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Stock Code: 9119

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**Policy Regarding Large-Scale Purchases of Iino Line Shares etc.
(Anti-Takeover Policy)**

At a meeting of its Board of Directors held on May 11, 2006, Iino Lines adopted a policy regarding the large-scale purchases of Iino Line shares etc. (hereinafter referred to as the “Original Policy”) for the purpose of protecting and enhancing the corporate value of the Company and the common interests of the shareholders. The policy was announced the same day. The adoption of the Original Policy was approved by a majority of the shareholders present in person or by proxy at in the 115th General Meeting of Shareholders held in June 29, 2006. Since then, the Company has continued to examine the content of the Original Policy, to improve the protection and enhancement of its corporate value and the common interests of the shareholders, while closely monitoring regulatory movements such as the amendments to the Securities and Exchange Law of Japan and other related government and ministerial ordinances.

As a result of this examination, the Company announces that a Board of Directors meeting held on May 10, 2005 has decided to abolish the Original Policy and adopt once again the following policy (hereinafter referred to as the “Policy”) regarding the purchase of Iino Lines shares etc. by a group of shareholders¹ with the intention to hold 20 percent or more of the total voting rights² of Iino Lines shares or the purchase of Iino Lines shares etc. which leads to the establishment of a group of shareholders holding 20 percent or more of the total voting rights of the Company’s shares without obtaining prior consent of Iino’s Board of Directors (a purchase of the type described above shall hereinafter be referred to as a “Large-Scale Purchase,” and a person conducting or attempting a Large-Scale Purchase shall hereinafter be referred to as a “Large-Scale Purchaser”), subject to the approval of a majority of the shareholders present in person or by proxy at the 116th ordinary general meeting of shareholders of the Company to be held in June 2007 (hereinafter be referred to as the “General Meeting of Shareholders”).

The principal changes made to the Policy to the contents of the Original Policy are as follows:

- Provisions related to the Securities and Exchange Law (“Law”) have been changed in line with the amendments to the Law.
- The outline of stock acquisition rights (as defined in III. 3. (2) below, hereinafter meaning the same) has been more detailed.
- The Company is considering a shelf registration of the stock acquisition rights to secure a more flexible initiation of countermeasures through the gratis allotment of the stock acquisition rights.
- The term of validity has been changed to three years.

If the proposal is not approved by a majority of the shareholders present in person or by proxy at the General Meeting of Shareholders, the Policy will not be adopted, and the continuation of the Original Policy will also be deemed to have not been approved by the General Meeting of Shareholders. The Original Policy will consequently be abolished at a meeting of the Board of Directors to be held immediately following the closing of the General Meeting of Shareholders.

Notes:

1: “A group of shareholders” for the purpose of this Policy means any of the following:

(i) (a) A holder (as defined in Paragraph 1, Article 27-23 of the Law and including a person deemed as a holder under the provisions in Paragraph 3 of the said Article, hereinafter meaning the same unless otherwise stated) of shares etc. (as defined in Paragraph 1, Article 27-23 of the Law) of the Company, and (b) joint holders (as defined in Paragraph 5, Article 27-23 of the Law, including a person deemed as a joint holder under Paragraph 6 of the said Article, hereinafter meaning the same unless otherwise stated), or

(ii) (a) A person who purchases (as defined in Paragraph 1, Article 27-2 of the Law, including a purchase made on a securities exchange market, hereinafter meaning the same unless otherwise stated) shares etc. (as defined in Paragraph 1, Article 27-2 of the Law) of the Company, and (b) the parties specially related to such person (as defined in Paragraph 7, Article 27-2 of the Law, hereinafter meaning the same unless otherwise stated). When any applicable law etc. that is quoted in the Policy is amended (including the change of the name of a law or the enactment of a new law that has succeeded an old law), the provisions and terminology of the said law quoted in the Policy shall be reread as the provisions and terminology of a law that effectively

assumes the provisions and terminology of the said law after the amendment, unless otherwise provided by the Board of Directors of the Company.

2: “Ratio of the total voting rights” means any of the following, depending on the purchase method used by a group of shareholders:

- (i) If a group of shareholders comprises a holder and joint holders of the Company’s shares etc., the shareholding ratio (as defined in Paragraph 4, Article 27-23 of the Law) of the holder (taking into account the number of shares etc. (as defined in the said Paragraph) held by the joint holders, hereinafter meaning the same unless otherwise stated), or
- (ii) If a group of shareholders consists of a person who purchases the Company’s shares etc. (as defined in Paragraph 1, Article 27-2 of the Law) and parties specially related to such person, the sum of the shareholding ratios of the purchaser and the parties specially related to the purchaser (as defined in Paragraph 8 of the said Article, hereinafter meaning the same unless otherwise stated).

I. Basic Policy on Should Control the Financial and Business Policies of the Company

Iino Lines recognizes that alliances or acquisitions between businesses in the same or different industries can be an effective means of enhancing the corporate value of the Company and the common interests of the shareholders in general from a medium- and long-term perspective. However, the Company believes that this approach can maximize the medium- and long-term corporate value and overall interests of shareholders only when it is carried out amicably with the agreement of all parties. Since a decision as to whether to accept a proposal for a Large-Scale Purchase is an issue involving control over the management of the Company, we believe that Iino’s shareholders should make the final decision, at their absolute discretion.

Recently, however, we have seen an increasing number of hostile acquisition activities in Japan. While we concede that the personal interests of management should not interfere with a proposed acquisition which would increase corporate value and the common interests of all shareholders, and further, that some proposed mergers not approved by our Board of Directors would not injure our corporate value or the common interests of the shareholders, such hostile acquisitions may include those that could be detrimental to Iino Lines’ corporate value and the common interests of the shareholders, including, but not limited to, an acquisition that effectively enforces the shareholders to sell their shares without providing them with sufficient information about the acquisition, a takeover that

does not give shareholders enough time to consider the terms and conditions and method of the takeover and for the Board of Directors of the Company to propose alternative proposals, and a buyout that is proposed with no intention of managing the Company reasonably and faithfully.

The Company believes that a person who controls the financial and business policies of the Company must sincerely and faithfully work to protect and enhance the corporate value of the Company and the common interests of the shareholders over the medium and long terms based on the full understanding of the corporate mission of the Company, the various sources of its corporate value and the relationship of mutual trust with the stakeholders who support the Company. We accordingly believe that any person who conducts a Large-Scale Purchase that could seriously damage Iino Lines' corporate value and the common interests of the shareholders, such as an action described by any of the acquisitions above should not be given control over the financial and business policies of the Company.

II. Initiatives that Contribute to the Realization of the Basic Policy

As a means of enhancing the corporate value of the Company and the common interests of the shareholders and to encourage investors to invest in the Company on a continuous basis over the medium and long terms, we are implementing initiatives such as the medium-term management plan as described in 1. below and measures to improve our corporate governance based on the fundamental philosophy of corporate governance explained 2., below. We believe that these initiatives will help the Company improve its corporate value and will benefit the common interests of the shareholder. We believe that they will be properly reflected in the value of the Company's shares, making it more unlikely that a Large-Scale Purchase will be conducted or attempted that could seriously harm our corporate value or the common interests of the shareholders, as described above. We therefore believe that these efforts will have a positive effect on the basic policy regarding who should control the financial and business policies of the Company (hereinafter referred to as the "Basic Policy").

1. Efforts to Improve Corporate Value through a Medium-Term Management Plan etc.

To address the international competition in the shipping industry, we are take steps to establish a stable and profitable structure, primarily based on medium- to long-term agreements developed through good relationships with shippers in Japan and overseas. We

are also seeking to increase income from specialized segments such as the chemical tanker business. In the real estate segment, another main business of the Company, we are committed to bolstering income by acquiring profitable property in order to achieve the biggest goal of the Company: to maximize the medium- to long-term corporate value and the common interests of the shareholders as a whole.

We transport freight that contains essential goods and merchandise to countries all over the world, including Japan. Our secure and stable provision of services in freight transportation has won the confidence of our customers—a confidence we value as a basic asset—and we take pride in our contributions to the mutual prosperity of communities in Japan and overseas. In the real estate business we have provided ample and safe space to many businesses and received the trust of customers using our properties. We maintain this trust as a foundation of our real estate business, just as we maintain the trust of our shipping customers as a foundation of our shipping business. We think that we can indirectly contribute to local communities and society as a whole by providing a safe space to our customers that allows them to develop their business activities without the burden of property-related concerns.

As mentioned above, our work to assure safety in our services underlies Iino's business developments in the shipping and real estate businesses, serves as a base of our corporate value, and functions as a foundation for our social contributions, including our contributions to local communities in Japan and abroad. To continuously maintain safety in services in both segments, it will be essential to ensure stable management of the Company from a mid- to long-term viewpoint. For this purpose, our progress in investing in and training human resources is crucial for our medium- to long-term business development.

Accompanying these efforts, we carried out the Iino Value Creation Plan for 2007 (IVC07) from fiscal 2004 to fiscal 2006. As a result, operating results for each fiscal year exceeded the targets set in the initial plan, and we have been revising upwards the forecasts made in the plan at the beginning of each year.

We are now preparing a new medium-term management plan, which starts from April 2007. The new plan will be announced in the middle of May. We believe that we will be able to make rapid progress of the medium and long terms with the new plan. In the new medium-term management plan, we are examining ways to increase corporate value from a medium- and long-term viewpoint with the aim of expanding income in the shipping business by improving freight space and in the real estate segment by reconstructing the Iino Building.

2. Basic Philosophy of Corporate Governance

(1) Basic philosophy of corporate governance

The Iino Lines Group views corporate governance as a “framework for balancing the interests among various actors (stakeholders) in an enterprise to facilitate efficient corporate activities.” Consequently, our management organizations, including the Board of Directors, consistently work hard, taking into consideration the spirit of the laws and relationships with shareholders, employees, and other stakeholders, to make the best decisions and effectively execute operations to achieve the best management performance.

(2) Corporate governance initiatives

(i) At Iino Lines, the Board of Directors and Board of Auditors monitor and audit operations, respectively. In principle, the Board of Directors meets monthly to make important decisions and monitor the performance of directors’ duties. The Board of Auditors, consisting of four auditors, including two external auditors, also meets monthly, in principle. We employ the three-tiered audit system, through which an accounting auditor, the auditing officers, and the Internal Audit Office, under the direct control of the CEO, cooperate with each other.

Moreover, we ensure effective risk management across the Group through a three-committee system consisting of the Compliance Committee, Safety and Environment Committee, and the Quality and System Committee, each of which includes the presidents of Group companies.

(ii) For the execution of duties, the Executive Committee that consists of directors and full-time auditors meets weekly to discuss agendas to be submitted or reported to the Board of Directors, considers important agendas concerning execution of duties of the representative director and executive directors, and exchanges views and information on management.

(iii) The Iino Lines Group has constructed the following risk management system to improve its operations:

(a) The Action Charter and the Compliance Provisions provide the foundation for the Compliance System, ensuring compliance in the execution of duties by directors and employees. The Compliance Committee plans and promotes compliance policies. The Chief Compliance Officer takes the initiative in compliance-related duties in cooperation with the Internal Audit Office and the auditing officers. All officers and employees are obliged to report compliance violations.

(b) The Safety and Environment Committee, established under the Safety and

Environment Committee Provisions, plans and promotes the Group's safety and environmental policies and ensures execution and reinforcement of measures, including preventive actions, to reduce the risks of serious accidents and incidents that may occur in vessels or buildings managed by the Group.

The Quality and System Committee, established under the Quality and System Committee Provisions, plans and promotes the Group's system and administrative policies and ensures execution and reinforcement of measures, including preventive actions, to reduce system failure and administrative risks.

In an emergency caused by an unforeseeable accident, particularly environmental contamination such as an oil spill or a serious accident or incident involving human life and/or property occurs, the Emergency Response Headquarters with respective presidents as the HQ Directors deal with the emergency based on the Basic Provisions on Risk Management and the Basic Provisions on Contingency Planning.

- (c) The chief administrators, appointed under internal rules such as the Provisions on Document Storage, the Basic Policy of Document Management, the Application Provisions on Document Management, and the Basic Policy of Information and Security, properly store and manage information on the execution of duties by directors and employees.
- (d) Based on the three committee system, the Compliance Committee, the Safety and Environment Committee and the Quality and System Committee, which are inter-departmental organizations consisting of the presidents of group companies, fully enforce the overall risk management of the Group.

III. Measures to Prevent a Person Deemed Unsuitable in Light of the Basic Policy from Controlling the Financial and Business Policies of the Company

1. Purpose of Introducing the Policy

The Company will introduce the Policy for the purpose of protecting and enhancing its corporate value and the common interests of the shareholders. The details of our basic philosophy in introducing the Policy are as follows.

The businesses of the Company extend over a broad range from the shipping and the real estate businesses. Also, as described in II. above, we are implementing a number of initiatives that contribute to the basic policy explained in I. above.

Consequently, when the Company receives a proposal for a Large-Scale Purchase from a Large-Scale Purchaser, it would likely be extremely difficult for shareholders to make an

appropriate decision in a short time on whether they should accept the proposal of the Large-Scale Purchase based on a full understating of the businesses of the Company, its corporate value in light of measures currently taken, and the specific conditions and method of the takeover proposal.

Given this, we believe that for shareholders to make an appropriate decision on whether they should accept the proposal of such Large-Scale Purchase, it is necessary that not only is information provided by the Large-Scale Purchaser, but that a sufficient volume of other information is also provided to shareholders, for example from the Board of Directors of the Company, which is responsible for management and is familiar with the Company's businesses and with the measures mentioned above, along with the Board's assessment and opinions concerning the Large-Scale Purchase. It is also essential to allow sufficient time for the shareholders to consider the information. We also believe that when we judge that the conditions or method of the Large-Scale Purchase need to be changed or improved from the standpoint of protecting and enhancing our corporate value and the common interests of the shareholders, it is necessary to negotiate with the Large-Scale Purchaser on the conditions and method of the Large-Scale Purchase and propose alternatives etc. Thus, the time required for this process should also be secured.

In addition, the Board of Directors believes it essential to take necessary and reasonable countermeasures against the Large-Scale Purchase when it judges, as a result of assessing and examining whether the conditions and method etc. of the Large-Scale Purchase, including the management policy of the Large-Scale Purchaser after the Large-Scale Purchase, will contribute to the protection and enhancement of its corporate value and the common interests of the shareholders, that the Large-Scale Purchase will seriously damage the corporate value of the Company and the common interests of the shareholders, that the Large-Scale Purchaser will abuse the management for the purpose of solely pursuing its own interest as a majority shareholder by purchasing the Company's shares etc, or that the Large-Scale Purchaser will effectively compel the shareholders to sell the Company's shares etc., or that the Large-Scale Purchaser will place shareholders in a situation in which they will have no choice other than to sell the Company's shares etc. at a low price that does not reflect the true corporate value of the Company.

Therefore, the Board of Directors has decided to introduce the Policy to ask a Large-Scale Purchaser to provide in advance the necessary information on a Large-Scale Purchase that the Large-Scale Purchaser intends to conduct and to secure the time required to assess and examine the details of the Large-Scale Purchase, in order to protect and enhance the corporate value of the Company and the common interests of the shareholders. The Policy will enable the Company to initiate a countermeasure against a Large-Scale

Purchaser who intends to conduct a Large-Scale Purchase without meeting a request made to provide sufficient information and time to examine the Large-Scale Purchase, or a Large-Scale Purchaser who conducts or attempts a Large-Scale Purchase that will seriously damage the corporate value of the Company and the common interests of the shareholders. As such, the Policy aims to protect the Company from the Large-Scale Purchases of these Large-Scale Purchasers, and the introduction of the Policy is our effort to prevent a person considered unsuitable in light of the basic policy described in I. above from controlling the financial and business policies of the Company.

No third party had made any proposal involving a Large-Scale Purchase of shares etc. of the Company at the time the Board of Directors decided to introduce the Policy. For the status of principal shareholders of the Company, please refer to Attachment 1.

2. Establishment of Large-Scale Purchase Rules

The following is a summary of the Large-Scale Purchase Rules for a prospective Large-Scale Purchaser.

(1) Prior submission of “Letter of Intent Regarding a Large-Scale Purchase” to the Company

Prior to initiating Large-Scale Purchase activities, a prospective Large-Scale Purchaser is required to send the representative director of Iino Line a letter of intent declaring compliance with procedures set out in the Policy (hereinafter referred to as the “Large-Scale Purchase Rules”) in its Large-Scale Purchase activities. Specifically, this letter should include the following information:

- (i) Profile of the Large-Scale Purchaser,
 - (a) Name and address or location,
 - (b) Name of representative,
 - (c) Purpose and details of businesses,
 - (d) Profile of main shareholders or investors (top ten shareholders or investors in terms of the number of shares held or the ownership ratio),
 - (e) Point of contact in Japan, and
 - (f) Law under which the Large-Scale Purchaser is established.
- (ii) Number of shares etc. of Iino Lines currently held by the Large-Scale Purchaser and details of trading of Iino Lines shares etc. by the Large-Scale Purchaser for 60 days prior to the submission of a letter of intent regarding a Large-Scale Purchase
- (iii) Outline of the Large-Scale Purchase action proposed by the Large-Scale Purchaser (including information on the number and type of shares etc. of Iino Lines to be

acquired by the Large-Scale Purchaser through the relevant purchase activities and an outline of the purpose of the Large-Scale Purchase (including the acquisition of control or participation in management, pure investment or policy investment, the transfer of shares etc. of the Company to a third party after the Large-Scale Purchase, or an outline of an action to make an important proposal etc.¹ and any other purposes, if any. A prospective Large-Scale Purchaser is required to state all purposes, if it has more than one)).

(iv) Statement confirming that the Large-Scale Purchaser will act in compliance with the Large-Scale Purchase Rules

The Letter of Intent regarding a Large-Scale Purchase will be sent together with documents certifying the identity of the Large-Scale Purchaser, including, but not limited to, a certified copy of the commercial register of the Large-Scale Purchaser and a copy of its Articles of Incorporation

(2) Provision of “Large-Scale Purchase Information”

After submitting the letter of intent mentioned in (1) above, the Large-Scale Purchaser is required to provide the representative director of Iino Lines with the information necessary and sufficient for facilitating the decision by shareholders and the assessment and examination by the Board of Directors concerning the Large-Scale Purchase (hereinafter, the “Large-Scale Purchase Information”).

Within five (5) business days² after receipt of the letter of intent (excluding the first day), the Company will deliver to the Large-Scale Purchaser at its point of contact in Japan specified in (1) (i) (e) above, a List of Information specifying the information to be provided to the Company by the Large-Scale Purchaser at the initial stage. The Purchaser will be required to provide sufficient information to the Company’s representative director

¹ This means an action to make an important proposal etc. stipulated in Paragraph 1, Article 27-26 of the Securities and Exchange Law, Paragraph 1, Article 14-8-2 of the Order for Enforcement of the Securities and Exchange Law, and Article 16 of the Cabinet Office Ordinance Concerning the Disclosure of the Status of Substantial Shareholdings. The same shall apply hereinafter, unless otherwise stated.

² Business days mean days other than the days listed in each Item of Paragraph 1, Article 1 of the Law Concerning Holidays of Administrative Organizations. The same shall apply hereinafter, unless otherwise stated.

as specified in the List

If the Board of Directors reasonably determines that the information on the terms, conditions, or manner of the Large-Scale Purchase in the List of Information initially provided by the Large-Scale Purchaser is inadequate or insufficient to facilitate an appropriate decision by the shareholders or assessment or examination by the Board of Directors, the Large-Scale Purchaser will be required to provide additional information by any means specified by the Board or Directors.

Information on the following items will basically be included as part of the information to be submitted, regardless of the conditions or manner of the Large-Scale Purchase activities:

- (a) Profile of the Large-Scale Purchaser and its group (including history, amount of capital stock or investment, total number of shares issued, name and career history of officers and their shareholdings and other information about the company etc., and the financial positions, operating results and status of accounting for the most recent two business years);
- (b) Purpose (details of the purpose disclosed in the letter of intent regarding a Large-Scale Purchase), method, and details (including opinions on the legality of the Large-Scale Purchase activities) of the Large-Scale Purchase activities;
- (c) Type and amount of the consideration of the purchase (when the consideration is securities, the type and swap ratio of the securities; when the consideration is securities and cash, the type and swap ratio of the securities and the amount of cash) and the basis for and background to the calculation of the said amount (the Large-Scale Purchaser is required to write the basis for the calculation specifically and, if the calculated amount is different from the market price or the price of transactions recently conducted by the Large-Scale Purchaser, the details of the difference. The details of the difference in the purchase price according to the type of shares etc., including a conversion policy, are also required to be specifically stated. As for the background of the calculation, if the Large-Scale Purchaser has sought the opinions of any third party for the calculation, the name of the third party, the outline of the opinions, and the process to the point where the amount was decided in light of the opinions are required to be specifically stated.);
- (d) Procurement of funds required for the Large-Scale Purchase and a description of the funding source (including the balance of deposits by type in case of deposits; the amount of borrowings, the industry etc. of the lender and the details of the loan agreement in the case of borrowing; and the details and amount of financing and the industry etc. of the lender in the case of some other financing method);
- (e) When there is a loan agreement, a security agreement, a resale agreement, a forward

trading agreement or any other important agreement or arrangement (hereinafter referred to as the “Security Agreement etc.”) that is made between the Large-Scale Purchaser and a third party involving the shares etc. of the Company already held by the Large-Scale Purchaser, the specific details of the Security Agreement etc., including the type and the counterparty of the contract and the volume of shares etc. for the contract;

- (f) When there is a Security Agreement etc. or any other agreement or commitment that will be created or made between the Large-Scale Purchaser and a third party on the shares etc. of the Company to be acquired by the Large-Scale Purchaser, the specific details of the Security Agreement etc. and other agreements with the third party, including the type and the counterparty of the Security Agreement etc. that are to be made with the third party, the counterparties of the contracts and the volume of shares etc. for the contracts;
- (g) When the purpose of the Large-Scale Purchase activities is to acquire control or to participate in management, the method of acquiring control or participating in management which the Company or the Company Group intends to use after completing the Large-Scale Purchase activities. When the Large-Scale Purchaser intends to take action that could make a significant change to or have a material impact on the management policy of the Company or the Company Group, such as reorganization, the restructuring or dissolution of a company group, the disposal or acquisition of important assets, the raising of a large amount of debt, the appointment or displacement of the representative director, changes to the structure of officers, and important changes to the dividend and capital policies, the details and necessity thereof;
- (h) When the purpose of the Large-Scale Purchase activities is for pure investment or a policy investment, the policies of holding, trading and exercising voting rights of shares etc. after the Large-Scale Purchase activities and reasons for the policies. When the purpose of the Large-Scale Purchase activities is a policy investment to create a long-term capital alliance, the necessity thereof;
- (i) When the purpose of the Large-Scale Purchase activities is to take an action to make an important proposal etc. or when there is a possibility that action to make an important proposal etc. could be taken after the Large-Scale Purchase activities, the purpose, details and necessity of the action of making an important proposal etc. and information about when it will be taken;
- (j) When the Large-Scale Purchaser plans to acquire more shares etc. of the Company after the Large-Scale Purchase activities, the reasons for and details of the acquisition;

- (k) When there is a possibility that shares etc. of the Company could be delisted after the Large-Scale Purchase activities, this fact and the reasons for the delisting;
- (l) When there is any communication with a third party as part of the Large-Scale Purchase activities, the purpose and details of the communication and a profile of the third party involved; and
- (m) When there is any contemplated change in the relationships between the employees, suppliers, customers, communities, or other stakeholders of the Company which the Large-Scale Purchaser will make after the completion of the Large-Scale Purchase, the details thereof.

If the Company determines that its shareholders need to be notified of the existence of a proposed Large-Scale Purchase and, further, that its shareholders need to be provided with information from the Large-Scale Purchaser to enable them to make an appropriate decision, the Company will disclose the relevant information, in whole or in part, at the time deemed appropriate by the Company.

When the Board of Directors reasonably determines that the provision of Large-Scale Purchase Information has been completed, the Company will inform the Large-Scale Purchaser to that effect (hereinafter referred to as the “Notice of Completion of Information Provision”) and immediately disclose this fact.

(3) Establishment of the Assessment Period by the Board of Directors

After giving the Notice of Completion of Information Provision, the Board of Directors will be allowed a certain period of time to assess and examine the proposal, negotiate with the purchaser, form an opinion, and seek alternatives, depending on the level of difficulty of assessing the Large-Scale Purchase (hereinafter referred to as the “Assessment Period”). The Assessment Period will be sixty (60) days in the case of a purchase of all of Iino’s shares etc. by a tender offer with a cash-only (yen) consideration, or ninety (90) days in the case of other Large-Scale Purchase.

The Large-Scale Purchaser may commence Large-Scale Purchase activities only after the Assessment Period has elapsed.

During the Assessment Period, the Board of Directors will thoroughly assess and examine the proposed Large-Scale Purchase, seeking advice from outside experts from time to time as necessary, carefully form an opinion regarding the Large-Scale Purchase, inform the Large-Scale Purchaser of its opinion, and disclose its opinion to the shareholders in a timely and appropriate manner. If necessary, the Company may negotiate

with the Large-Scale Purchaser on the conditions and method of the Large-Scale Purchase, and may offer alternative plans to the shareholders.

If the Company offers an alternative plan in response to a proposed Large-Scale Purchase during an Assessment Period and the Board of Directors considers it appropriate to provide the shareholders with an opportunity to choose between the Large-Scale Purchaser's proposal and the Company's alternative plan, the Company may convene a general meeting of shareholders, either before or after the commencement of the Large-Scale Purchase activities, to obtain the shareholders' decision on the issue.

3. Policy concerning the Company's Actions after Commencement of Large-Scale Purchase Activities

(1) Requirements to take countermeasures

(i) When a Large-Scale Purchaser conducts a Large-Scale Purchase in breach of the Large-Scale Purchase Rules

If a Large-Scale Purchaser conducts or attempts a Large-Scale Purchase in breach of the Large-Scale Purchase Rules, the Board of Directors will deem it to be an act of hostile takeover extremely detrimental to Iino Line's corporate value and the common interests of the shareholders, irrespective of the conditions and manner in which the purchase is to be made, and may take necessary and reasonable countermeasures against the action as required to protect and enhance the corporate value and the common interests of the shareholders.

(ii) When a Large-Scale Purchaser conducts a Large-Scale Purchase in accordance with the Large-Scale Purchase Rules

If a Large-Scale Purchaser conducts or attempts a Large-Scale Purchase in accordance with our Large-Scale Purchase Rules, the Board of Directors will not take any countermeasure against such action as a rule, even if the Board of Directors is against the purchase, although it will reserve the rights to express objections, submit alternative plans, or provide explanations to the shareholders. The shareholders have the full discretion to accept or reject the proposal of a Large-Scale Purchaser, and the shareholders shall reach any such decision by considering the Large-Scale Purchase Information on the proposed Large-Scale Purchase activities and the opinions and

alterative plans regarding the proposal submitted from the Board of Directors.

Even in the case of a Large-Scale Purchase carried out or attempted in compliance with the Large-Scale Purchase Rules, however, the Board of Directors may take countermeasures reasonably necessary to protect or enhance the corporate value and the common interests of the shareholders if such Large-Scale Purchase is considered to be extremely detrimental to our corporate value and the common interests of the shareholders, such as a purchase only for the short-term gain of a Large-Scale Purchaser. In particular, a Large-Scale Purchase will be deemed extremely detrimental to the corporate value and the common interests of the shareholders if the purchase is determined to fall under any of the cases listed in Attachment 2, or if there exist circumstances which reasonably convince the Company that the Large-Scale Purchase falls under any of such cases.

(2) Countermeasures

The countermeasures contemplated in this Policy include the gratis allotment of stock acquisition rights (hereinafter referred to as “stock acquisition rights”) and any other measures permissible under applicable laws or by the Company’s Articles of Incorporation. The Board of Directors will adopt specific countermeasures to protect and enhance the corporate value and the common interests of all shareholders (excluding the Large-Scale Purchaser), while taking the steps necessary to avoid imposing an economic burden or any disadvantage on all shareholders (excluding the Large-Scale Purchaser) and considering the effects, costs, and other aspects of the countermeasures.

If the Company elects to conduct the gratis allotment of the stock acquisition rights as a countermeasure against the Large-Scale Purchase, the stock acquisition rights will be allotted as outlined in Attachment 3 hereto. The Company is considering the shelf registration of the stock acquisition rights to enable a more flexible initiation of countermeasures through the gratis allotment of the stock acquisition rights.

4. System and Procedures to Ensure the Fairness of Countermeasures

(1) Establishment of a special committee and procedures for consultation etc.

(i) Establishment of special committee

The Board of Directors will have the ultimate discretion to determine whether Large-Scale Purchase activities have proceeded according to the Large-Scale

Purchase Rules, and, in the case of a Large-Scale Purchase which has been deemed to be in compliance with the Large-Scale Purchase Rules, whether the Company should take countermeasures considered necessary and reasonable to protect or enhance the corporate value and the common interests of the shareholders. To ensure the reasonableness and fairness of the determination by the Board of Directors, the Company has decided to establish a special committee independent from the Board of Directors. This committee consists of three or more members, each of whom will be appointed from among outside directors, outside auditors, attorneys, tax accountants, certified public accountants, scholars, experts in the investment banking business, or experienced outsiders who have served as directors or executive officers.

(ii) Procedures for initiating a countermeasure

When initiating a countermeasure, the Board of Directors will carry out the following procedure to ensure the reasonableness and fairness of its decision.

First, before implementing the countermeasure, the Board of Directors will seek the special committee's opinion on the adequacy of the countermeasure and ask the special committee to give its recommendation on the countermeasure, seeking advice from outside experts as necessary. The Board of Directors will give the fullest consideration to the committee's recommendations in deciding whether or not to implement the countermeasure.

To initiate a countermeasure, the Board of Directors is required to adopt a resolution for the countermeasure with the affirmative votes of all auditors, including two (2) outside auditors. To determine the appropriateness of implementing the countermeasure, the Board of Directors will obtain, in addition to the recommendation from the special committee, advice from outside experts if necessary, depending on the nature of the Large-Scale Purchase information provided from the Large-Scale Purchaser, and examine the Large-Scale Purchaser, the details of the Large-Scale Purchase, and the possible impact of the Large-Scale Purchase on the corporate value and common interests of the shareholders.

(iii) Discontinuation and revoke of the current countermeasure

Even after the Board of Directors has implemented the countermeasure in accordance with the procedure described in (ii) above, if (a) the Large-Scale Purchaser discontinues or revokes the Large-Scale Purchase activities, or (b) the facts

that have been examined in deciding whether or not to take the countermeasure have changed in a manner that would make it inappropriate to continue the countermeasure from the viewpoint of protecting and enhancing the corporate value and the common interests of the shareholders, the Board of Directors will provide information on circumstances that have led to the situation above to the special committee, ask for its opinion, and obtain advice from outside experts if necessary, in considering the options to discontinue, revoke, or otherwise handle the current countermeasure. The special committee will examine the appropriateness of continuing the countermeasure and give its recommendation to the Board of Directors, seeking advice from outside experts as necessary. The Board of Directors will give the fullest consideration to the committee's recommendations in deciding whether or not to continue the countermeasure.

If, after considering the special committee's recommendation, the Board of Directors judges that continuing with the application of the countermeasure would not be advisable from the viewpoint of protecting and enhancing the corporate value and the common interests of the shareholders, the Board of Directors will discontinue or revoke the current countermeasure by a resolution adopted at its meeting and immediately disclose this fact.

(iv) Discretionary consultation with the special committee

The Board of Directors may also seek opinions from the special committee at its own discretion on the appropriateness of implementing countermeasures and matters other than the appropriateness of continuing countermeasures already implemented, when it is not convinced that the information provided by the Large-Scale Purchaser is necessary or sufficient as the Large-Scale Purchase Information, or when it intends to offer an alternative plan to the shareholders, or when it judges that the recommendation of the special committee is necessary. If requested by the Board of Directors, the special committee will consider the matter submitted by the Board for review and give its recommendation to the Board of Directors, seeking advice from outside experts as necessary. The Board of Directors will give the fullest consideration to the committee's recommendations.

(2) Confirmation of shareholders' intentions with respect to the adoption of the Policy

At a meeting held on May 10, 2007, the Board of Directors made a resolution to propose

the adoption of the Policy at the General Meeting of Shareholders to confirm the shareholders' intentions with respect to the introduction of the Policy and that the Policy would be adopted subject to an approval by a majority of the shareholders present at the General Meeting of Shareholders after the Original Policy is abolished. Therefore, if the Policy is not approved by a majority of the shareholders present at the General Meeting of Shareholders, it will not be introduced, and the Original Policy shall be deemed as not approved at the General Meeting of Shareholders and abolished at a meeting of the Board of Directors to be held immediately following the closing of the General Meeting of Shareholders.

(3) The term of validity, abolishment and revision of the Policy

The Policy shall be effective until the 119th ordinary general meeting of shareholders of the Company to be held in June 2010 is closed.

Even before the expiration of this term of validity, the Policy shall be abolished or revised at the time when (1) a proposal to abolish or revise the Policy is approved at a general meeting of the shareholders of the Company, or (2) the Board of Directors has resolved to abolish the Policy. Also, even before the expiration of the term of validity, the Policy shall be abolished at the time when (3) the Board of Directors has decided to discuss the continuation of the Policy at a meeting of the Board of Directors to be held immediately following the closing of a general meeting of shareholders held each year after 2010, and a resolution to approve the continuation of the Policy is not adopted at said meeting of the Board of Directors.

When the Policy is abolished or revised, the Company will immediately disclose that fact and other matters deemed appropriate by the Board of Directors in accordance with the provision of applicable laws and the regulations of relevant stock exchanges.

5. Reasonableness of the Policy

(1) The requirements of the Guidelines Regarding Takeover Defense are completely fulfilled

The Policy completely fulfills the three principles ((1) Principle of protecting and enhancing corporate value and shareholders' common interests, (2) Principle of prior disclosure and shareholders' intentions, (3) Principle of ensuring the necessity and reasonableness) set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests

published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

- (2) The Policy is introduced for the purpose of protecting and enhancing the corporate value of the Company and the common interests of the shareholders

The policy will be introduced to ask a Large-Scale Purchaser to provide necessary information in advance on a Large-Scale Purchase which the Large-Scale Purchaser intends to conduct and to allow the time needed to assess and examine the details of the Large-Scale Purchase for the purpose of protecting and enhancing the corporate value of the Company and the common interests of the shareholders as described in 1. above.

- (3) Shareholders' intentions are stressed (resolution at a shareholders' meeting and a Sunset Provision)

As explained in 4. (2) above, the Company resolved at the Board of Directors meeting held on May 10, 2007 that adoption of the Policy would be proposed at the General Meeting of Shareholders to confirm the shareholders' intentions with respect to the introduction of the Policy and that the Policy would be adopted subject to the approval of a majority of the shareholders present at the General Meeting of Shareholders.

As mentioned in 4. (3) above, the Policy will be effective until the ordinary general meeting of shareholders of the Company to be held in 2010 is closed. Even before the expiration of this term of validity, the Policy will be abolished or revised at the time when (1) a proposal that the Policy be abolished or revised is approved at a general meeting of the shareholders of the Company, or (2) the Board of Directors has resolved to abolish the Policy.

In addition, even before the expiration of the term of validity, the Policy will also be abolished if (3) the continuation of the Policy is discussed at a meeting of the Board of Directors immediately following the closing of a general meeting of shareholders to be held every year after 2010 and if a resolution to approve the continuation of the Policy is not adopted at the said meeting of the Board of Directors.

- (4) Establishment of reasonable and objective requirements to take countermeasures

As explained in 3. (1) above, the Policy is established in such manner that it will not be initiated unless reasonable and objective requirements are fulfilled, so that a system to

prevent the Board of Directors from arbitrarily initiating countermeasures has been ensured.

(5) Establishment of a special committee

As written in 4. (1) (i) above, the Company will establish a special committee for the purpose of securing the reasonableness and fairness of the determination by the Board of Directors as to whether the Large-Scale Purchase activities have proceeded according to the Large-Scale Purchase Rules, and, in the case of a Large-Scale Purchase that has been deemed to be in compliance with the Large-Scale Purchase Rules, whether the Company should take countermeasures considered necessary and reasonable to protect or enhance the corporate value and the common interests of the shareholders, as well as ensuring the reasonableness and fairness of the Policy.

These measures establish a system to prevent the Board of Directors from arbitrarily operating the Policy and initiating countermeasures.

(6) Takeover defense of the Company is not a dead-hand takeover defense measure

As stated in 4. (3) above, the Policy will be effective until the close of the ordinary general meeting of shareholders of the Company to be held in 2010, and the Policy may be abolished at any time by the Board of Directors consisting of directors elected at a general meeting of shareholders of the Company even prior to the expiration of such term of validity. Therefore, the Policy is not a dead-hand takeover defense measure (a takeover defense measure that can be initiated even after the majority of the members of the Board of Directors has been replaced).

6. Impact on shareholders and investors

(1) Impact of the Policy on shareholders and investors at the time of its introduction

The gratis allotment of the stock acquisition rights will not be conducted at the time the Policy is introduced. Therefore, the Policy will not have a direct impact on the legal rights and economic benefits of the Company's shares held by the shareholders and investors at the time it is introduced.

(2) Impact of the Policy on shareholders and investors at the time of gratis allotment of the

stock acquisition rights

When the Board of Directors has decided to initiate a countermeasure and made a resolution for the gratis allotment of the stock acquisition rights, the stock acquisition rights will be allotted without charge to those shareholders who are listed or recorded in the final shareholders' register or beneficial shareholders' register as of the record date, separately set out, at the ratio of one right for one existing share owned. Because of the structure of this countermeasure, we do not expect it to have a direct impact on the legal rights or economic benefits of the Company's shares as a whole owned by the shareholders and investors, since neither the economic value of the Company's shares owned as a whole or the voting right per share will be diluted, although the economic value per share of the Company's shares held by the shareholders and investors will be diluted when the stock acquisition rights are allotted without charge.

Those investors who have traded the Company's shares on the premise that the economic value per share will be diluted should bear in mind the possibility that they will experience a loss because of the change in the share price, since the economic value of the Company's shares held by the shareholders and investors will not be diluted if the Board of Directors decides to discontinue or revoke the countermeasure in accordance with the procedures described in 4. (1) (iii), even when the Board of Directors has made a resolution to undertake a gratis allotment of stock acquisition rights.

Although the legal rights etc. of a Large-Scale Purchaser are expected to be diluted when the stock acquisition rights are exercised or acquired since discriminatory terms and conditions are planned to be attached at the time of the exercise and acquisition of the stock acquisition rights, we do not expect that this will have a direct impact on the legal rights and economic benefits of the Company's shares as a whole owned by shareholders and investors other than the Large-Scale Purchaser even in this case.

(3) Procedures necessary for shareholders to receive the gratis allotment of the stock acquisition rights

(i) Name registration

When the Board of Directors has decided to initiate a countermeasure and has made a resolution for the gratis allotment of the stock acquisition rights, the Board of Directors will set the record date and announce it publicly. It will be necessary for shareholders who have not completed name registration to follow the procedure for

name registration by the record date publicly announced, since the stock acquisition rights will be allocated to those shareholders who are listed or recorded in the final shareholders' register or beneficial shareholders' register as of the record date (the procedure for the name registration is unnecessary for shares that are deposited with the Japan Securities Depository Center).

(ii) Other procedures

Procedures for the application for the gratis allotment of the stock acquisition rights will not be necessary for shareholders who are listed or recorded in the final shareholders' register or beneficial shareholders' register as of the record date, since the stock acquisition rights will be naturally allocated to these shareholders.

Shareholders may also be required to exercise the stock acquisition rights (in such cases, they will be required to make payment) within a specific period in order to acquire new shares. In such cases, the Company will promptly and appropriately disclose the procedure in detail in accordance with the provisions of the applicable laws and stock exchange regulations.

7. Other Matters

This Policy was adopted by affirmative votes of all directors at a meeting of the Board of Directors held on May 10, 2007, at which all auditors, including two (2) outside auditors, were present and expressed their opinions in favor of the Policy.

The Board of Directors will continue to monitor judicial trends and attitudes of stock exchanges and other official organizations, as well as amendments to the Company Law, the Securities and Exchange Law, and regulations of relevant stock exchanges, and the establishment, amendment, or repeal of other laws and ordinances, and will review this Policy and take other appropriate steps from time to time as necessary, including the introduction of other countermeasures to replace this Policy, with a view to protecting and enhancing the corporate value of the Company and the common interests of our shareholders.

Stock Information of the Company (as of March 31, 2007)

1. Total number of authorized shares 440,000,000 shares

2. Total number of shares issued 111,075,980 shares

3. Number of shareholders 8,806

4. Principal shareholders (top 10)

Rank	Name	Number of shares held	Percentage of total shares outstanding
1	Tokio Marine & Nichido Fire Insurance Co., Ltd.	6,264,275	5.63%
2	The Master Trust Bank of Japan, Ltd. (trust account)	6,142,500	5.52%
3	Kawasaki Kisen Kaisha, Ltd.	5,940,464	5.34%
4	Mizuho Corporate Bank, Ltd.	4,546,000	4.09%
5	State Street Bank and Trust Company 505008	4,521,000	4.07%
6	Mitsui & Co., Ltd.	4,200,000	3.78%
7	Japan Trustee Services Bank, Ltd. (CMTB trust account)	3,622,000	3.26%
8	Bank of New York GCM Client Accounts EISG	3,500,913	3.15%
9	Sompo Japan Insurance Inc.	3,060,000	2.75%
10	Iino Lines Customers Shareholding Association	2,988,950	2.69%

Types of Large-Scale Purchases Extremely Detrimental to the Corporate Value and Common Interests of Shareholders

A Large-Scale Purchase is considered detrimental to the corporate value and common interests of shareholders if the Company judges that:

- (1) the Large-Scale Purchaser is acquiring or attempting to acquire shares or other securities of the Company with no intention of participating in the Company management, for the sole purpose of increasing the Company's stock price and forcing the Company or its related parties to purchase the Purchaser's shares at an inflated price (so-called green mailer);
- (2) the Large-Scale Purchaser is acquiring shares etc. of the Company for the purpose of acquiring temporary control of the Company management in order to transfer to the Large-Scale Purchaser or its group companies the assets owned by Iino Lines or Iino Lines' group companies, including but not limited to, intellectual property rights, know-how, trade secrets, and information on the main suppliers or customers necessary for the operation of Iino Lines or Iino Lines' group companies;
- (3) the Large-Scale Purchaser is acquiring shares etc. of the Company for the purpose of diverting the assets of Iino Lines or Iino Lines' group companies in order to secure or repay debts of the Large-Scale Purchaser or its group companies after acquiring control over the Company management;
- (4) the Large-Scale Purchaser is acquiring shares etc. of the Company for the purpose of acquiring temporary control of Company management in order to cause a sale or other disposition of high-value assets of Iino Lines or Iino Lines' group companies that are not relevant to the businesses of Iino Lines or Iino Lines' group companies in the foreseeable future, including, but not limited to, real estate, ships or other equipment, or intellectual property rights or securities, and to have high dividends declared temporarily with the proceeds from the disposal, or to sell the Company's shares etc. at a high price taking advantage of the opportunity afforded by a sudden rise in share prices resulting from the temporarily high dividends;
- (5) the conditions of the purchase of the Company's shares etc. proposed by the large-scale Purchaser (including, but not limited to, the type and amount of consideration, the basis for calculating the amount, and other conditions, including the time and method of acquisition and the legality and feasibility of the purchase) are reasonably considered to be extremely insufficient or inadequate in light of the corporate value of the Company;

- (6) the purchase method proposed by the Large-Scale Purchaser threatens to limit the shareholders' opportunity or latitude to make decisions, as in the case of coercive two-tiered acquisition (meaning acquisition of shares including tender offers that do not offer to acquire all shares in the initial acquisition, and set unfavorable acquisition conditions for the second stage or do not set clear conditions for the second stage), and virtually force the other shareholders to sell their shares etc. of the Company;
- (7) the acquisition of control by the Large-Scale Purchaser is expected to be extremely detrimental to the protection and enhancement of the corporate value of the Company and the common interests of the shareholders, including those cases in which the corporate value of the Company including the interests of customers, employees, and other stakeholders as well as shareholders, and the common interests of the shareholders are expected to be seriously injured;
- (8) the corporate value to be realized when the Large-Scale Purchaser acquires the control of the Company is significantly lower than the value otherwise realized on a mid- to long-term basis;
- (9) the Large-Scale Purchaser is considered to be extremely inappropriate as a controlling shareholder of the Company in light of public order and morals; and
- (10) there exist other reasons similar to any of the foregoing which may severely injure the corporate value and common interests of the shareholders.

Outline of Issuance of Stock Acquisition Rights

1. Shareholders entitled to receive the stock acquisition rights:

One stock acquisition right will be granted to a shareholder without charge for each common share of the Company held by such shareholder (excluding the common shares held by Iino Lines as treasury stock at the time of the grant) whose name is recorded in the register of shareholders or the register of beneficial shareholders at the closing of a certain date to be specified by the Board of Directors (hereinafter referred to as “the allotment date”) in its resolution for the gratis allotment of the stock acquisition rights (hereinafter referred to as “the resolution for gratis allotment of the stock acquisition rights”).

2. Effective date of the gratis allotment of the stock acquisition rights

The effective date of the gratis allotment of the stock acquisition rights shall be separately set by the Board of Directors.

3. Type and number of shares to be acquired upon the exercise of the stock acquisition rights:

The type of shares to be acquired upon the exercise of the stock acquisition rights will be common stock of the Company, and the number of shares to be acquired upon exercise of one stock acquisition right will be one share (hereinafter referred to as “the number of target shares”), provided that such number will be adjusted in case of stock splits or stock consolidation.

4. Total number of the stock acquisition rights to be issued:

The total number of the stock acquisition rights to be allotted will be the same as the total number of shares issued and outstanding as of the closing of the allotment date (excluding the number of common shares owned by the Company on that day).

5. Asset involved in the exercise of the stock acquisition rights and the amount thereof:

The asset involved in the exercise of the stock acquisition right will be cash, and the amount of the asset per common share of the Company that is used with the exercise of the stock acquisition right shall be one Japanese yen or more, as determined by the Board of Directors in the resolution for the gratis allotment of the stock acquisition rights.

6. Restriction on the transfer of the stock acquisition right:

The transfer of the stock acquisition right will be subject to the approval of the Board

of Directors.

7. Exercise of the stock acquisition rights

(1) A certain large shareholder³, (2) a joint holder of a certain large shareholder, (3) a certain Large-Scale Purchaser⁴, (4) a party specially related to a certain Large-Scale Purchase, or (5) a person who has acquired or inherited the stock acquisition rights from any of the persons defined in (1) through (4) without consent of the Board of Directors of the Company, or (6) a party associated⁵ with a person who falls under any of the (1) through (5) (hereinafter collectively referred to as “Unqualified Persons”) may not exercise the stock acquisition rights. The details of the conditions of exercise of the stock acquisition rights shall be separately defined in the resolution for the gratis allotment of the stock acquisition rights.

³ A certain large shareholder means a holder of shares etc. issued by the Company with a shareholding of 20 percent or more, or a holder of shares, etc. considered by the Board of Directors of the Company as falling under this definition. However, a party whose acquisition or holding of the Company’s shares etc. will be regarded by the Board of Directors as not contrary to the corporate value of the Company or the common interests of the shareholders, and a person who the Board of Directors separately defines in the resolution for the gratis allotment of the stock acquisition rights shall not fall under the certain large shareholder.

⁴ A certain Large-Scale Purchaser means a party that has publicly announced its intention to purchase shares etc. (meaning shares etc. under provisions in Paragraph 1, Article 27-2 of the Securities and Exchange Law, hereinafter meaning the same in this footnote) issued by the Company in a tender offer (meaning a tender offer under provisions in Paragraph 6, Article 27-2 of the Securities and Exchange Law) and whose shareholding (including cases similar to ownership stipulated in Paragraph 1, Article 7 of the Order for Enforcement of the Securities and Exchange Law) after the tender offer will be 20 percent or more in total, including the shareholding of parties specially related to such party, or a party whom the Board of Director considers will fall under this definition. However, a party whose acquisition or holding of the Company’s shares etc. will be regarded by the Board of Directors as not contrary to the corporate value of the Company and the common interests of the shareholders, or a party whom the Board of Directors separately defines in the resolution for the gratis allotment of the stock acquisition rights shall not be defined as a certain Large-Scale Purchaser.

⁵ A “party associated” with a given party means a party who effectively controls the given party, or a party who is controlled by the given party or a party who is under collective control with the given party (including those who are regarded as falling under this definition by the Board of Directors), or a party who is regarded by the Board of Directors as one that will act in cooperation with the given party. “Control” means “to have control over the financial and business policies of some other company etc.” (as defined in Paragraph 3, Article 3 of the Enforcement Regulations of the Company Law).

8. Acquisition of the stock acquisition rights by the Company

The Company may acquire the stock acquisition rights held by a person other than the Unqualified Persons on a day that is to be set by the Board of Directors and exchange one stock acquisition right for the number of target shares of common stock of the Company. The details of the acquisition of the stock acquisition rights shall be separately defined in the resolution for the gratis allotment of the stock acquisition rights.

9. Acquisition for no consideration in case of discontinuation etc. of a countermeasure

In the event that the Board of Directors has resolved to discontinue or revoke a countermeasure implemented or any other events separately defined by the Board of Directors in the resolution for the gratis allotment of the stock acquisition rights, the Company may acquire all of the stock acquisition rights for no consideration.

10. Exercise period and other conditions of the stock acquisition rights:

The exercise period and other necessary matters on the stock acquisition rights shall be determined by the Board of Directors in the resolution for the gratis allotment of the stock acquisition rights.