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Securities Code: 4186
June 5, 2012

To Those Shareholders with Voting Rights

Ikuo Akutsu
President and Representative Director
TOKYO OHKA KOGYO CO., LTD.
150 Nakamaruko, Nakahara-ku,
Kawasaki, Kanagawa, JAPAN

NOTICE OF THE CONVOCAION OF THE 82nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 82nd Ordinary General Meeting of Shareholders of TOKYO OHKA KOGYO CO., LTD. (“the Company”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following means. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m., Tuesday, June 26, 2012.

Exercise of Voting Rights in Writing

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return it to the Company, ensuring that the form reaches us no later than the above voting deadline.

Exercise of Voting Rights by Electronic Means (via the Internet, etc.)

Please review the “Guide for Exercising Voting Rights via the Internet, etc.” described on page 30, and enter your approval or disapproval for each proposal no later than the above voting deadline.

1. **Date and Time:** Wednesday, June 27, 2012 at 10:00 a.m.
2. **Place:** 1st Meeting Room, 5F, Corporate Headquarters of the Company
150 Nakamaruko, Nakahara-ku, Kawasaki, Kanagawa, Japan
3. **Agenda of the Meeting:**
Matters to be reported:
 1. The Business Report and the Consolidated Financial Statements for the 82nd fiscal year (from April 1, 2011 to March 31, 2012) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. The Non-Consolidated Financial Statements for the 82nd fiscal year (from April 1, 2011 to March 31, 2012)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Seven Directors
- Proposal No. 3:** Election of One Corporate Auditor
- Proposal No. 4:** Election of One Substitute Corporate Auditor
- Proposal No. 5:** Decision on Amount of Stock-Option-Type Remuneration to Directors and Details Thereof
- Proposal No. 6:** Continuation of Guidelines on Response to Large-Scale Purchase of the Company’s Shares etc. (Takeover Defensive Measures)

4. Matters Decided for the Convocation:

- (1) If you exercise your voting rights by two different means, that is, by electronic means (via the Internet, etc.) as well as in writing, votes by electronic means (via the Internet, etc.) shall prevail.
- (2) If you exercise your voting rights by electronic means (via the Internet, etc.) more than once, your final votes shall prevail.

*For those attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival.

*When it is necessary to modify the matters stated in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements and the Consolidated Financial Statements, please understand that the matters after modification will be shown on the website of the Company (<http://www.tok.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Regarding the appropriation of surplus, the Company proposes as follows.
Matters related to the year-end dividend:

The Company considers the return of its profits to shareholders as an important managerial issue. The Company, in light of its financial condition and business performance from a long-term point of view, makes it its basic policy to: carefully secure its sufficient internal reserves for the purpose of effectively utilizing them as a resource for continuous improvement of its corporate value by advancing measures essential for the enhancement of the corporate competitiveness and enlargement of its profit such as: aggressive research and development investment into new technologies and new products geared towards new growth; capital investment in production equipments, etc. for quality improvements and further efficiency improvements of existing business; and enhancement of its business development both at home and overseas, and, on the other hand, also makes it its basic policy to: continue its payments of dividends with a consolidated payout ratio of 20% or more, taking into account the current level of payout; and flexibly acquire its own stocks.

Under these policies, the Company proposes the year-end dividend for the fiscal year as follows.

(1) Type of dividend property

Cash

(2) Matters related to distribution of dividend property to shareholders and the total amount

¥20 per common share of the Company Total amount: ¥900,084,480

Although business environment remains severe, we propose to pay an additional ¥2 per share compared to the previous year-end dividend as appreciation for the constant support of shareholders. Accordingly, including the interim dividend of ¥18 per share paid in November 2011, the annual dividend for the fiscal year is ¥38 per share, which is ¥5 more than in the previous fiscal year.

(3) Effective date of the distribution of surplus

June 28, 2012

Proposal No. 2: Election of Seven Directors

The terms of office of all seven Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, election of seven Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions	Number of shares of the Company held
1	Ikuo Akutsu (April 27, 1959)	<p>April 1982 Joined the Company</p> <p>April 2003 General Manager, Manufacturing Technology Division</p> <p>October 2003 General Manager, Advanced Material Development Division 2</p> <p>April 2007 President and General Manager of TOK TAIWAN CO., LTD.</p> <p>June 2009 Officer; Department Manager, Corporate Planning Department</p> <p>June 2010 Director; Executive Officer; Department Manager, Corporate Planning Department</p> <p>June 2011 Representative Director, President and Chief Executive Officer (to the present)</p>	9,400 shares
2	Koichi Kaihatsu (August 21, 1947)	<p>September 1978 Joined the Company</p> <p>May 1984 General Manager, President Office</p> <p>June 1987 General Manager, General Affairs Division</p> <p>April 1994 Deputy Chief, Administrative Department and General Manager, General Affairs Division</p> <p>June 1998 Director; Deputy Department Manager, Administrative Department and General Manager, General Affairs Division</p> <p>June 2002 Director; Department Manager, General Affairs Department</p> <p>June 2003 Director; Officer; Department Manager, General Affairs Department</p> <p>June 2004 Director; Executive Officer; Department Manager, General Affairs Department</p> <p>June 2006 Representative Director; Senior Executive Officer; Department Manager, General Affairs Department</p> <p>June 2009 Representative Director; Senior Executive Officer; Department Manager, Administration Department</p> <p>June 2010 Representative Director; Chief Operating Officer; Department Manager, Administration Department (to the present)</p>	36,007 shares

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions	Number of shares of the Company held
3	Kobun Iwasaki (April 8, 1949)	<p>April 1977 Joined the Company</p> <p>October 1993 General Manager, Electronic Material Marketing Division 2</p> <p>May 1994 Director of OHKA AMERICA INC. (present TOKYO OHKA KOGYO AMERICA, INC.)</p> <p>April 1997 General Manager, Tohoku Marketing Office</p> <p>June 2003 Officer; General Manager, Electronic Material Marketing Division 2</p> <p>June 2004 Officer; Deputy Department Manager, Marketing Department and General Manager, Electronic Material Marketing Division 2</p> <p>April 2005 Officer; Department Manager, Marketing Department</p> <p>June 2006 Director; Officer; Department Manager, Marketing Department</p> <p>June 2010 Director; Executive Officer; Department Manager, Marketing Department (to the present)</p> <p>(Significant concurrent positions)</p> <p>President and Representative Director of TOK KOREA CO., LTD. Director of TOKYO OHKA KOGYO EUROPE B.V.</p>	5,400 shares
4	Hidekatsu Kohara (April 7, 1951)	<p>April 1975 Joined the Company</p> <p>April 1997 General Manager, Advanced Material Development Division 1</p> <p>June 2000 General Manager, Manufacturing Technology Division</p> <p>April 2003 Project Leader, ERP Promotion Project</p> <p>June 2004 Officer; Project Leader, ERP Promotion Project</p> <p>April 2005 Officer; Department Manager, Management Information System Department</p> <p>June 2006 Officer; Department Manager, Process Equipment Manufacturing Department</p> <p>June 2008 Director; Officer; Department Manager, Research and Development Department (to the present)</p>	11,000 shares

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions	Number of shares of the Company held
5	Jiro Makino (September 10, 1939)	<p>December 1967 Joined MAKINO MILLING MACHINE CO., LTD. ("MMM")</p> <p>May 1974 Director; General Manager, Planning Division of MMM</p> <p>March 1977 Director; Department Manager, Marketing Department of MMM</p> <p>July 1978 Managing Director; Department Manager, Marketing Department of MMM</p> <p>June 1979 Senior Managing Director; Department Manager, Marketing Department of MMM</p> <p>October 1982 Senior Managing Director; Department Manager, Technical Department of MMM</p> <p>June 1985 President and Representative Director of MMM (to the present)</p> <p>June 2006 Director (Outside Director) of the Company (to the present)</p> <p>(Significant concurrent positions)</p> <p>President and Representative Director of MMM Vice Chairman of Japan Machine Tool Builders' Association</p>	10,000 shares
6	* Hiroji Komano (December 19, 1952)	<p>April 1976 Joined the Company</p> <p>April 1997 General Manager, Advanced Material Development Division 2</p> <p>June 2000 General Manager, Advanced Material Development Division 1</p> <p>June 2004 Officer; Deputy Department Manager, Research and Development Department</p> <p>October 2004 Officer; Deputy Department Manager, Research and Development Department and General Manager, New Technology Development Section</p> <p>April 2007 Officer (President and Director of TOKYO OHKA KOGYO AMERICA, INC.)</p> <p>June 2011 Officer; Department Manager, New Business Development Department (to the present)</p>	1,700 shares

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions	Number of shares of the Company held
7	* Harutoshi Sato (June 1, 1961)	<p>April 1984 Joined the Company</p> <p>April 2004 General Manager, Quality Assurance Division</p> <p>April 2007 General Manager, Advanced Material Development Division 2</p> <p>April 2008 General Manager, Advanced Material Development Division 1</p> <p>June 2009 Officer; Deputy Department Manager, Research and Development Department and General Manager, Advanced Material Development Division 3</p> <p>June 2011 Officer; Deputy Department Manager, Research and Development Department and General Manager, Advanced Material Development Division 1 (to the present)</p>	2,000 shares

Notes: 1. * indicates a new candidate.

2. No conflict of interest exists between the Company and any of the candidates.

3. Mr. Jiro Makino is a candidate for Outside Director. The Company has designated Mr. Jiro Makino an independent director in accordance with the regulations of the Tokyo Stock Exchange and notified therein. If his election is approved, the Company plans to continue his independent director designation.

4. Reasons for election of the candidate for Outside Director:

Mr. Jiro Makino has carried out his duty as President and Representative Director of MMM over the years. His election as Outsider Director is proposed to ask for his continued supervision of the Company's management from an objective and neutral point of view based on his abundant experience and considerable insight as an executive of the listed company, as well as his contribution to enhancement of the corporate governance with his advice on the general management of the Company. His term of office as Outside Director will be six (6) years at the conclusion of this General Meeting of Shareholders.

5. Liability limitation agreement with Outside Director:

The Company has entered into the liability limitation agreement with Mr. Jiro Makino, which shall limit the maximum amount of liability provided for in Article 423, Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. If his election is approved, the Company plans to continue the aforementioned agreement.

Proposal No. 3: Election of One Corporate Auditor

The term of office of Corporate Auditor, Mr. Shigeru Ohtawa will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, election of one Corporate Auditor is proposed.

The Board of Corporate Auditors has previously given its approval to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position at the Company, and significant concurrent positions	Number of shares of the Company held
<p style="text-align: center;">* Kenji Tazawa (June 28, 1952)</p>	<p>April 1975 Joined the Company</p>	3,200 shares
	<p>June 2000 General Manager, Advanced Material Development Division 2</p>	
	<p>October 2003 General Manager, Advanced Material Development Division 3</p>	
	<p>February 2004 President and Director of OHKA EUROPE LTD.</p>	
	<p>June 2004 Officer (Managing Director of OHKA EUROPE LTD.)</p>	
	<p>February 2006 Officer (Managing Director of TOKYO OHKA KOGYO EUROPE B.V.)</p>	
	<p>June 2008 Officer; Department Manager, Process Equipment Manufacturing Department (to the present)</p>	
	<p>(Significant concurrent positions) President and Representative Director of TOK TECHNO SERVICE CO., LTD.</p>	

Notes: 1. * indicates a new candidate.

2. No conflict of interest exists between the Company and the candidate.

3. Mr. Kenji Tazawa is scheduled to retire from the position of President and Representative Director of TOK TECHNO SERVICE CO., LTD., a subsidiary of the Company, on June 13, 2012.

Proposal No. 4: Election of One Substitute Corporate Auditor

The election of substitute Corporate Auditor, Mr. Kenichi Fujiwara will become invalid at the start of this General Meeting of Shareholders.

In order to prepare for the case when the number of Corporate Auditors stipulated by laws and regulations might be insufficient, election of one substitute Corporate Auditor in advance is proposed.

The Board of Corporate Auditors has previously given its approval to this proposal.

The candidate for substitute Corporate Auditor is as follows:

Name (Date of birth)	Career summary and significant concurrent positions	Number of shares of the Company held
Kenichi Fujiwara (January 14, 1940)	April 1963 Joined Tokyo Stock Exchange, Inc.	0 shares
	July 1967 Joined Arthur Andersen & Co. (present KPMG AZSA LLC)	
	May 1970 Registered as Certified Public Accountant	
	June 1973 Joined newly established firm, Sanwa & Co. (present Deloitte Touche Tohmatsu LLC)	
	April 1976 Representative Partner of Sanwa & Co. (present Deloitte Touche Tohmatsu LLC)	
	June 1993 Representative Partner, Board Member of Tokyo Office of Tohmatsu & Co. (present Deloitte Touche Tohmatsu LLC)	
	June 1999 Representative Partner, Board Member of Headquarters of Tohmatsu & Co. (present Deloitte Touche Tohmatsu LLC)	
	June 2001 Representative Partner, Executive Management Member of Headquarters (Representative Partner of Tokyo Office) of Tohmatsu & Co. (present Deloitte Touche Tohmatsu LLC)	
	June 2004 Representative Partner of Deloitte Touche Tohmatsu (present Deloitte Touche Tohmatsu LLC)	
	June 2005 Retired from Deloitte Touche Tohmatsu (present Deloitte Touche Tohmatsu LLC)	
	July 2005 Managing Partner of Kenichi Fujiwara CPA Office (to the present) Corporate Auditor (Outside Corporate Auditor) of Mitsui-Soko (Mitsui Warehouse) Co., Ltd.	
	June 2009 Corporate Auditor (Outside Corporate Auditor) of ShinGinko Tokyo, Limited (to the present)	
	(Significant concurrent positions) Managing Partner of Kenichi Fujiwara CPA Office Corporate Auditor (Outside Corporate Auditor) of ShinGinko Tokyo, Limited	

Notes: 1. No conflict of interest exists between the Company and the candidate.

2. Mr. Kenichi Fujiwara is a candidate for substitute Outside Corporate Auditor. The Company plans to designate him an independent auditor in accordance with the regulations of the Tokyo Stock Exchange and notify therein in the event that he assumes the office as Outside Corporate Auditor.

3. Reasons for election of the candidate for substitute Outside Corporate Auditor and for determining that the candidate can properly perform his duties as Outside Corporate Auditor:

Although Mr. Kenichi Fujiwara has no direct experience in company management, we have determined that he can show his skills in monitoring the Company's management from an objective and neutral

point of view based on his sophisticated expertise in accounting and a proven track record in auditing as a certified public accountant as well as his experience as outside corporate auditor in other companies. Therefore, his election as a candidate for substitute Outside Corporate Auditor is proposed.

4. Liability limitation agreement with Outside Corporate Auditor:

Pursuant to the provisions of the current Articles of Incorporation, the Company may enter into a liability limitation agreement with Outside Corporate Auditor, which shall limit the liability provided for in Article 423, Paragraph 1 of the Companies Act. In the case where Mr. Kenichi Fujiwara assumes his office as Outside Corporate Auditor, the Company will enter into a liability limitation agreement with him, which shall limit the maximum amount of liability to the minimum liability amount stipulated by laws and regulations.

Proposal No. 5: Decision on Amount of Stock-Option-Type Remuneration to Directors and Details Thereof

At the 78th Ordinary General Meeting of Shareholders held June 26, 2008, shareholders approved an annual remuneration amount for the Company's Directors of ¥420 million or less (excluding, however, amounts in salaries and bonuses for employees serving concurrently as Directors), and this has remained effective until this day. However, the Company proposes that shareholders approve the issuance of subscription warrants as stock options within the range of an annual amount of ¥42 million or less as remunerations to Directors (excluding Outside Directors) outside the framework of the aforesaid remuneration amount. The amount of remunerations of the subscription warrants as stock options shall be the total number of subscription warrants allotted multiplied by the fair value per subscription warrant calculated on the allotment date of the subscription warrants (hereinafter referred to as the "Allotment Date").

The current number of Directors (excluding the one Outside Director) is six Directors, and, assuming that Proposal No. 2 (Election of seven directors) is approved in its original form, the number of Directors (excluding the one Outside Director) will be six Directors, the same as the current number.

1. Reason to issue subscription warrants to Directors as remunerations

The Company will issue subscription warrants as stock options in consideration for execution of duties to Directors (excluding Outside Directors) to even raise morale for improving the business performance and boosting the corporate value of the Company.

2. Details of subscription warrants to be issued as remunerations to Directors

(1) Class and number of shares to be issued upon exercise of subscription warrants

The Company will set a maximum number of shares that can be delivered upon exercise of the subscription warrants to be issued on days within one year from the day of the Company's Ordinary General Meeting of Shareholders for each fiscal year to 60,000 shares of the Company's common stock.

In case the Company conducts a share split (including gratis allotment of shares of the Company's common stock; the same shall apply below whenever share split is mentioned) or share consolidation of the Company's common stock after the date of resolution of this proposal (hereinafter referred to as the "Resolution Date"), the number of shares to be issued upon exercise of the subscription warrants shall be adjusted by applying by the following formula; provided however, that the applied adjustment is performed on the number of shares to be issued for the subscription warrants that are not exercised in the aforementioned period and fractions of less than one share resulting from the adjustment are discarded.

Number of shares after adjustment=Number of shares before adjustment x Ratio of share split or share consolidation

The number of shares after adjustment shall be applied on and after the day following the record date of the share split (or on and after the effective date thereof when a record date is not prescribed) in the case of a share split or on and after the effective date of the share consolidation in the case of a share consolidation; provided however that if the share split is conducted subject to the condition of shareholder approval at a Company's General Meeting of Shareholders of a proposal to increase capital or reserve of the Company by reducing surplus, and a day prior to the day of conclusion of said General Meeting of Shareholders is made the record date for the share split, the number of shares after adjustment shall apply on and after the day following the day of conclusion of said General Meeting of Shareholders.

Moreover, in addition to the above, if it becomes necessary to adjust the number of shares to be issued upon exercise of the subscription warrants after the Resolution Date pursuant to cases when the Company conducts a merger, company split or share exchange or to other similar cases, the Company may perform adjustment on the number of shares deemed necessary by resolution of the Company's board of directors (hereinafter referred to as the Board of Directors).

(2) Total number of subscription warrants

The maximum total number of subscription warrants to be issued within one year from the day of the Company's Ordinary General Meeting of Shareholders for each fiscal year shall be set at 600. The number of shares for each subscription warrant (hereinafter referred to as the "Number of Granted Shares") shall be 100 shares; provided, however, if a share number adjustment set forth in "(1) Class and number of shares to be issued upon exercise of subscription warrants" above is conducted, similar adjustment shall be applied to the Number of Granted Shares.

(3) Requirement or no requirement of payment of money for subscription warrants

Payment of money for subscription warrants shall not be required.

(4) Amount of property contributed upon exercise of subscription warrants

The amount of property contributed upon exercise of each subscription warrant shall be calculated by multiplying the exercise price per share delivered upon exercise of each subscription warrant (hereinafter referred to as the "Exercise Price") by the Number of Granted Shares.

The Exercise Price shall be either the average closing price in regular trading of the Company's common stock on the Tokyo Stock Exchange of the days in the month prior to the month to which the Allotment Date belongs (excluding the dates of no closing price) multiplied by 1.05 (a fraction of less than one yen resulting from the calculation is rounded up to a whole yen), or such closing price on the Allotment Date (in the event of no closing price on the said date, the nearest preceding closing price will be used), whichever is higher.

In the event that, after the Allotment Date, the Company becomes necessary to adjust the Exercise Price in cases where the Company (i) conducts a share split or share consolidation of the Company's common stock, (ii) issues new shares or disposes of treasury shares of common stock at a price that is less than the market price (excluding (a) the sale of treasury shares pursuant to the provision of Article 194 of the Companies Act (the "Demand for sale to holder of shares less than one unit"), (b) the conversion of securities to be or able to be converted into the Company's common shares, and (c) the exercise of subscription warrants (including subscription warrants attached to bonds) that have a right to request the delivery of the Company's common shares, or (iii) conducts a merger, company split or share exchange, the Company may conduct the adjustment of the Exercise Price that is deemed necessary by the Board of Directors.

(5) Period during which subscription warrants may be exercised

The exercisable period shall be the period prescribed by the Board of Directors within the period ending seven years from the day following the Allotment Date; provided, however, that the waiting period for the exercise of rights shall be set at the period ending more than three but not more than four years from the date following the Allotment Date.

(6) Restrictions on acquisition of subscription warrants by assignment

The acquisition of subscription warrants by assignment shall require the approval of the Board of Directors.

(7) Terms for exercise of subscription warrants

- 1) A holder of subscription warrants may exercise his/her subscription warrants only when the holder holds either position of Director and Officer of the Company; provided, however, that this shall not apply to the case where the holder loses the position of Director or Officer of the Company based on justifiable grounds.
- 2) Other terms shall be governed by the "Subscription Warrants Allotment Agreement" to be concluded between the Company and holders of subscription warrants based on the resolution of the Board of Directors.

(8) Other details of subscription warrants

Other details of subscription warrants shall be prescribed at a meeting of the Board of Directors at which subscription requirements are decided.

(Reference)

In addition to the allotment of subscription warrants as stock options to Directors (excluding Outside Directors) by this proposal, the Company plans to allot, to Officers who do not concurrently serve as Director and some employees, subscription warrants as stock options similar to the stock options allotted to Directors by resolution of the Board of Directors.

Proposal No. 6: Continuation of Guidelines on Response to Large-Scale Purchase of the Company's Shares etc. (Takeover Defensive Measures)

The continuation of "Guidelines on Response to Large-Scale Purchase of the Company's Shares etc. (Takeover Defensive Measures)" (hereinafter referred to as the "Response Guidelines") was approved by the shareholders at the Company's 79th Ordinary General Meeting of Shareholders held on June 25, 2009, by a majority of voting rights of the attending shareholders. As the effective term of the Response Guidelines is until the conclusion of this General Meeting of Shareholders, however, the Company has looked into the proper configuration of the Response Guidelines, including whether or not the Response Guidelines needs to be ongoing, from the viewpoint of securing and enhancing the common interests of the Company shareholders and the corporate value of the Company, before the expiration of the effective term of the Response Guidelines. Consequently, the Company determined, at the meeting of the board of directors of the Company (hereinafter referred to as the "Board of Directors") on May 23, 2012 (hereinafter referred to as the "Board Meeting"), the continuation of the Response Guidelines upon partial modification thereof, subject to the approval of shareholders of the Company.

Through this proposal, the Company requests the approval of shareholders for the continuation of the Response Guidelines.

If the Response Guidelines is approved by a majority of voting rights of the shareholders present at this General Meeting of Shareholders, the Response Guidelines will remain in effect from the conclusion of this General Meeting of Shareholders until the conclusion of the Company's Ordinary General Meeting of Shareholders in 2015.

The continuation of the Response Guidelines was determined at the Board Meeting by the unanimous approval of Directors, including one Outside Director, with all Corporate Auditors present, including two Outside Corporate Auditors, and all Corporate Auditors expressed agreement with the continuation of the Response Guidelines on condition that it be carried out properly in specific circumstances.

The purpose of the Response Guidelines is to help shareholders make proper judgments on large-scale purchases of the Company's shares etc., and is not to deter the relevant purchase itself.

The Company hereby notes that we have not as of the date hereof received any proposal for large-scale purchases of the Company's shares etc. from any specific third party.

Major amendments to the Response Guidelines are as follows. Please refer to page 16 to page 26 for the contents of the Response Guidelines.

- 1) The Company has set out the time limit for the final reply (a maximum of 60 days) for the case the Board of Directors requests additional information from a Large-Scale Purchaser;
- 2) The Company has amended some of contents of Large-Scale Purchase Information that the Board of Directors requests from a Large Scale Purchaser;
- 3) The Company has clearly stated that it shall not deem a Large-Scale Purchaser to fail to comply with the Large-Scale Purchase Rules solely on the grounds that the Large-Scale Purchaser has not provide parts of Large-Scale Purchase Information on the Large-Scale Purchase that the Board of Directors requested from the Large-Scale Purchaser;
- 4) The Company has clarified that if the Company intends to take Defensive Measures exceptionally even when the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules, the Defensive Measures should only be taken in limited cases where the Board of Directors determines that the Large-Scale Purchase would materially harm the common interests of the Company shareholders and the Company's corporate value by causing unrecoverable damage to the Company, as well as where the Large-Scale Purchase qualifies as one of the predefined Defensive Measure-triggering events;
- 5) The Company has clarified that when it allots subscription warrants gratis in the context of Defensive Measures, it shall not deliver any cash to any party who is not entitled to exercise the subscription warrants; and

- 6) The Company has partially modified the wording and altered the expression.

1. Basic policy regarding the modality of those who control the Company's financial and business policy decisions (hereinafter referred to as the "Company Control Basic Policy")

The Company believes it is necessary for a party who controls the Company's financial and business policy to fully understand the details of the financial affairs and business of the Company and the sources of the Company's corporate value, and thus be able to lead the way in enabling the Company to sustainably secure and enhance the common interests of the Company shareholders and the corporate value of the Company.

Ever since its inception in 1940, the Company has been managed around the principles of "continue efforts to enhance technology" "raise the quality levels of products" "contribute to society" and "create a frank and open-minded business culture." In hope of developing with society, there always were initiatives in creating new values by providing the highest quality products and services that certainly satisfy customers. The Company has long enjoyed relationships of trust with customers, business partners, employees and other stakeholders in Japan and many other countries, and its management has taken full advantage of its unique business by dynamically combining proprietary new technologies and technology resources the Company has accumulated so as to achieve further revolutions in the microprocessing that is at the core of the Company's technology base. In this way, the Company has sustainably secured and enhanced the common interests of the Company shareholders and the corporate value of the Company.

If the relationships built up with the Company's stakeholders are destroyed and its new technologies and technology resources are drained by facile changes in Company management policies and so-called scorched-earth-management following the large-scale purchase of shares etc. of the Company without sufficient understanding of the relationships with stakeholders of the Company and unique business of the Company's business, which are the source of corporate value of the Company, the common interests of the Company shareholders and the corporate value of the Company would be materially harmed, and therefore the Company believes that a party that is taking or is to take the relevant purchase action to that end is an inappropriate party to be in control of the Company's financial and business policies.

The Board of Directors believes that it is ultimately up to the shareholders who own shares etc. of the Company to decide whether to sell shares etc. of the Company in the event of the relevant purchase, but also believes that it would be difficult to increase the corporate value of the Company without fully understanding unique nature of its business. Being responsible for the management of the Company and fully understanding its unique business, the Board of Directors considers it extremely important, when shareholders evaluate the relevant purchase, that the Board of Directors provide them with full information at an appropriate time and in an appropriate manner, including the Board of Directors' evaluation and opinion of the relevant purchase, not just with the information unilaterally provided by the party that is taking or is to take the action to purchase.

Under such concept, the Board of Directors considers that, to establish a scheme that enables the Board of Directors to secure information and a period of time for shareholders to judge whether or not to accept the relevant purchase and for the Board of Directors to present an alternative plan and to conduct negotiations for the sake of shareholders with the party who starts or is to start the relevant purchase, and to enact defensive measures permissible under laws and regulations, and the Company's Articles of Incorporation, if the relevant purchase is judged to materially harm the common interests of the Company shareholders and the corporate value of the Company, are duties to which the Board of Directors is committed by shareholders.

2. Special measures that will help achieve the Company Control Basic Policy

- (1) Efforts toward enhancement of corporate value

The Company has been implementing efforts that are certain to strengthen the Company's corporate

power and enhance its sustainable earning capacity, in order to sustainably secure and enhance the common interests of the Company shareholders and the corporate value of the Company. That is, the Company has adopted the slogan: “Start ‘Newborn TOK’ with functional systems, looking at TOK to want to be after 10 years,” Towards the realization of this concept, the Company has resolved to establish three action plans as pillars of forward progress: “creation of new businesses,” “expansion of existing businesses,” and the “restructuring of existing businesses.”

For the “restructuring of existing businesses,” we have carried out a large-scale “business structural reform” and striven to adapt to a profitable structure that is not influenced by changes in economic conditions or market conditions. This reform includes special preferable treatment for early retirement, the merger/decommission of production bases in Japan and overseas, the assignment of the printing material business, and withdrawal from non-profitable businesses.

For the “expansion of existing businesses” and “creation of new businesses” inherent in growth strategy, on the other hand, the Company implements various measures, including measures to enhance the efficiency of production and reduce costs in the semiconductor related-materials business, which is the core business of the Company, in particular. Furthermore, the Company has been promoting the “expansion of existing businesses” by continuing to launch new products with high added value into new markets while forming new organizations with a view to the “creation of new businesses,” so that the Company has been accelerating the “creation of new businesses not bound by existing business fields, including “Zero Newton®,” a wafer handling system for TSV process, and a next generation solar cell production process. The implementation of these growth strategies essentially requires the effective input of managerial resources. In this regard, the Company is committed to consider and promote proactive business partnership with other entities (including mergers and acquisitions) in addition to investments in human resources, facilities, and research and development activities.

(2) Corporate governance

The Company believes that to realize the management vision “aiming at a company that earns high trust of stakeholders by creating new businesses while strengthening the Company’s core competence^(Note) and expanding existing businesses” will lead to the realization of common interests with shareholders and many stakeholders and the enhancement of corporate value, and toward realization of this management vision, the Company regards the enhancement of corporate governance as one of the most important issues for management: the means to maintain sound and transparent management and to secure its operational efficiency by speeding up the decision-making process.

In light of such concepts, the Company has worked hard to upgrade corporate governance by shortening the term of office of Directors from two years to one, to quickly respond to changes in the operating environment and clarify the accountability of Directors for operating results in each fiscal year, and meanwhile worked for the implementation of the smoother exercise of voting rights at General Meetings of Shareholders and for the enhancement of measures to achieve its substantive internal control system, including responsiveness to issues to do with compliance and risk management, while striving to enhance management’s supervisory functions and speedy decision-making by the appointment of one Outside Director and the introduction of the officer system.

Note: The Company’s core competence refers to the Company’s unique advantage over its competitors that is the core of the Company’s operations.

3. Efforts to prevent the control of the Company’s financial and business policy decisions by inappropriate parties in light of the Company Control Basic Policy (Response Guidelines)

The Board of Directors believes, as described above in the Company Control Basic Policy, that the parties in control of the Company’s financial and business policy decisions should be those who can sufficiently understand the financial details and lines of business of the Company and sources of corporate value of the Company, and thereby secure and enhance the common interests of the Company shareholders and the corporate value of the Company sustainably, and that parties who are contrary to this are

inappropriate to be in control of the Company's financial and business policy decisions. The Board of Directors has formulated the Response Guidelines for the purpose of preventing large-scale purchases of shares etc. of the Company that would cause the control of the Company's financial and business policy decisions to fall into the hands of such inappropriate parties, and which would threaten to materially harm the common interests of the Company shareholders and the corporate value of the Company, and for helping shareholders to make proper judgments on whether to accept or reject the relevant purchase, and the rules concerning the relevant purchase (hereinafter referred to as the "Large-Scale Purchase Rules") have been determined. The Large-Scale Purchase Rules ask the party who is making or is to make the relevant purchase (hereinafter referred to as the "Large-Scale Purchaser") to provide necessary and complete information to the Board of Directors in advance of the relevant purchase and establish a period of time for the Board of Directors to study and evaluate the relevant purchase, with the relevant purchase commencing after this period has elapsed.

The Board of Directors requests that Large-Scale Purchasers comply with the Large-Scale Purchase Rules, and, in the event that the Board of Directors receives necessary and complete information in accordance with the Large-Scale Purchase Rules, the Board of Directors will study said information, disclose its opinion at an appropriate time and in an appropriate manner, accept or present an alternative to the proposed purchase, and respond in accordance with its views. In the event that the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules and in the event that the Large-Scale Purchaser complies with the Large-Scale Purchase Rules but the Board of Directors judges the relevant purchase to materially harm the common interests of the Company shareholders and the corporate value of the Company, the Board of Directors may take certain defensive measures.

The contents of the Large-Scale Purchase Rules are as follows.

(1) Large-Scale Purchase subject to the Large-Scale Purchase Rules

The Response Guidelines shall apply to either of the purchases of shares etc. of the Company below and similar actions; provided, however, that purchases approved by the Board of Directors shall be excluded (such purchase is hereinafter referred to as "Large-Scale Purchase"). Large-Scale Purchaser must follow the procedures as prescribed in the Response Guidelines in advance:

- 1) Any Purchase or similar action, by which holding ratio (*3) of the shares etc. (*1) issued by the Company of the Holder (*2) comes to 20% or more
- 2) Any takeover bid with respect to the shares etc. issued by the Company (*4) where total of the holding ratio of the shares etc. (*6) relating to the takeover bid (*5) and that of the parties with special interests comes to 20% or more

- Notes:
1. This shall mean "Share Certificate, etc." as set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same unless otherwise provided. It shall be noted that, when laws and regulations cited in the Response Guidelines are revised (including change of name of laws or regulations, establishment of new laws and regulations to succeed former laws and regulations), the provisions of the laws and regulations cited in the Response Guidelines shall read as provisions of the laws and regulations that substantially succeed the provisions of the relevant laws and regulations after the relevant revision, unless otherwise provided by the Board of Directors.
 2. This shall mean "Holder(s)" as set forth in Article 27-23, Paragraph 1, which includes those deemed as Holder(s) pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act.
 3. This shall mean "Holding Ratio of the Share Certificates, etc." as set forth in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; hereinafter the same.
 4. This shall mean "Share Certificate, etc." as set forth in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same in 2) and Note No. 3 of the Attachment "Outline of Gratis Allotment of Subscription Warrants" on pages 25 and 26.
 5. As defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act; hereinafter the same.

6. This shall mean “Holding Ratio of the Share Certificates, etc.” as set forth in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act; hereinafter the same.
7. This shall mean “Special Related Party (-ies), etc.” as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act; provided however, that, parties provided for in Article 3, Paragraph 2 of the Cabinet Office Ordinance concerning Disclosure of a Tender Offer by Parties other than the Issuer shall be excluded from the parties provided for in Article 27-2, Paragraph 7, Item 1 of the Financial Instruments and Exchange Act.

(2) Provision of Large-Scale Purchase Information

The Large-Scale Purchaser shall provide the Board of Directors with necessary and complete information (hereinafter referred to as “Large-Scale Purchase Information”) for shareholders to make a decision and for the Board of Directors to study and evaluate the proposed Large-Scale Purchase in advance of the Large-Scale Purchase.

Specific content of the Large-Scale Purchase Information will differ according to the nature of the Large-Scale Purchaser and the contents of the Large-Scale Purchase. Large-Scale Purchasers intending to engage in Large-Scale Purchase shall first provide to the Board of Directors a “statement of intent” regarding the Large-Scale Purchase in accordance with the Large-Scale Purchase Rules.

This statement of intent, written in Japanese, shall contain the following: 1) name and address of Large-Scale Purchaser, 2) law under which the Large-Scale Purchaser was established, 3) name of representative thereof, 4) contact address in Japan, 5) outline of proposed Large-Scale Purchase, 6) number of shares etc. of the Company currently held by the Large-Scale Purchaser and number of shares etc. of the Company expected to be held, and 7) covenant to comply with Large-Scale Purchase Rules.

The Board of Directors shall prepare a list of Large-Scale Purchase Information written in Japanese to be initially provided and then provide the Large-Scale Purchaser with the list within 5 business days after receipt of the statement of intent. In the event that the information initially provided is considered insufficient as Large-Scale Purchase Information, the Board of Directors may, from the standpoint of seeking for swift management of Large-Scale Purchase Rules, set a reasonable period of time (a maximum period of 60 days counting from the date when the list of Large-Scale Purchase Information is delivered) in which to ask the Large-Scale Purchaser to provide additional information.

Below is a list of some of the Large-Scale Purchase Information. The Board of Directors will publish the fact of the Large-Scale Purchase proposal and all or a part of the Large-Scale Purchase Information provided to the Board of Directors at a point in time it deems appropriate so as to assist shareholders in their decisions.

- 1) Detailed information on the Large-Scale Purchaser and its group (including specific names, capital structure, financial status)
- 2) Objectives, method and content of the Large-Scale Purchase (including type and amount of countervalue, timing of purchase, financing of purchase, collateral rights established with respect to shares etc. of the Company already held, intention to establish collateral rights with respect to the assets of the Company or shares etc. of the Company to be acquired in the future, timing, structure of transaction)
- 3) Rationale for calculations of purchase price (including calculation method, numerical information used in calculations, the synergy value between Large-Scale Purchase and other transactions and rationale for these calculations)
- 4) Communication of intent with any third parties with respect to the Large-Scale Purchase, details of any such communications
- 5) Profile of party(s) providing funding for Large-Scale Purchase (including specific names, capital structures)
- 6) Intended basic management policies and business guidelines for the Company and Company’s group after completion of Large-Scale Purchase
- 7) Programs for stable and sustained increases in the corporate value of the Company and Company’s group after completion of Large-Scale Purchase, rationale for expectations that they will increase

- the corporate value of the Company and Company's group
- 8) Description of any intended changes in the staffing, business partners, customers, community relations and relations with other interested parties in the Company and Company's group after completion of the Large-Scale Purchase
 - 9) Other information deemed necessary by the Board of Directors and special committee

(3) Study and evaluation by Board of Directors

After the Large-Scale Purchaser has completed the provision of Large-Scale Purchase Information to the Board of Directors, the Board of Directors considers a maximum period of 60 days for purchases of all shares of the Company in a cash (yen) takeover bid and a maximum period of 90 days for the other Large-Scale Purchases to be necessary for the Board of Directors to study, evaluate, negotiate, form an opinion and when necessary draft an alternative proposal (hereinafter referred to as the "Board of Directors Evaluation Period").

During the Board of Directors Evaluation Period, the Board of Directors may, as necessary and appropriate, seek the advice of a special committee or outside experts etc. as it studies and evaluates the provided Large-Scale Purchase Information, shall carefully form its opinion, shall notify its opinion to the Large-Scale Purchaser and shall publish its opinion. When necessary, the Board of Directors may negotiate with the Large-Scale Purchaser for better terms for the Large-Scale Purchase and may present alternative proposals to shareholders.

Only in the case where there is reasonable necessity by which the Board of Directors does not reach public notice of their opinion, improvement of terms, presentation of an alternative proposal, or a decision on whether to take Defensive Measures in accordance with "(4) Response in the event of Large-Scale Purchase" below, within the Board of Directors Evaluation Period, the Board of Directors may, as advised by the special committee (additional 30 days, maximum), extend the Board of Directors Evaluation Period. In such cases, the Board of Directors shall disclose in a timely manner after the decision to extend the Board of Directors Evaluation Period, the reasons for extending the Board of Directors Evaluation Period, the period of extension and other matters deemed appropriate.

Large-Scale Purchase shall only be commenced after the conclusion of the Board of Directors Evaluation Period.

(4) Response in the event of Large-Scale Purchase

- 1) If the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules

If the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, regardless of the specific method of purchase, the Board of Directors may, for the purpose of protecting the common interests of the Company shareholders and the corporate value of the Company and within a reasonable scope deemed necessary, take other measures as authorized to the Board of Directors under the Company Act, other laws and regulations and the Articles of Incorporation, including making gratis allotments of subscription warrants, to defend against the Large-Scale Purchase (hereinafter referred to as the "Defensive Measures"). The Board of Directors may select specific Defensive Measures as it deems appropriate at that time.

An outline of gratis allotment of subscription warrants as a specific Defensive Measure open to the Board of Directors may be found in the Attachment "Outline of Gratis Allotment of Subscription Warrants" on pages 25 and 26. The specifics of the subscription warrant, including terms of acquisition, exercise period and terms of exercise (preventing the Large-Scale Purchaser and its group from exercising warrants etc.) may be modified in light of their effectiveness as a Defensive Measure.

Meanwhile, to determine whether or not the Large-Scale Purchase Rules have been complied with, the Company will well take into account the circumstances of the Large-Scale Purchaser to a reasonable extent and, at least will not deem that the purchaser has failed to comply with the rules solely on the grounds that parts of the Large-Scale Purchase Information have not been provided.

2) If the Large-Scale Purchaser complies with the Large-Scale Purchase Rules

If the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Board of Directors will not take Defensive Measures against the Large-Scale Purchase even if it is opposed to the Large-Scale Purchase, although this does not prevent it from expressing its opposition, presenting an alternative proposal or lobbying shareholders. It is the decision of shareholders whether to respond to the proposal of the Large-Scale Purchaser after having studied the proposal, the opinion of the Board of Directors and any alternative proposals thereof.

Notwithstanding the above, the Board of Directors may take Defensive Measures to protect the common interests of the Company shareholders and the corporate value of the Company even if the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules if, in the judgment of the Board of Directors, the proposed Large-Scale Purchase would materially harm the common interests of the Company shareholders and the corporate value of the Company because the Large-Scale Purchase meets one or more of the criteria in sub-items a) to e) and accordingly causes non-recoverable damage to the Company.

- a) When the Large-Scale Purchaser is considered to have no intention of truly participating in the management of the Company and is purchasing shares etc. of the Company merely for the purpose of raising their price and selling them back to interested parties (so-called “greenmailer”)
- b) When the Large-Scale Purchaser is considered to be purchasing shares etc. of the Company for the purpose of so-called scorched-earth-management in which it gains temporary control of the Company so as to convey to itself or its group companies etc. the intellectual property rights, know-how, confidential information, major business partners and customers etc. required for the business of the Company
- c) When the Large-Scale Purchaser is considered to be purchasing the shares etc. of the Company with the intent of diverting the assets of the Company to securing and repaying the debts of the Large-Scale Purchaser or its group companies etc.
- d) When the Large-Scale Purchaser is considered to be purchasing shares etc. of the Company for the purpose of achieving temporary control of the Company so as to cause it to sell or otherwise dispose of high-value assets such as real estate and securities etc. that are not directly related to the operations of the Company and cause it to use the proceeds therefrom to pay a high, one-off dividend or use a high, one-off dividend to trigger a rapid rise in the share price so as to enable it to sell its shares etc. at a high price
- e) When the method of purchasing shares etc. proposed by the Large-Scale Purchaser is a coercive two-stage purchase (takeover bid that does not solicit the purchase of all shares in the first stage but establishes disadvantageous purchasing conditions or does not define purchasing conditions for the second stage) or otherwise restricts shareholders’ opportunity and freedom of judgment or is deemed for practical purposes to coerce or potentially coerce shareholders to sell shares etc. (obviously, a partial takeover bid does not by itself constitute coercion)

(5) Establishment of special committee

The Board of Directors will make the final decision as to whether the Large-Scale Purchase Rules have been complied with and, if they have been complied with, as to whether to take Defensive Measures because of the potential to materially harm the common interests of the Company shareholders and the corporate value of the Company. However, the Company has also established a special committee as an organization independent of the Board of Directors, in order to rule out arbitrary judgments by the Board of Directors and to ensure objectivity and reasonableness of judgment and handling by the Board of Directors.

To enable fair and impartial judgments, the special committee shall consist of between three and five members comprising Outside Directors, Outside Corporate Auditors, substitute Corporate Auditors (however, such substitute Corporate Auditors must satisfy the requirements for Outside Auditors) and outside experts (legal counsel, tax accountants, certified public accountants, persons with academic or practical experience, experts in investment banking or other persons similar thereto) who are independent of the management team executing the business of the Company and have no special interest relationships with the Company or the Board of Directors.

For your reference, please refer to the “Outline of Rules of Special Committee” on page 27 about the

outline of rules of the special committee, and the “Special Committee Members and Their CVs” on pages 28 and 29 about the special committee members who are scheduled to be appointed provided that the continuation of the Response Guidelines is approved by the shareholders of the Company. The Company will disclose information summarizing judgments by the special committee, including the recommendations it makes, at an appropriate time and in an appropriate manner.

(6) Procedures for enacting Defensive Measures

The Board of Directors shall comply with the following procedures when enacting Defensive Measures in order to ensure the fairness and impartiality of its judgment.

- 1) Prior to enactment of Defensive Measures, the Board of Directors shall seek the advice of the special committee.
- 2) The special committee shall, as inquired by the Board of Directors as the above, determine the advisability of enacting Defensive Measures in accordance with “(4) Response in the event of Large-Scale Purchase” above and shall advise the Board of Directors of its opinion.
- 3) The Board of Directors shall accord maximum respect to the advice of the special committee when determining whether to enact Defensive Measures.
- 4) The decision to enact Defensive Measures by the Board of Directors shall be made by a majority vote of attending directors at a meeting attended by a majority of directors. In addition to seeking the advice of the special committee, the Board of Directors shall seek the advice of outside experts etc. when studying the specific nature of the Large-Scale Purchase proposed by the Large-Scale Purchaser and the impact of the Large-Scale Purchase on the common interests of the Company shareholders and the corporate value of the Company pursuant to the Large-Scale Purchase Information provided by the Large-Scale Purchaser.

(7) Cancellation of Defensive Measures or suspension of enactment thereof

Even after the Board of Directors resolves the enactment of Defensive Measures or commences enactment of Defensive Measures, in the event that Large-Scale Purchaser cancels the Large-Scale Purchase, or there has occurred a change with respect to the facts upon which the decision to enact Defensive Measures was premised, and, as a result, it is not appropriate to enact Defensive Measures from the viewpoint of securing and enhancing the common interests of the Company shareholders and the corporate value of the Company, the Board of Directors will cancel the Defensive Measures or suspend enactment, with the utmost deference for the recommendations by special committee.

(8) Impact etc. on shareholders and investors

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

The objective of the Large-Scale Purchase Rules is to provide shareholders with the information they require to decide whether to respond to a Large-Scale Purchase and with the opinion of the Board of Directors actually managing the Company, and to guarantee an opportunity to present shareholders with alternative proposals. This will ensure that shareholders have sufficient information to enable an appropriate decision as to whether to respond to the proposed Large-Scale Purchase, thereby protecting the interests of shareholders. We therefore believe that the establishment of Large-Scale Purchase Rules provides the foundation required by shareholders and investors to make appropriate investment decisions and that it will contribute to the interests of shareholders and investors.

As noted in “(4) Response in the event of Large-Scale Purchase” above, the Company will respond differently depending on whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, and, even if the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, depending on whether the Large-Scale Purchase is deemed to materially harm the common interests of the Company shareholders and the corporate value of the Company. We therefore encourage shareholders and investors to monitor the activities of Large-Scale Purchasers closely.

2) Impact of enactment of Defensive Measures on shareholders and investors

The Board of Directors may take Defensive Measures as described in “(4) Response in the event of Large-Scale Purchase” above for the purpose of protecting the common interests of the Company shareholders and the corporate value of the Company. The Board of Directors will make timely and appropriate disclosure in accordance with applicable laws and regulations and the regulations of the Tokyo Stock Exchange, among others, in the event that it decides to take specific Defensive Measures.

The Board of Directors does not envision any particular loss of legal rights or economic benefits by shareholders other than the Large-Scale Purchaser and its group in the event that Defensive Measures are taken. If, for example, a gratis allotment of subscription warrants were made as described in the Attachment, one subscription warrant per one share of the stock held by shareholders who are recorded in the final shareholder registry as of the allotment date as specified by the Board of Directors of the Company will be allotted without contribution. Considering such a scheme, at the time of gratis allotment of subscription warrants, although the economic value per share of the Company held by shareholders will be diluted, the economic value of the overall shares of the Company held will not be diluted. Therefore, we do not anticipate that a situation will arise where a direct specific impact will befall any particular legal rights or economic interests pertaining to the shares of the Company held by shareholders.

Meanwhile, when a Large-Scale Purchase has failed to comply with the Large-Scale Purchase Rules, or has complied with the rules but is deemed to materially harm the common interests of the Company shareholders and the corporate value of the Company, Defensive Measures may be taken, and it is possible that the legal rights and economic benefits of the Large-Scale Purchaser and its group may be disadvantaged by such Defensive Measures taken. The purpose of publication of the Response Guidelines is to evoke attention in advance so that Large-Scale Purchaser will not violate Large-Scale Purchase Rules.

Note that, even though the Board of Directors adopts a resolution for a gratis allotment of subscription warrants, as stated in “(7) Cancellation of Defensive Measures or suspension of enactment thereof” in the above, in the event that the Board of Directors determines to cancel Defensive Measures or suspend the enactment of the Defensive Measures, there is a possibility of a reasonable change in the stock price of the Shares. For example, please note that, after the shareholders who will be optionees of subscription warrants without compensation are confirmed, if the Company suspends enactment of the Defensive Measures and acquires the subscription warrants without contribution and then does not issue new shares, then the dilution of the individual stock value of shares held by shareholders will not occur, and there is a possibility that shareholders and investors who sell or purchase the Company’s shares on the premise of a dilution of the Company’s stock value will sustain unexpected losses due to stock value fluctuation.

3) Procedures to be complied with by shareholders in the event that Defensive Measures are enacted
Many Defensive Measures are possible, but if, for example, a gratis allotment of subscription warrants is made as described in the Attachment, the relevant subscription warrants would be allotted to shareholders without requiring them to file subscription application.

In addition, when the Company performs procedures to acquire subscription warrants, shareholders other than Large-Scale Purchaser and its group will receive the Shares of the Company in consideration for the acquisition of the subscription warrants by the Company, without payment of an amount of money equal to the exercise price, so procedures such as payment in relation to the relevant subscription warrants is not necessary. (However, if the Company does not take procedures to acquire the subscription warrants, shareholders will be required to pay a certain amount within a set period in order to exercise subscription warrants and thereby acquire new shares. In such situations, it is anticipated that the amount to be paid would be a nominal amount of 1 yen per share etc.)

However, in such instance, the Company may request such shareholders submit separately a standard form covenanting that they personally are not a Large-Scale Purchaser.

Procedural details will be notified to the shareholders separately in accordance with applicable laws and regulations and the regulations of the Tokyo Stock Exchange, among others, in the event that a gratis allotment of subscription warrants is actually made.

(9) Effective term, amendment and discontinuation of the Response Guidelines

The Response Guidelines shall come into effect subject to the approval of shareholders at this General Meeting of Shareholders, and remain in effect from the conclusion of this General Meeting of Shareholders until the conclusion of the Ordinary General Meeting of Shareholders in 2015. However, even before the expiration of the effective term, if a resolution to the effect that the Response Guidelines will be discontinued

is adopted at a Company's General Meeting of Shareholders or a meeting of the Board of Directors, the Response Guidelines shall be discontinued as of the relevant point.

The Board of Directors may review the Response Guidelines as necessary and take other appropriate measures at appropriate times in light of amendments to applicable laws and regulations, subsequent legal judgments and actions by the Tokyo Stock Exchange and other public institutions from the perspective of securing and improving the common interests of the Company shareholders and the corporate value of the Company. Any modifications to the Response Guidelines shall be subject to a proposal to the relevant General Meeting of Shareholders and the approval of shareholders (for minor changes such as changes of wording due to revisions of laws and regulations or changes of the Tokyo Stock Exchange regulations, etc., there may be cases where the Board of Directors will modify the Response Guidelines upon approval of the special committee).

(10) Reasonableness of the Response Guidelines

- 1) The Response Guidelines satisfies all requirements set forth in the Guidelines for Takeover Defensive Measures.

The Response Guidelines satisfies the three principles set forth in the "Guidelines Concerning Takeover Defensive Measures for Securing and Ensuring Corporate Value and the Common Interests of Shareholders" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (which are, (i) the principle of securing and enhancing corporate value and the common interests of shareholders, (ii) the principle of prior disclosure and reflection of the will of shareholders, and (iii) the principle of ensuring necessity and proportionality), and besides is based on the contents of "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008.

- 2) The Response Guidelines is continued with the purpose of securing and enhancing the common interests of the Company shareholders and the corporate value of the Company.

As described in "3. Efforts to prevent the control of the Company's financial and business policy decisions by inappropriate parties in light of the Company Control Basic Policy (Response Guidelines)," the Response Guidelines is continued with the purpose of securing the necessary information and time for shareholders to judge whether to accept the relevant Large-Scale Purchase or for the Board of Directors to present an alternative plan, and negotiate with Large-Scale Purchaser, thereby securing and enhancing the common interests of the Company shareholders and the corporate value of the Company.

- 3) The Response Guidelines places importance on the intentions of shareholders.

The Response Guidelines will be continued after obtaining the approval of shareholders at this General Meeting of Shareholders. In addition, as described in "(9) Effective term, amendment and discontinuation of the Response Guidelines" in the above, even after being approved at this General Meeting of Shareholders, if a resolution for change or discontinuation is adopted in a Company's General Meeting of Shareholders thereafter, the Response Guidelines will be changed or discontinued in accordance with the relevant resolution. Therefore, the intentions of shareholders will be sufficiently reflected as to whether or not to continue, change or abolish the Response Guidelines.

- 4) Decisions by highly independent company outsiders are emphasized, and information summarizing the relevant decision is disclosed.

As described in "(5) Establishment of the special committee" in the above, upon introduction of the Response Guidelines, in order to rule out arbitrary judgments by the Board of Directors concerning enactment of Defensive Measures against the Large-Scale Purchase and to secure objectivity and reasonableness of judgments and handling by the Board of Directors, the Company has established the special committee. The special committee is an organization independent of the management of the Company that is engaged in business execution of the Company, is composed of members appointed from external parties that have no special interest in the Company and Directors of the Company, and the Board of Directors is to accord the utmost deference to the recommendations of the special committee.

Moreover, the Company discloses information, summarizing for shareholders and investors judgments by the special committee at an appropriate time and in an appropriate manner, thus ensuring a scheme for transparent management of the Response Guidelines to contribute to the securing and

enhancing of the common interests of the Company shareholders and the corporate value of the Company.

5) The Response Guidelines determines reasonable and objective requirements for enactment of the Defensive Measures.

The Response Guidelines is determined so that Defensive Measures will not be enacted unless reasonable and objective requirements for enactment are satisfied, as described in “(4) Response in the event of Large-Scale Purchase” and thereby a scheme to prevent arbitrary enactment by the Board of Directors is ensured.

6) The Response Guidelines is not a “dead-hand”-type or “slow-hand”-type takeover defensive measure.

As described in “(9) Effective term, amendment and discontinuation of the Response Guidelines” in the above, the Response Guidelines is designed so that it can be abolished at any time by Directors elected at a Company’s General Meeting of Shareholders, and thus, it is not a “dead-hand”-type takeover defense measure (i.e., a takeover defensive measure the enactment of which cannot be prevented even if a majority of the constituent members of the Board of Directors is replaced).

Moreover, the term of Directors is set at one year and, in other words, the intentions of shareholders can be reflected in the continuation of the Response Guidelines and Defensive Measures enacted by resolutions of the Board of Directors based on the Response Guidelines through the exercise of voting rights relating to proposals on election of Directors, and therefore, the Response Guidelines is not a “slow-hand”-type takeover defensive measure (i.e., a takeover defensive measure that requires the passage of time to prevent its enactment because it is not possible to replace all of the constituent members of the Board of Directors at one time).

Outline of Gratis Allotment of Subscription Warrants

1. Shareholders to whom subscription warrants allotted and method of allotment

Shareholders recorded on the shareholder registry as at an allotment date to be determined by the Board of Directors shall be allotted subscription warrants that do not require payment, in a ratio of 1 warrant per 1 share held by such shareholders (excluding shares of the Company held by the Company).

2. Class and number of shares to be issued upon exercise of subscription warrants

Subscription warrants shall be for common stock of the Company at a ratio of 1 share of common stock per 1 subscription warrant. However, this ratio may be adjusted in the event of a share split or share consolidation.

3. Total number of subscription warrants allotted to shareholders

The maximum total number of subscription warrants to be allotted to shareholders shall be the final total number of issued and outstanding shares of the Company as at the allotment date (excluding the number of shares of the Company held by the Company at that point in time).

4. Payment for subscription warrants

Subscription warrants are allotted gratis and do not require payment.

5. Property contributed upon exercise of subscription warrants and pricing thereof

Property to be contributed upon exercise of subscription warrants shall be cash, and the price is to be determined by the Board of Directors but not to be less than 1 yen per share.

6. Restrictions on assignment of subscription warrants

The approval of the Board of Directors is required for the assignment of subscription warrants.

7. Terms for exercise of subscription warrants

Specific terms may be placed on the exercise of subscription warrants, which terms include prohibiting exercise by: 1) designated large holders (*1), 2) joint holders with such large holders (*2), 3) designated large purchasers (*3), 4) parties having special interests with such designated large purchasers or 5) parties receiving conveyance of or succeeding to subscription warrants from any of the parties listed in the items 1 through 4 above without the approval of the Board of Directors, or 6) parties affiliated with any of the parties listed in the items 1 through 5 above (*4). Details shall be formulated separately by the Board of Directors.

8. Events enabling the Company to acquire subscription warrants in exchange for common stock and terms of acquisition

The Company places acquisition terms such as the conditions that the Company may acquire subscription warrants (excluding subscription warrants held by parties who are not entitled to exercise subscription warrants as noted in “7. Terms for exercise of subscription warrants” above) upon the arrival of an acquisition date to be determined by the Board of Directors and unless adjusted separately in exchange for this acquisition may grant 1 share of common stock for 1 subscription warrant. Meanwhile, the Company shall not deliver any cash as consideration of subscription warrants held by any party who is not entitled to exercise the subscription warrants as described in “7. Terms for exercise of subscription warrants.” Details shall be formulated separately by the Board of Directors.

9. Acquisition without contribution when Defensive Measures are suspended

If the Board of Directors suspends the enactment of Defensive Measures and in any other case separately determined by the Board of Directors, the Company may acquire all of the subscription warrants without contribution.

10. Exercise period of subscription warrants etc.

The exercise period of subscription warrants, events enabling the Company to acquire subscription warrants without contribution, terms of acquisition and other necessary matters shall be determined separately by the Board of Directors.

- Notes: 1. “Designated large holder” refers to a holder of shares etc. issued by the Company with a holding ratio of the relevant shares etc. is 20% or more, or deemed by the Board of Directors to have a holding ratio of 20% or more.
2. “Joint holder” means a person as defined in Article 27-23, Paragraph 5, which includes those deemed as Joint Holder(s) pursuant to Article 27-23, Paragraph 6, of the Financial Instruments and Exchange Act (including parties so deemed by the Board of Directors of the Company).
3. “Designated large purchasers” means parties who give public notice to the effect that they will purchase, etc. (this means purchase, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same in this note) by takeover bid, and whose Holding Ratio of Shares etc. (including the case as specified to be similar, in Article 7, Paragraph 1 of the Enforcement Order of the Financial Instruments and Exchange Act) and Holding Ratio of Shares etc. owned by parties with special interests (including persons recognized by the Board of Directors of the Company to fall under the above) is 20% or more in total.
4. “Affiliated party” is a party whom the Board of Directors deem under the consent of the special committee as substantially controlling the subject party, being substantially controlled by or under common control with the subject party (including a party who is deemed by the Board of Directors to fall under the above), or a party who is recognized by the Board of Directors to be acting in collaboration with the subject party.

(Reference)

Outline of Rules of Special Committee

1. The special committee shall be established upon resolution of the Board of Directors for the purpose of ruling out arbitrary judgments by the Board of Directors concerning enactment of the Defensive Measures against Large-Scale Purchase and other related actions, and thus ensuring the objectivity and reasonableness of judgments and handling by the Board of Directors.
2. The special committee shall consist of between three and five committee members (hereinafter referred to as “Members”) comprising Outside Directors of the Company, Outside Corporate Auditors of the Company, substitute Corporate Auditors of the Company (however, such substitute Corporate Auditors must satisfy the requirements for Outside Corporate Auditors) and outside experts (legal counsel, tax accountants, certified public accountants, persons with academic or practical experience, experts in investment banking or other persons similar thereto) who are independent of the management team executing the business of the Company and have no special interest relationships with the Company or the Board of Directors.
3. Special committee members shall mutually appoint the Chairperson, and Chairperson shall chair the special committee.
4. The special committee shall be convened by the Chairperson, and each Member may request convocation of special committee meetings of the Chairperson.
5. Resolutions for recommendation shall be made by a majority of the Members present at the meeting of the special committee where a majority of the Members are present. If the number of votes for approval or disapproval is the same for the resolution, Chairperson shall make the final decision.
6. The special committee shall pass judgment on whether or not to enact the Defensive Measures in accordance with the Response Guidelines based on consultations with the Board of Directors, and issue recommendations to the Board of Directors. Moreover, the special committee shall issue recommendations in answer to consultations by the Board of Directors pertaining to the Large-Scale Purchase. Upon issuing a recommendation, judgment must be made from the viewpoint of whether or not the common interests of the Company shareholders and the corporate value of the Company will be materially harmed, and must not aim at benefits for itself or Directors of the Company. The Board of Directors shall accord the utmost deference to recommendations by the special committee in judging whether or not to enact the Defensive Measures.
7. The special committee, as necessary, may request that Directors, Corporate Auditors, Officers, Accounting Auditors or employees of the Company provide information or attend special committee meetings.
8. The special committee may seek the advice of independent third parties (including financial advisers, legal counsel, tax accountants, certified public accountants, consultants and other experts) at the expense of the Company in order to ensure that its judgments contribute to the securing and enhancing of the common interests of the Company shareholders and the corporate value of the Company.

Special Committee Members and Their CVs

The following are the special committee members who are scheduled to be appointed provided that the continuation of the Response Guidelines is approved by the shareholders of the Company, with their CVs.

(Japanese alphabetical order)

Name (Date of birth)	Career summary	
Haruhiko Gyoda (May 21, 1946)	May 1970 June 2001 October 2002 June 2004 June 2007 June 2009	Joined The Tokio Marine & Fire Insurance Co., Ltd. (present Tokio Marine & Nichido Fire Insurance Co., Ltd.) Director of the above Executive Officer of the above (until June 2004) President and Representative Director of TOKIO MARINE HUMAN RESOURCES ACADEMY CO., LTD. (present TOKIO MARINE & NICHIDO HUMAN RESOURCES ACADEMY CO., LTD.) President and Representative Director of Audatex Japan Co., Ltd. Corporate Auditor (Outside Corporate Auditor) of the Company (to the present)
Takeo Kosugi (March 23, 1942)	April 1968 May 1974 June 1974 June 2009 June 2010	Assistant Judge, Osaka District Court Registered as attorney (affiliated with the Tokyo Bar Association) Joined Matsuo Law Office (present Matsuo & Kosugi) (to the present) Director (Outside Director) of TOSHIBA CORPORATION (to the present) Corporate Auditor (Outside Corporate Auditor) of FUJIFILM Holdings Corporation (to the present)
Kenichi Fujiwara (January 14, 1940))	May 1970 April 1976 June 1993 July 2005 June 2009	Registered as Certified Public Accountant Representative Partner of Sanwa & Co. (present Deloitte Touche Tohmatsu LLC) Representative Partner of Tohmatsu & Co. (present Deloitte Touche Tohmatsu LLC) (until June 2005) Managing Partner of Kenichi Fujiwara CPA Office (to the present) Corporate Auditor (Outside Corporate Auditor) of Mitsui-Soko (Mitsui Warehouse) Co., Ltd. Corporate Auditor (Outside Corporate Auditor) of ShinGinko Tokyo, Limited (to the present)
Jiro Makino (September 10, 1939)	December 1967 June 1985 June 2006	Joined MAKINO MILLING MACHINE CO., LTD. President and Representative Director of the above (to the present) Director (Outside Director) of the Company (to the present)
Yukio Muro (January 13, 1953)	April 1975 June 2003 April 2004 June 2005 June 2006 June 2010 June 2011	Joined The Mitsubishi Trust and Banking Corporation (present Mitsubishi UFJ Trust and Banking Corporation) Executive Officer of the above (until June 2005) Executive Officer of Mitsubishi Tokyo Financial Group, Inc. (present Mitsubishi UFJ Financial Group, Inc.) (until May 2005) President and Representative Director of Mitsubishi TB Information System Co., Ltd. (present Mitsubishi UFJ Trust Systems Co., Ltd.) Standing Corporate Auditor (Outside Corporate Auditor) of Mitsubishi Cable Industries, Ltd. President and Representative Director of Ryoshin DC Card Co., Ltd. (to the present) Corporate Auditor (Outside Corporate Auditor) of the Company (to the present)

- Notes: 1. Mr. Haruhiko Gyoda and Mr. Yukio Muro are Outside Corporate Auditors of the Company. The Company has designated them independent auditors in accordance with the regulations of the Tokyo Stock Exchange and notified therein.
2. Mr. Kenichi Fujiwara is a substitute Corporate Auditor (substitute Outside Corporate Auditor) of the Company. The Company plans to designate him an independent auditor in accordance with the regulations of the Tokyo Stock Exchange and notify therein in the event that he assumes the office as Outside Corporate Auditor.
3. Mr. Jiro Makino is an Outside Director of the Company. The Company has designated him an independent director in accordance with the regulations of the Tokyo Stock Exchange and notified therein.
4. No conflict of interest exists between the Company or any Director of the Company and any of the above persons.

Guide for Exercising Voting Rights via the Internet, etc.

1. How to exercise voting rights via the Internet

Please read the following items before exercising your voting rights via the Internet.

(1) Website to use for exercising voting rights

- 1) Exercise of voting rights via the Internet is only possible by accessing the website designed by the Company exclusively for the purpose of exercising voting rights (<http://www.evotep.jp/>) via a personal computer, smartphone or mobile phone (i-mode, EZweb and Yahoo!Keitai). (Access is unavailable between 2:00 a.m. and 5:00 a.m. everyday).
- 2) Depending on the internet user environment, shareholders using personal computers or smartphones may not be able to exercise their voting rights via the website for exercising voting rights.
- 3) In order to exercise voting rights using a mobile phone, it is necessary for a mobile phone to have the capability to use the i-mode, EZweb, or Yahoo!Keitai service. Even if shareholders have access to one of the above services, some shareholders may not be able to use the service if their mobile phone models are incapable of sending information, or not encrypted communication (SSL communication) enabled, to ensure security.
- 4) Votes will be accepted via the Internet until 5:30 p.m. on Tuesday, June 26, 2012, however, you are cordially requested to exercise your voting rights rather early, and make any inquiries or questions to the Help Desk below.

Note: i-mode, EZweb, Yahoo! are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI CORPORATION and Yahoo! Inc. in the U.S., respectively.

(2) How to exercise voting rights via the Internet

- 1) Please access the website for exercising voting rights (<http://www.evotep.jp/>), enter the “login ID” and “temporary password” provided on the Voting Rights Exercise Form and then enter your vote for each proposal according to the instructions on the screen.
- 2) To prevent people who are not shareholders (impostors) from illegally accessing the website and alteration of the content of your voting selections, we will ask shareholders who use the website to change their “temporary passwords” on the website for exercising voting rights.
- 3) You will be provided with a new “login ID” and “temporary password” each time a General Meeting of Shareholders is convened.

(3) Costs arising from accessing the website for exercising voting rights

Costs arising from accessing the website for exercising voting rights (Internet access fees, phone charges, etc.) will be borne by the shareholder. When using a mobile phone to vote, there will be costs such as packet communication fees or other fees for using the mobile phone, and these fees will be borne by the shareholder.

For inquiries concerning systems, etc. please contact:

Mitsubishi UFJ Trust and Banking Corporation,
Securities Agent Department (Help Desk)
Tel: 0120-173-027 (Business hours: 9:00 a.m.–9:00 p.m. toll free)

2. How multiple votes for the same shareholder will be handled

- (1) If you exercise your voting rights by two different means, that is, by electronic means (via the Internet, etc.) as well as in writing, votes by electronic means (via the Internet, etc.) shall prevail.
- (2) If you exercise your voting rights by electronic means (via the Internet, etc.) more than once, your final votes shall prevail.

3. Electronic proxy voting platform

If you are nominee shareholders such as management trust banks (including standing proxy) and apply in advance for the use of the electronic proxy voting platform operated by ICJ, Inc., you may use such platform operated by ICJ, Inc.