers the matters provided for in each item of paragraph 1 of this Article 7 and each item of paragraph 1 of Article 5.

8. In the event that the Board of Directors adopts a resolution as provided for in paragraph 1 of this Article 7, it shall notify each Evaluation Member of the resolution adopted, the details of the resolution and the reasons for such resolution in writing or orally or in another appropriate manner.

(Amendment to the Rules)  
Article 8

The Board of Directors may amend the Rules through its resolution only if all the Evaluation Members have consented thereto.

2. In the event that The Board of Directors adopts the resolution of the preceding paragraph, it shall disclose timely the details of the amendment

(Particulars)  
Article 9

Particulars or technical items not provided for in the Rules shall be provided from time to time by the Representative Director and President upon consent of all the Evaluation Members.

(Other)  
Article 10

“Representative Director” stated in the Rules shall be read other “Director” in the order of Directors fixed in advance by the Board of Directors in the event that the Representative Director and President is prevented from so acting.

#### Supplemental Provisions

This amendment to the Rules shall be enforced from June 27, 2007.

- End -

---