

[Translation]

May 11, 2015

To whom it may concern:

Name of the Company: NH Foods Ltd.
Representative: Juichi Suezawa
President and Representative Director
(Code No. 2282, First Section of the Tokyo Stock Exchange)
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Executive Officer, General Manager of
Public & Investor Relations
Department,
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**Notice regarding Continued Introduction of the Defense Plan
Against
a Large Purchase Action of Shares of the Company (Takeover Defense Plan)**

The Company hereby announces that the Company, at the meeting of its Board of Directors held on May 11, 2015, determined the continuation of the "Defense Plan Against a Large Purchase Action of Shares of the Company (Takeover Defense Plan)" (hereinafter referred to as the "Year 2014 Plan") publicized on May 12, 2014 (the plan to be continued shall hereinafter be referred to as the "Plan"), on the condition that the Plan, with the revision of its effective period from one year to three years, will be submitted as a proposal to, and will become effective upon the approval by a majority of the total number of voting rights of the shareholders present (including those shareholders exercising their voting rights through voting forms; the same shall apply hereinafter) at, the ordinary general meeting of shareholders of the Company scheduled to be held on June 25, 2015 (this "Ordinary General Meeting of Shareholders") prior to the expiration of the effective period of the Year 2014 Plan.

Since the introduction of the "Defense Plan Against a Large Purchase Action of Shares of the Company", which was approved by a majority of the total number of voting rights of the shareholders present at the ordinary general meeting of shareholders of the Company held on June 28, 2006, the Company has submitted proposals on the renewal of the plan and changes in the content thereof to the shareholders for their approval every year. Also since the introduction of the plan, the Company has instituted a "Corporate Value Evaluation Committee" to ensure its appropriate administration and convened meetings of the committee every three months, in principle. To the Corporate Value Evaluation Committee, the Company has offered explanations on its quarterly business

results, the analyses of the factors thereof, etc. and provided information to allow the committee to evaluate any proposal for the purchase of the shares of the Company, assuming that it is made, from the independent standpoint with no vested interest in the Company and give recommendations promptly and adequately to the Board of Directors of the Company as to whether or not the proposal will apparently threaten to injure the corporate value of the NH Group (Consisting of the Company and its subsidiaries and its affiliates, hereinafter referred to as the "Group") and the common interest of the shareholders. In the meantime, the members of the committee provide beneficial considerations and proactive recommendations for the Group's sustained growth and the fulfillment of its social responsibilities (please refer to Attachment I for more details of its activities).

With regard to the renewal of the Plan, the Company has continued to carefully examine the appropriateness and ideal state of the Plan as a means to maintain and enhance the corporate value of the Group and the common interests of the shareholders. In April 2015, the Company commenced a new medium-term management plan "New Medium-Term Management Plan Part 5" for the three-year period from April 1, 2015 through March 31, 2018. The three-year period for the New Medium-Term Management Plan Part 5 is positioned to solidify its foundation of the Group for a new stage as a milestone for the Group to reach its ideal form in a long-range course to follow for the coming ten years. For the final fiscal year of the New Medium-Term Management Plan Part 5, the Group intends to focus its all management resources on attaining 1,300.0 billion yen of consolidated net sales, 52.0 billion yen of operating income, 4.0% of operating income ratio and an 8% ROE. To materialize the targets, the Company proposes that the Plan be renewed with the change of its effective period to three years. In addition, the Company will change the name of the Corporate Value Evaluation Committee to a "Corporate Value Enhancement Committee" after the revision of the Plan to clarify its position of "providing recommendations to the Board of Directors of the Company for the enhancement of the corporate value of the Group and the common interest of the shareholders from the independent standpoint with no vested interest in the Company."

At the above-mentioned meeting of the Board of Directors, nine Directors, including two Outside Directors, were all present and unanimously approved the renewal of the Plan. Five Members of the Audit & Supervisory Board, including three Outside Members of the Audit & Supervisory Board, all attended the aforementioned meeting of the Board of Directors and expressed their unanimous opinions that they did not oppose to the renewal of the Plan. Also, all the incumbent members of the Corporate Value Evaluation Committee have agreed on the renewal of the Plan.

As of the date hereof, the Company has received no proposal for a Large Purchase Action from any specific third party to its Board of Directors.

<Major changes from the Year 2014 Plan>

As stated above, in April 2015, the Company commenced the New Medium-Term Management Plan Part 5 for the three-year period from April 1, 2015 through March 31, 2018. To focus its all management resources on achieving the targets under the New Medium-Term Management Plan Part 5, the Company has determined that unlike in the Year 2014 Plan, the effective period of the Plan shall expire at the close of the ordinary general meeting of shareholders relating to the last of the fiscal years to end within three years after the close of this General Meeting of Shareholders to correspond to the three-year period of the New Medium-Term Management Plan Part 5. Except for changes in the effective period and wording as a matter of form, the content of the Plan is virtually the same as the Year 2014 Plan. The Plan, like the Year 2014 Plan, shall be abolished even prior to the expiration of its effective period upon resolution of the general meeting of shareholders or the Board of Directors of the Company to that effect, and upon resolution of the Board of Directors and the general meeting of shareholders for the amendment to the Plan, it shall be amended in accordance with the resolution therefor by the general meeting of shareholders. Thus, the Plan can be abolished or amended by the intention of the shareholders.

<Summary of the Plan>

The summary of the defense measure for a purchase proposal for Large Purchase Action of the Company's Shares is described in page10.

I. Content of the Fundamental Policy on Corporate Control

The shares of the Company may be transferred freely, in principle. On the stock market, the shares are traded freely and actively by many investors. Hence, fundamentally, free trading in the shares of the Company determines who will control the determination of its financial and business policies. Therefore, in the event that a plan of large purchase of the shares of the Company enough to control the determination of its financial and business policies is offered, management believes that to vote for or against the plan must depend on the free will of the shareholders, finally.

On the other hand, the Company desires to contribute to the society through the stable supply of secure and safe products to its customers and clients and the materialization of people's rich eating life. Management believes that any party who controls the determination of its financial and business policies must maintain trustful relations with various stakeholders and also maintain and enhance the corporate value of the Group and eventually, the common interests of the shareholders. Therefore, management believes that any party who engages in an inappropriate large purchase action or any similar action that may prejudice the corporate value of the Group and the common interests of the

shareholders is not appropriate as a party who controls the determination of the financial and business policies of the Company.

II. Special Measures Useful to Materialize the Fundamental Policy on the Effective Utilization of the Assets of the Company, the Formation of an Appropriate Corporate Group, etc.

The Company understands that it is the top priority for the enhancement of the common interests of the shareholders to enhance its corporate value on a stable and ongoing basis and has implemented the following measures. Management believes that these efforts will help materialize the fundamental policy as to who will control the determination of its financial and business policies as set forth in Chapter I above.

1. Measures to secure and enhance the corporate value and the common interests of the shareholders of the Company

(1) The Group's ideal form

The Group's ideal form in the future is to become "the world leader in delivering the "Joy of Eating" based on its four principles of management: "Value the bounty of nature", "Never compromise on quality", "Develop new potential for food" and "Contribute to people's joyous, healthy life".

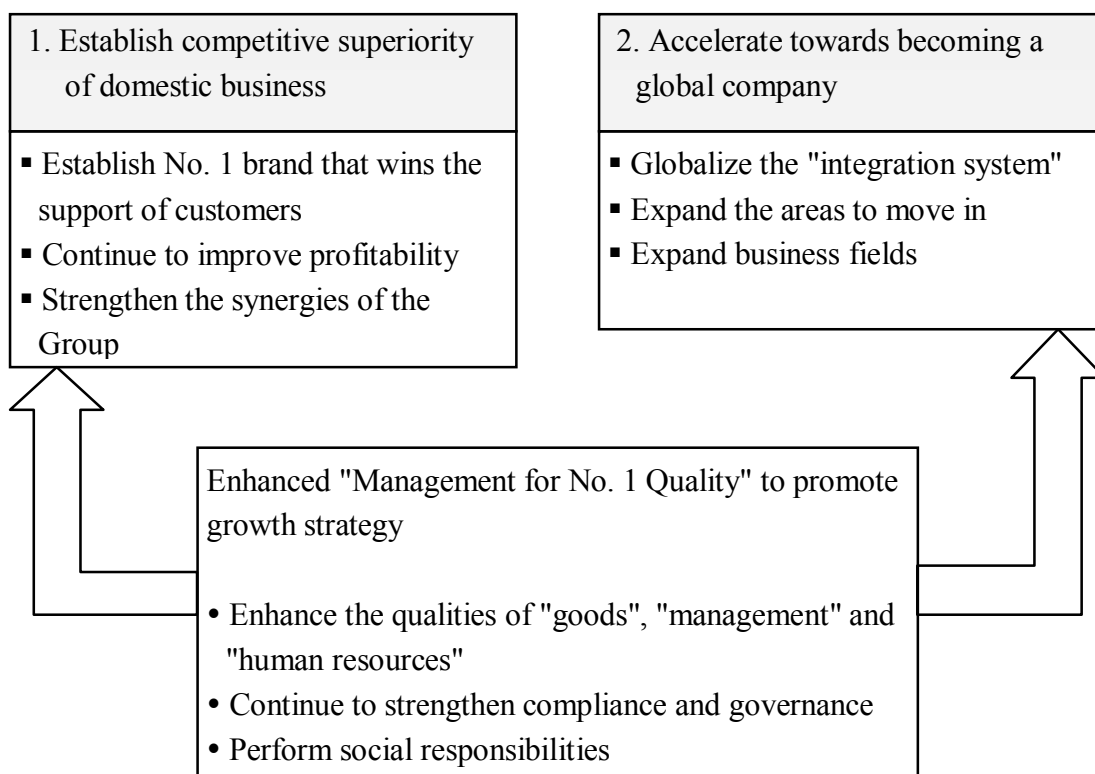
(2) Efforts to enhance the Company's corporate value under the "New Medium-Term Management Plan Part 5"

Focusing on the establishment of competitive superiority of its domestic business centered primarily on its integrated system covering production, breeding, processing, manufacturing, distribution and marketing of livestock and other products (the "integration system"), which is the strength of the Group, and the expansion of its overseas business to increase sales in the global market, the Company will build up a muscular business model by strengthening its corporate functions of marketing, branding, human resources development, etc. to promote reforms of its business model and corporate culture.

1) Theme

Build up a Muscular Business Model

2) Management policy



The Company will position the "Management for No. 1 Quality", which was set up in the New Medium-Term Management Plan Part 2, as an "enhanced Management for No. 1 Quality to promote growth strategy" and seek to substantiate it as the core to support its management policy.

3) Management strategies

In accordance with its management policy, the Company will implement measures based on the following four management strategies:

① Continue to improve profitability of domestic business

- Further strengthen the domestic integration system
- Strengthen and expand the existing businesses through aggressive capital investment and selection and concentration
- Establish a product development system by taking full advantage of the relations with customers and their needs
- Expand new business fields by developing and utilizing new technologies

② Expand overseas sales promptly

- Expand the areas to move in and improve the integration system
- Expand sales in the global market by strengthening the systems of overseas production and marketing
- Strengthen the overseas business promotion system from the perspective of the Group

③ Promote strategic branding

- Strengthen the Group-wide marketing and branding functions
- Sophisticate the distribution channel strategies
- Enhance brand consciousness
- Promote social branding (activities to enhance the brand value of the Group by contributing to the society by taking advantage of its strengths to address social challenges)

④ Strengthen Group-wide corporate functions

- Acquire and develop global human resources and managerial talents
- Promote cooperation of the Group and organizational culture reforms
- Establish a global management and administration system
- Strengthen corporate finance functions

4) Performance goals

(billion yen)

Indicator	Fiscal year ended March 31, 2015 (Actual)	Fiscal year ending March 31, 2018 (Plan)
Consolidated net sales	1,212.8	1,300.0
Operating income	48.4	52.0
ROE	9.2%	No less than 8%

2. Measures to enhance the corporate value by strengthening corporate governance

1) Measures to ensure prompt and adequate decision-making:

The essence of corporate governance of the Company is to separate its Directors' "function of monitoring management" and its Executive Officers' "function of business execution" to clarify their responsibilities and authorities to ensure their prompt and adequate decision-making and the properness of business. To clarify their management responsibilities for each fiscal year, the term of office of Directors is fixed at one year and the number of Directors is limited to not more than twelve in consideration of their prompt and adequate decision-making and the scope of responsibilities to be assumed by the Directors. To ensure the transparency of the Board of Directors, the Company shall elect two or more Outside Directors, in principle. Furthermore, to enhance the objectivity and transparency of management, the Company shall have a Compensation Committee and a Nomination Committee, each chaired by an Outside Director, and the Board of Directors shall, upon making a decision, assign maximum value to the report of each such committee.

2) Measures to ensure the properness of business:

To fully perform the function of monitoring the Board of Directors, the Company shall have the Audit & Supervisory Board comprised of five persons, at least the majority of whom shall be Outside Members of the Audit & Supervisory Board, in principle. The properness of business is ensured through internal audits by the Audit Department, quality audits by the Quality Assurance Department, environmental audits by the CSR Promotion Department, monitoring by the Compliance Department and the establishment of a system to promptly deliver important information (information on extraordinary events, such as job-related losses, accidents and troubles) to all officers, including outside officers and share such information with them, in addition to audits by Members of the Audit & Supervisory Board. Furthermore, the "Compliance Committee", "Internal Control & JSOX Assessment Committee" and "Risk Management Committee"

have been established to deliberate on the policies and measures of the whole Group, whereby strengthening such monitoring functions.

3. Policy of profit allocations to shareholders

The Company regards profit allocations to its shareholders as one of the important management issues, and has a basic policy of distributing profits to its shareholders in accordance with consolidated operating results. The Company intends to increase, and make effective use of, retained earnings as an investment resource to enhance its corporate value in the future and to maintain and strengthen the soundness of its financial position. Based on this basic policy, the Company is targeting for a consolidated dividend payout ratio of 30%; however, for the time being, the Company will fix the minimum dividend per share at ¥16.00. With regard to the acquisition of its own shares, the Company intends to act expediently to enhance its shareholder value per share and ROE by taking into account investment for growth and its financial position.

III. Measures to Prevent the Determination of the Financial and Business Policy of the Company from being Controlled by any Inadequate Person in Consideration of the Fundamental Policy

1. Reasons for Introduction of the Plan

The Company believes that the sources that may allow the Group to enhance its corporate value and the common interests of its shareholders in a medium and long term lie in the Group's prompt and stable availability of foods through its integrated system covering production, breeding, processing, manufacturing, distribution and marketing of livestock and other products and its established quality assurance system in and outside of Japan.

These sources have developed based on strategic and continued investments from medium- and long-term perspectives, the Group's long-nurtured experiences and know-how and the relationships of mutual trust with the people, such as customers, clients and employees, connected with the Group. Specifically, in the business management of the Group that includes the process of rearing living things and providing the living things so reared as foods, it is essential to have full understanding of what forms the sources of its corporate value, such as the relationships with agricultural and stock farming industries in the areas where the Group is doing business and it is an important factor to maintain and further strengthen such relationships.

The Board of Directors of the Company regularly endeavors to provide information necessary for its shareholders and investors to make decisions. However, in the event that a Large Purchase Action (defined in 2.(1) below) of share certificates, etc. of the

Company¹ (the "shares of the Company") is taken all of a sudden, the Company believes that it is important for its Board of Directors to acquire sufficient information on the Large Purchase Action from the Large Purchaser and provide such information to the shareholders on a timely and appropriate manner for them to make a judgment of whether or not the proposal of the Large Purchaser will enhance the Group's corporate value and the common interests and whether the value for the acquisition of the shares of the Company proposed by the Large Purchaser is appropriate in a limited period of time.

The Plan's purpose is, in accordance with the opinion of the Board of Directors as set forth above, to secure a time period during which the Board of Directors of the Company will collect information and deliberate on the Large Purchase Action, as well as an opportunity to negotiate with the Large Purchaser or present an alternative proposal of the Board of Directors of the Company. Furthermore, in the event that it is objectively and reasonably assumed that such Large Purchase Action will inevitably impair the Group's corporate value and the common interests of its shareholders, the Plan stipulates that the Company may grant a gratis allotment of stock acquisition rights with company's partial call option (Article 277 of the Companies Act; Article 236, Paragraph 1, Item 7 of the Companies Act) upon triggering the defense measure or implement proper and adequate measures against the Large Purchase Action.

The state of leading shareholders of the Company as of March 31, 2015 is described in Attachment II.

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

The defense measure for a purchase proposal for Large Purchase Action of the Company's shares is summarized below. For more details, please refer to 2.(1) to (6) and 3 below. The overall flow of the Plan from the introduction to triggering or not triggering the defense measure is described in Attachment III "Overall Flow of the Plan from the Introduction to Triggering or not Triggering the Defense Measure".

¹ Share certificates, etc. of the Company means "share certificates, etc." as defined under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act.

Components of the scheme of the Plan	Summary of the components in the left column
Introduction and renewal	Resolution of the Board of Directors and the general meeting of shareholders (ordinary resolution)
Purchase action under the Plan	Large Purchase Action
Organ to deliberate on the purchase proposal related to the large purchase action	"Corporate Value Enhancement Committee" comprising not less than three and not more than five members independent of the Company
Period of response as to information provision	60 days (which can be extended up to 30 more days)
Deliberation period	60 days (in case of consideration being limited to cash in Japanese yen) or 90 days (in any other case)
Organ to determine whether or not to trigger a defense measure	Board of Directors (or the general meeting of shareholders in the event that the Corporate Value Enhancement Committee offers a recommendation to confirm the intentions of the shareholders)
Means of the defense measure	Gratis allotment of stock acquisition rights with company's partial call option
Summary of the requirements for triggering the defense measure	<p>① The proposal threatens to clearly injure the corporate value and the common interest (so-called type 4 of the Tokyo High Court)</p> <p>② A Large Purchaser does not comply with the Necessary Information Providing Procedure or otherwise commences a Large Purchase without any prior notice.</p> <p>③ Two-tier coercive purchase proposal.</p> <p>④ It is objectively and reasonably assumed that the corporate values and the common interests might be impaired to substantially the same extent as set forth in items ① to ③ above by the Large Purchase Proposal.</p> <p>(For more details of the requirements for triggering defense measures, please refer to "Requirements for Triggering Defense Measure" in 3 below.)</p>
Effective period	3 years

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

A "Large Purchase Action" under the Plan means purchase of the shares of the Company for the purpose of holding or resulting in holding 20% or more of voting rights² of the Company by the Specified Shareholder Group³; 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 the shares 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 ("Necessary Information").

- 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).
- 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

² Voting rights means (i) in the case of footnote 3 (i) below, share certificates etc. percentage (as defined under Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act, 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 3 (ii) below, 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 thereof).

³ A Specified Shareholder Group means (i) a holder(s) (as defined under Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act 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).

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" 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 Enhancement Committee.

In the event of a Large Purchase Action by a Large Purchaser, the 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 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 Enhancement Committee. If, upon request by the Board of Directors of the Company for additional information to the Necessary Information, the Large Purchaser gives a reasonable account that it is difficult to submit part of the Necessary Information, the Board of Directors of the Company may presume that the submission of the Necessary Information has been completed and begin deliberations even if all Necessary Information is not prepared as requested by the Board

of Directors of the Company. The fact that a Large Purchaser has made a Large Purchase Proposal will be disclosed by the Board of Directors of the Company immediately after it becomes aware of the fact. In the event that deliberations at the Board of Directors of the Company begin after the provision of the Necessary Information is completed, it shall immediately disclose to that effect.

(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 Enhancement 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, 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 Enhancement 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 Enhancement Committee

To eliminate any arbitrary judgment by the Board of Directors of the Company on the Large Purchase Action and ensure the objectivity and rationality of its judgment, it shall convene a meeting of the Corporate Value Enhancement Committee, independent of the Company, which shall deliberate on the following matters and submit the result as advice or recommendation to the Company's Board of Directors. The Company's Board of Directors will respect the recommendation of the Corporate Value Enhancement Committee to the full extent in making judgment on such matters.

- ① Reviewing and examining a Large Purchase Proposal provided by a Large Purchaser and the Necessary Information listed in (2)① through ⑥ above

- ② Determination of whether or not a condition under the Requirements for Triggering Defense Measure exists in order to determine the triggering or not triggering of the defense measure (a gratis allotment of stock acquisition rights) against a Large Purchase by a Large Purchaser
 - ③ Examining and reviewing the corporate value evaluation based on a Large Purchase Proposal by a Large Purchaser and the corporate value evaluation based on an Alternative Proposal by the Company's Board of Directors
- (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 Enhancement Committee, and such information as may be necessary for the shareholders to decided 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 the shares of the Company prior to the end of the Board Examination Period for the Necessary Information Providing Procedure and the Board examination procedure. As described in 3 below, in the event that the Corporate Value Enhancement Committee recommends the Board of Directors to confirm the intentions of the shareholders as to the triggering of a defense measure, the Large Purchaser cannot commence the Large Purchase Action with respect to the shares of the Company prior to the end of the procedure for the confirmation of the intentions of the shareholders.

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

In the event that, in connection with a Large Purchase Proposal or a Large Purchase Action, the Corporate Value Enhancement 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 exist, the Company's Board of Directors will, upon giving full consideration to such recommendation, resolve to trigger a defense measure through a gratis allotment of stock acquisition rights with company's partial call

option (the "Stock Acquisition Rights"). Reference is made to Attachment IV for the summary of the issuance of the Stock Acquisition Rights as a defense measure.

In the event that the Corporate Value Enhancement Committee determines that it is necessary to confirm the intentions of the shareholders as to the substantial judgment whether any one of the Requirements for triggering the defense measure is met, the Corporate Value Enhancement Committee shall recommend the Board of Directors to confirm the intentions of the shareholders as to the triggering of the defense measure. Upon such recommendation, the Board of Directors will, pursuant to laws or ordinances and the Articles of Incorporation, follow the procedure for convening a general meeting of shareholders without delay to confirm the intentions of the shareholders as to whether or not the triggering of the defense measure is acceptable (a resolution for that purpose shall be adopted at a general meeting of shareholders at which a majority of the shareholders having a majority of voting rights of the shareholders of the Company entitled to vote shall be present, by a majority of the voting rights of the shareholders so present, in principle). In the event that a resolution to approve the triggering of the defense measure is adopted at the general meeting of shareholders, the Board of Directors will, in accordance with the resolution, trigger the defense measure against the Large Purchase Action or the Large Purchase Proposal. The defense measure will be triggered in an exceptional case where the triggering of the defense measure is unavoidable to prevent the Company's corporate value and common interests of its shareholders from being impaired by a Large Purchase Action 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, and will not be triggered only on the basis that conditions are judged to technically meet one of the Requirements for triggering the defense measure.

Description

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. that are necessary for the Company's business operation, 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.

Requirements for Not Triggering Defense Measure

- ① In the event that, during the Board Examination Period and after the expiration of the 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.

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

The Plan will become effective on June 25, 2015 on the condition that the Plan as a proposal will be submitted to, and approved by a majority of the total number of voting rights of the shareholders present at, this Ordinary General Meeting of Shareholders scheduled to be held on June 25, 2015, 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 2018.

Even prior to the expiration of the effective period of the Plan, the Plan shall be abolished upon resolution of the general meeting of shareholders or the Board of Directors of the Company to that effect, and upon resolution of the Board of Directors and the general meeting of shareholders for the amendment to the Plan, it shall be amended in accordance with the resolution therefor by the 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 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 held 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).

5. Reasonableness of the Plan

(1) Consistency with Guidelines Regarding Takeover Defense Measure

As described below, 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. Additionally, adequate consideration has been given to the content of the "Appropriate Takeover Defense Measures in Consideration of Recent Environmental Changes" publicized on June 30, 2008 by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry.

(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 this Ordinary General Meeting of Shareholders of the Company scheduled to be held June 25, 2015. It is provided for in the Plan that in certain cases, upon recommendation by the Corporate Value Enhancement Committee, the intentions of the shareholders shall be confirmed at a general meeting of shareholders before triggering a defense measure.

In addition, 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 2018 (or the time when the Board of Directors or the general meeting of shareholders of the Company resolves to abolish the Plan prior thereto) and thereafter the intentions 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.

(4) Respecting Opinion of Corporate Value Enhancement Committee Composed of External Independent Members

Under the Plan, in the event that a Large Purchase Action occurs in the Company, the Corporate Value Enhancement 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 Enhancement Committee's judgment.

Since the Corporate Value Enhancement 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.

The Corporate Value Enhancement Committee shall be composed of a total of three (3) to five (5) members, selected out of the Outside Directors, Outside Members of the Audit & Supervisory Board, well-informed persons (including university professors, etc.) and outside professionals such as lawyers and certified public accountants, etc. who shall meet the specified requirements.⁴

For the details of the activities of the Corporate Value Evaluation Committee and the names and profiles of the Corporate Value Enhancement Committee Members expected to assume office at the time of renewal of the Plan, please refer to Attachment I.

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

The Plan is designed in principle not to trigger the defense measure unless the Corporate Value Enhancement 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 targeting the Company's shares. Furthermore, 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 Enhancement 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 Enhancement Committee. Accordingly, we believe that with respect to

⁴ Requirements listed in the items of Article 3, paragraph 2 of Attachment V: Operation Rules "Defense Plan to Large Purchase Action of Shares of the Company"

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 or Slow 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. Because 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 share certificates, etc. of the Company 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 type Takeover Defense Measure (i.e., a Takeover Defense Measure in which a change of the members of the Board of Directors can not occur all at once and therefore it takes time to stop its triggering), which is a rights plan 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 Enhancement 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 Enhancement 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 recorded in the

last 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 Companies Act). 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)② 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, because the value per share of the Company will not be diluted, the shareholders or investors who trade in the shares of the Company on the assumption that it will be diluted would incur unexpected damage as market prices of the shares of the Company might fluctuate.

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

① 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 recorded in the last 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, because 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.

② Procedure for Reacquisition of the Stock Acquisition Rights by the Company

In the event that the Company' 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 allotment and payment, the Company will disclose or give notice to the shareholders in a timely and appropriate manner 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.

- End -

Attachment I

Activities of the Corporate Value Evaluation Committee and the Profiles of its Members

1. Activities of the Corporate Value Evaluation Committee

(1) Activities under the Year 2014 Plan

Activities / Date of meeting	Attendee	Agenda
First meeting August 18, 2014	3/3 (100%)	<ul style="list-style-type: none"> • Explanation of the business results for the first quarter of the fiscal year ended March 31, 2015 • Overseas IR reports • Report on the trend of the general meeting of shareholders in June 2014 • Takeover defense plans and the state of the exercise of voting rights (of the Company and other companies; references to other companies' cases)
Second meeting November 26, 2014	3/3 (100%)	<ul style="list-style-type: none"> • Explanation of the business results for the second quarter of the fiscal year ended March 31, 2015 • Report on the financial statement explanatory sessions and the details of questions and answers • Explanations related to takeover defense plans (the state of change in the composition of leading shareholders, reference to the amendments to advice policies of major advisory companies on the exercise of voting rights, etc.) • Experts' panel concerning the formulation of the corporate governance code (the background of the investigations, reference to the details of the investigations at the experts' panel)
Third meeting February 26, 2015	3/3 (100%)	<ul style="list-style-type: none"> • Report on the new management system • Explanation of the business results for the third quarter of the fiscal year ended March 31, 2015 • Explanations related to takeover defense plans • Direction of the Company's response to the "Basic Concept" of the corporate governance code
Fourth meeting April 27, 2015	2/3 (66%)	<ul style="list-style-type: none"> • Report on the voluntary adoption of IFRS • Deliberation on takeover defense plans (previously notified on April 18, 2015)
Group's trade show January 14 to January 16, 2015	2/3 (66%)	<ul style="list-style-type: none"> • Information on the Group's measures (such as the expansion of its business fields, quality assurance system, proposal capabilities, development

Activities / Date of meeting	Attendee	Agenda
		capabilities and social action programs)
Group's senior management meeting March 27, 2015	2/3 (66%)	<ul style="list-style-type: none"> • Gathering of the entire Group's senior management • Sharing of the New Medium-Term Management Plan Part 5 and the direction to follow (ROE management, enhancement of consciousness of capital cost, requirements of the market for the Company upon the formulation of the corporate governance code) • Sharing of the policy, issues and planned activities by business division for the fiscal year starting from April 1, 2015

The Corporate Value Evaluation Committee, from the perspective of securing and enhancing the corporate value of the Group and the common interests of the shareholders, provides beneficial considerations and recommendations with regard to the ideal form of the defense plan of the Company and the enhancement of its corporate value. At the meetings of the Corporate Value Evaluation Committee held under the Year 2014 Plan, each member offered various opinions in a broad context on its corporate governance system, business strategies, financing and capital strategies, quality assurance system, overseas human resources development and others. One of its suggestions was as follows: For abusive purchasers, idle assets or unprofitable sectors of their target companies are most likely to be capitalized on. Hence, from the standpoint of preventing the emergence of abusive purchasers, it is effective to make it clear at ordinary times that the Company is implementing measures for growth, as well as adequate rationalization measures as the necessity arises. The Company, which has placed emphasis on strengthening corporate governance, must incessantly excel in corporate governance among companies in general after the corporate governance code becomes applicable. For that purpose, it is advisable that any Outside Director should act as chairman of the Board of Directors or should be selected from among persons having experience in management. Thus, the Company has started to make investigations as to the diversity of the Board of Directors of the Company and the matters required in making such change.

2. Profiles of the members of the "Corporate Value Enhancement Committee"

Upon the renewal of the Plan, the Company has determined to change the name of the Corporate Value Evaluation Committee to a "Corporate Value Enhancement Committee" to clarify its position of "providing recommendations to the Board of Directors of the Company for the enhancement of the corporate value of the Group and the common

interest of the shareholders from the independent standpoint with no vested interest in the Company."

The term of office of the three incumbent members (Messrs. Iwao Taka, Shigeru Nishiyama and Akihiko Shiba) will expire at the close of the ordinary general meeting of shareholders to be held on June 25, 2015. Mr. Akihiko Shiba will retire upon the expiration of the term of office. The Board of Directors has determined to newly elect Kazumasa Otsuka to succeed him and also elect Mr. Tsutomu Morimoto as a new member.

The profiles of the members are as follows:

Iwao Taka

- 1991 Visiting Fellow to Fischer/Smith, Wharton School, University of Pennsylvania, USA
- 1994 Full-time Lecturer, Faculty of International Economics, Reitaku University
- 2001 Professor, Faculty of International Economics, Reitaku University (to present)
- 2002 Professor, Graduate School of International Economics (currently, Graduate School of Economics), Reitaku University (to present)
- 2005 Outside Director, Mitsui Sumitomo Insurance Company, Limited
- 2007 Visiting Professor, Business Management Graduate School, Kyoto University
- 2008 Outside Director, MS&AD Insurance Group Holdings, Inc.
- 2009 Dean, Faculty of Economics, Reitaku University
- 2010 Outside Director of the Company (to present)
- 2015 Outside Corporate Auditor, Mitsubishi Estate Co., Ltd. (expected)

Shigeru Nishiyama

- 1987 Registered as Certified Public Accountant
- 2000 Assistant Professor, Graduate School of Asia-Pacific Studies, Waseda University
- 2003 Outside Statutory Auditor, Pigeon Corporation (to present)
- 2006 Professor, Graduate School of Asia-Pacific Studies, Waseda University
- 2008 Professor, Business School, the Graduate School of Commerce, Waseda University (to present)
- 2012 Outside Corporate Auditor, Astellas Pharma Inc. (to present)

Kazumasa Otsuka

- 1999 Registered as attorney-at-law, Daini Tokyo Bar Association
- 2002 Executive Secretary, Corporate Code of Conduct Committee, The Tokyo Chamber of Commerce and Industry
- 2005 Auditor, The Nohgaku Performers' Association (to present)
- 2011 Representative, Nijubashi Partners (to present)
- 2013 Outside Corporate Auditor, CDG Co., Ltd. (to present)

* Kazumasa Otsuka is a candidate for substitute Outside Member of the Audit & Supervisory Board to be proposed for his election to the 70th ordinary general meeting of shareholders to be held on June 25, 2015.

Tsutomu Morimoto

1985 Joined Daikin Industries, Ltd.
1992 Daikin Europe N.V. (in Belgium)
1995 General Manager of England Office, Daikin Europe N.V. (in England)
1999 Manager, Marketing Division, Global Strategic Department and
Manager, Secretary Division, Daikin Industries, Ltd.
2002 General Manager, in charge of Global Department, Secretary Division, Daikin
Industries, Ltd.
2011 General Manager, Secretary Division, Daikin Industries, Ltd.
2014 Executive Officer, in charge of Secretary Division and Goodman Global Group,
Inc.(America), Daikin Industries, Ltd. (to present)

- End -

Attachment II

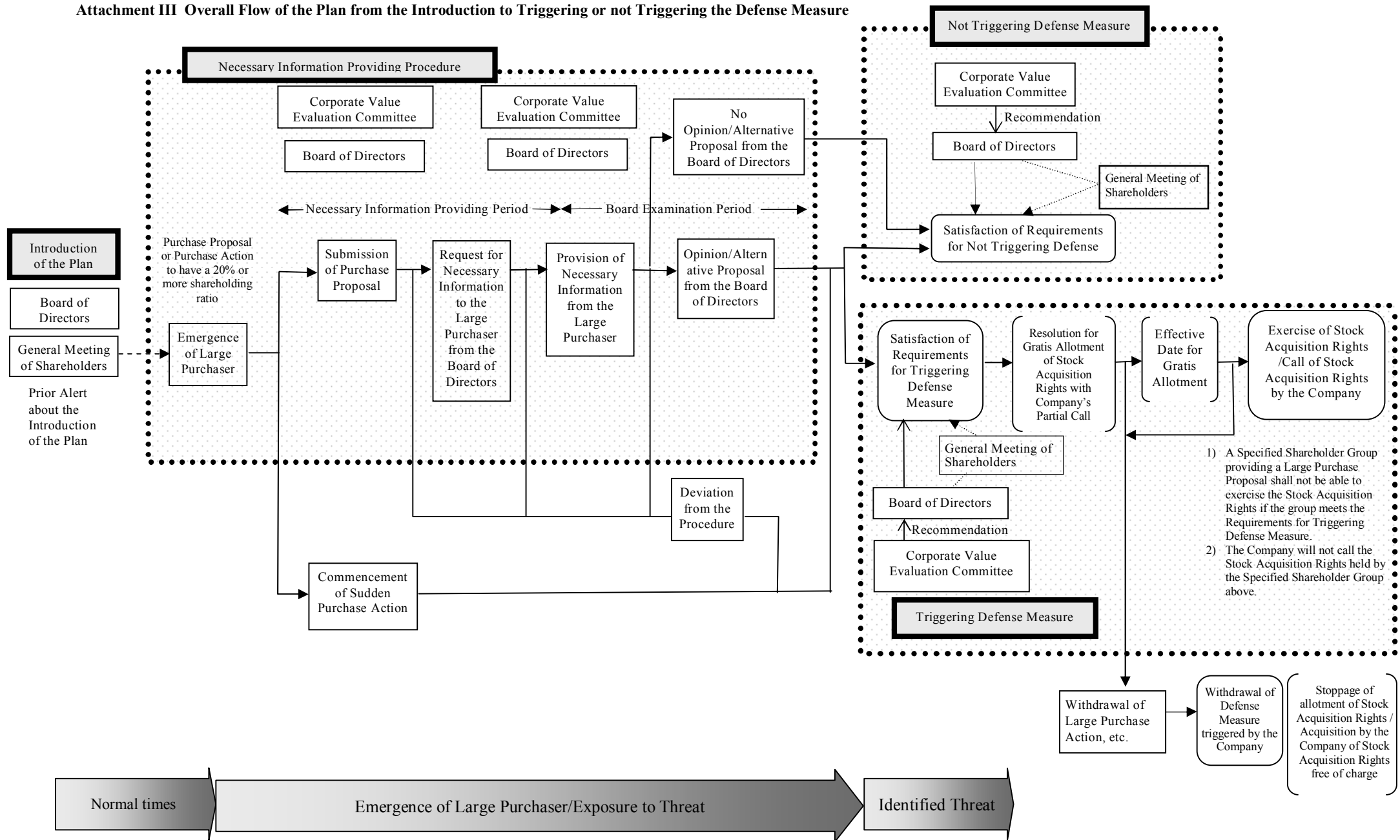
State of Shares and Leading Shareholders of the Company (as of March 31, 2015):

1. Total number of shares authorized to be issued: 570,000,000 shares
2. Total number of issued shares:
(including 298,412 shares of treasury stock) 204,000,000 shares
3. Number of shareholders: 10,367
4. State of leading shareholders:

Name of shareholder	Number of shares held	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	16,126,000	7.92
Japan Trustee Service Bank, Ltd. (Trust account)	11,827,000	5.81
The Hyakujushi Bank, Ltd.	7,537,253	3.70
Meiji Yasuda Life Insurance Company	7,354,576	3.61
The Norinchukin Bank	5,926,838	2.91
Nippon Life Insurance Company	5,570,075	2.73
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	5,494,834	2.70
Sumitomo Mitsui Banking Corporation	4,650,219	2.28
BNP Paribas Securities Limited	3,726,740	1.83
Sompo Japan Nipponkoa Insurance Inc.	3,493,000	1.71

(Note) The shareholding ratios are calculated by disregarding the number of shares of treasury stock.

Attachment III Overall Flow of the Plan from the Introduction to Triggering or not Triggering the Defense Measure



Attachment IV
Summary of Stock Acquisition Rights

1. Shareholders to be allotted the Stock Acquisition Rights and number of Stock Acquisition Rights to be allotted

Stock Acquisition Rights will be allotted to the shareholders who have been recorded in the last shareholders' register on the date separately specified by the Board of Directors when it adopts a resolution for gratis allotment of Stock Acquisition Rights (the "Record Date for Allotment") at the rate of one Stock Acquisition Right per share (excluding treasury common stock) held by the shareholder.

2. Matters related to gratis allotment of the Stock Acquisition Rights

(1) 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 shall be common stock of the Company.
- (b) The number of shares to be issued upon exercise of one Stock Acquisition Right shall be one share (hereinafter referred to as the "Number of Subject Shares"); provided, however, that 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 shall be adjusted as required.
- (c) The total number of shares to be issued upon exercise of the Stock Acquisition Rights shall be not more than the number of existing shares (excluding treasury common stock) as of the Record Date for Allotment.

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

An amount to be paid in upon exercise of each the Stock Acquisition Right shall be Yen 1; provided, however, that in the case of the proviso to (1)(b) above, the Payment Amount shall be adjusted to an amount obtained by dividing Yen 1 by the Number of Subject Shares after the adjustment.

(3) Exercise period of the Stock Acquisition Rights.

The exercise period of the Stock Acquisition Rights shall be 30 days from the date determined in the resolution for gratis allotment of Stock Acquisition Rights; provided, however, that if the Stock Acquisition Rights are reacquired pursuant to (5) below, the Exercise Period shall expire on the Reacquisition Date.

- (4) Condition for the exercise of the Stock Acquisition Rights.
- (a) In the event that a holder of the Stock Acquisition Rights holds more than one Stock Acquisition Right, the holder may exercise all or part of the Stock Acquisition Rights; provided, however, that 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.
 - (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 (6) 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 (6) below is not required, the successor may exercise the Stock Acquisition Rights so succeeded.
 - (c) Notwithstanding the provisions of (a) or (b) above, with respect to a Large Purchaser, in the event that at the time of the resolution of the Board of Directors for the gratis allotment of the Stock Acquisition Rights, the satisfaction of the Requirement for Triggering Defense Measures is confirmed according to the Defense Plan Against a Large Purchase Action of Shares of the Company (the "Plan") determined at the meeting of the Board of Directors of the Company held on May 11, 2015, pursuant to which a resolution is adopted to make a gratis allotment of the Stock Acquisition Rights, those persons who belong to the Specified Shareholder Group (as defined in the Plan) including the Large Purchaser shall not exercise the Stock Acquisition Rights they holds.
 - (d) The Company shall not in any way be responsible for any compensation to the holders of the Stock Acquisition Rights in the event that the holders of the Stock Acquisition Rights may not exercise the Stock Acquisition Rights pursuant to (c) above.
- (5) 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, on a date separately specified by the Board of Directors, reacquire all the Stock Acquisition Rights held by persons other than those persons who belong to the Specified Shareholder Group including the Large Purchaser for whom the satisfaction of the Requirement for is confirmed, and in exchange deliver common stocks of the Company in the Number of Subject Shares per the Stock Acquisition Right.
 - (b) 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.

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

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

(7) Others.

Other necessary matters shall be determined separately by the Company's Board of Directors.

- End -

Attachment V

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

Establishment: May 19, 2006
Amendment: May 18, 2007
Amendment: May 16, 2008
Amendment: May 15, 2009
Amendment: May 14, 2010
Amendment: May 13, 2011
Amendment: May 14, 2012
Amendment: May 13, 2013
Amendment: May 12, 2014
Amendment: May 11, 2015

(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)" determined by resolution of the Board of Directors of the Company as of May 11, 2015 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 Enhancement 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 Enhancement Committee)

Article 2. In the event that the Board of Directors requires the opinions of the Corporate Value Enhancement Committee in connection with determining the following items, the Corporate Value Enhancement 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 (including the judging whether or not it is necessary to confirm the intentions of the shareholders as to whether or

not the conditions for the Requirement for Triggering Defense Measure are met); 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 Financial Instruments and Exchange Act of Japan (the "FIEL") and includes a person deemed the holder under Paragraph 3 of the same Article of the FIEL) of "share certificates, etc." (as defined under Article 27-23, Paragraph 1 of the FIEL) of the Company and a common holder(s) (as defined under Article 27-23, Paragraph 5 of the FIEL and includes a holder(s) deemed common holder(s) under Paragraph 6 of the same Article the FIEL), or (ii) a person(s) conducting purchase, etc. (as defined under Article 27-2, Paragraph 1 of the FIEL and including those made at the exchange in a financial instruments market) of shares certificates etc. of the Company and specially connected person(s) (as defined under Article 27-2, Paragraph 7 of the FIEL). 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 FIEL, 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 FIEL) 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); 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 Enhancement 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) above does not exist at all.

(Composition, etc. of the Corporate Value Enhancement Committee)

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

2. The Board of Directors shall designate and appoint Members from among Outside Directors, Outside Members of the Audit & Supervisory Board, well-informed persons (including university professors, etc.) and outside professionals such as lawyers and certified public accountants, etc. who meet all the qualifications provided for below and also satisfy the "Criteria for the Independence of Outside Officers".²

- (1) The candidate is not and was not in the past Director, Executive Officer, employee, Member of the Audit & Supervisory Board 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 Outside Director and Outside Member of the Audit & Supervisory Board 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 a director, executive officer, employee or Outside Advisor of the company whom the Representative Director of the Company serves concurrently as director nor a Relative of those persons.

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

² The "Criteria for the Independence of Outside Officers" mentioned herein refer to the criteria established to clarify the criteria for the Company to certify the independence of outside officers. The content thereof will be described at the end of these Rules for reference.

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

Article 4. The Corporate Value Enhancement Committee shall be convened, from time to time, by the 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 Member in writing, orally or in any other appropriate manner.

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

3. The recommendation provided for in paragraph 1 of Article 2 (hereinafter referred to simply the "Recommendation") by the Corporate Value Enhancement Committee shall be adopted with the approval of a majority of the voting rights at the Corporate Value Enhancement Committee in which all the Members have participate and shall be presented to the Board of Directors if so approved; provided, however, that in the event that any Member 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 Enhancement Committee, the quorum being a majority of all the incumbent 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 Members shall attend the Corporate Value Enhancement Committee and explain items and events necessary for the Recommendation to be rendered by the Corporate Value Enhancement Committee.

(Recommendation Procedure of Corporate Value Enhancement Committee)

Article 5. In the event that the Corporate Value Enhancement 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 Enhancement 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 Enhancement 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 Enhancement 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 Enhancement 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 Enhancement Committee as provided for in the preceding paragraph, cooperate with the Committee to the full extent practicably possible.

5. The Corporate Value Enhancement 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 Member requests payment for each of the following items in connection with executing the powers of the Corporate Value Enhancement 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 Enhancement 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 submits 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 Enhancement 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. If, upon request by the Board of Directors of the Company for additional information to the Necessary Information, the Large Purchaser gives a reasonable account that it is difficult to submit part of the Necessary Information, the Board of Directors of the Company may presume that the submission of the Necessary Information has been completed and begin deliberations even if all Necessary Information is not prepared as requested by the Board of Directors of the Company.

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 Enhancement 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 Enhancement 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. The Board of Directors shall notify all the Members, and in the event that it adopts a resolution as provided for in paragraph 1 of this Article 7, notify each 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 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 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 25, 2015.

- End -

(For reference)

"Criteria for the Independence of Outside Officers"

If any outside officer or any candidate for outside officer is judged to satisfy all the requirements in the following items, the Company shall determine that such any outside officer or any candidate for outside officer is independent of the Company:

1. The outside officer or candidate for outside officer is not, or has not been, a director (excluding an outside director; the same applies hereinafter), corporate auditor (excluding an outside corporate auditor; the same applies hereinafter), accounting advisor, executive officer, corporate officer, manager or other important employee (Note 1) (hereinafter referred to as a "Director") of the Company or any of its subsidiaries or affiliates ("NH Group");
2. The outside officer or candidate for outside officer is not a relative of any Director within the third degree of kinship;
3. The outside officer or candidate for outside officer is not a leading shareholder (Note 2) of the Company or a Director thereof or a Director of any company having NH Group as its leading shareholder;
4. The outside officer or candidate for outside officer is not a Director of any principal client (Note 3) of NH Group;
5. The outside officer or candidate for outside officer is not a recipient of a donation of 10 million yen or more from NH Group for the fiscal year under review (if the recipient of the donation is a corporate body, partnership or other entity, any individual who belongs, or have belonged for the most recent five years, to such entity);
6. The outside officer or candidate for outside officer is not an attorney, certified public accountant or any of various providers of consulting and other professional services who receives remuneration of 10 million yen or more, other than a director's or corporate auditor's remuneration, from NH Group for the fiscal year under review (if the provider of the service is a corporate body, partnership or other entity, any individual who belongs, or have belonged for the most recent five years, to such entity); and
7. No "relationship of interlocking outside officers" (Note 4) exists between the company to which the outside officer or candidate for outside officer belongs as a Director and NH Group.

- (Notes)
1. "Important employee" means an employee assigned to the post of a general manager or a higher post.
 2. "Leading shareholder" means any person holding, directly or indirectly, 10% or more of the total voting rights.
 3. "Principal client" means a company whose amount of money paid or received in its trading with NH Group is 2% or more of net sales of NH Group or the client on a consolidated basis.
 4. "Relationship of interlocking outside officers" means a receipt of the dispatching of any outside officer from the company that any Director of the Group is currently serving as an outside officer.