

FOR IMMEDIATE RELEASE

(English translation from the original Japanese-language document)

May 15, 2007

To Whom It May Concern:

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Nichirei Announces Adoption of the “Fair Rules Concerning A Substantial Acquisition of the Company’s Shares, etc. (Takeover Defensive Measures)”

Nichirei Corporation (“Nichirei” or the “Company”) hereby announces that, at the meeting of its board of directors held on May 15, 2007, the Company decided to adopt fair rules concerning any substantial acquisition of the Company’s shares, etc. (the “Fair Rules”), for the purpose of ensuring and improving the Company’s corporate value and the common interests of its shareholders, as described below. As to the adoption of the Fair Rules, the Company has decided, in order to take the intention of the shareholders into consideration, that the Fair Rules will take effect on the condition that (i) the proposal for amendment to the articles of incorporation of the Company (as described in 4.(3) below) will be adopted at the 89th ordinary general meeting of shareholders of the Company, which is scheduled to be held on June 26, 2007, and (ii) the proposal concerning gratis allotment (*musho-wariate*) of stock acquisition rights (*shin-kabu yoyaku ken*) (as described in 4.(3) below) will be adopted at the said general meeting of shareholders.

At present, the Company has no knowledge as to any specific signs for any substantial acquisition of the Company’s shares, etc.

1. Purpose of Adoption of the Fair Rules

(1) The Company’s Efforts to Ensure and Improve the Corporate Value and the Common Interests of its Shareholders

Although the Company is to adopt the Fair Rules for the purpose of ensuring and improving the Company’s corporate value and the common interests of its shareholders, the Company has already started such efforts in operating its businesses, as described below, and the details of such efforts are as explained below.

The Nichirei Group has upheld its corporate management ideal, “Look hard at people’s lifestyles and provide satisfaction for people’s hearts.” As a food company "pioneer" developing superior food products and logistics networks, the Nichirei Group will seek to create and supply products and services of the highest quality and best value to achieve unparalleled customer satisfaction and grow with society as a widely trusted and well-respected firm.

The Company has introduced a holding company system since April 2005 when the previous Medium-Term Plan (for the period from fiscal 2004 through fiscal 2006) was ongoing. While enhancing appropriate corporate governance and the monitoring system to ensure the independence/autonomy of

operating companies, the newly-organized holding company transferred a great deal of executive authority to the operating companies, speeded up decision-making, and realized the management system with improved employee awareness about participating in management. During the previous Medium-Term Plan period, with the said outcome of changes in the management system, the Company was able to further enhance its core competencies: 1) discerning the quality of ingredients, 2) having technologies and marketing abilities for converting raw ingredients into good taste, good health, and pleasure, and 3) having safe and efficient distribution of food products, and thereby establishing a foothold for improving profitability and for sustainable growth mainly in the fields of processed foods and low-temperature logistics. The Company was also able to achieve the relevant targets during the previous Medium-Term Plan period with respect to the improvement in the Company's financial status by efficiently using assets and reducing interest-bearing debts, which the Company had dealt with as its important business challenge for nine (9) years.

The Nichirei Group has started its new Medium-Term Plan for three (3) years from this fiscal year. Based on its improved financial status, the Nichirei Group will, by positioning the coming three (3) years as the period for focusing on more aggressive business growth and taking on new challenges, seek to actively utilize in investments the cash flow which is to be generated, improve the corporate value by expanding its profit bases, and enhance the group governance. Specifically, the relevant targets are as follows:

1. Aggressively work to create customer value, thereby promoting business growth;
2. Develop global businesses based on the Group's strong domestic base;
3. Build business alliances and use M&A to enhance corporate value;
4. Bolster the quality assurance systems;
5. Establish a rigorous Group governance system;
6. Collaborate with the community based on a corporate social responsibility (CSR) perspective; and
7. Promote an organizational culture for a rewarding work environment.

On February 6, 2007, the Company announced its "changes in capital strategy and dividend policy." In this announcement, the Company expressed that the Company's goal is to steadily expand the corporate value of the Nichirei Group, and when determining appropriate equity levels, the Company will consider not only capital efficiency, but also the need to maintain adequate equity as a buffer for business-related risks, and the need to maintain a satisfactory credit rating. As for the dividend policy, Nichirei expressed that it will place priority on the payment of a stable, regular dividend, based on a target consolidated dividend on equity (DOE) ratio. Moreover, the Company's basic policy will be to distribute profits each year after taking into account the consolidated results for each fiscal year and other factors, so that the Company's dividend target can take into account both capital efficiency and profit distribution. The Company's medium-term target DOE ratio will be 2.5%, together with a consolidated dividend payout ratio of 25%.

(2) Purpose of Adoption of the Fair Rules

The Company believes that, if a Proposing Party (defined in 4.(1)① below) targeting the Company's shares, etc. appears, the Company should refer to its shareholders the final decision as to whether the Company's stock should be sold as proposed. In order to ensure the proper decision by shareholders, however, it will be important to provide such shareholders with sufficient information on the relevant takeover proposal submitted by the Proposing Party, as well as the opportunity to review the possibility of adopting alternative proposals and so forth. With increased consciousness among consumers as to "safe and reliable" food and the "Health Value," in order to ensure and improve the Company's corporate value and the common interests of its shareholders, it will be necessary for the Company, as mentioned above, i) to create and supply products and services of the highest quality and best value to achieve unparalleled customer satisfaction as a food company "pioneer", ii) to grow with society as a widely trusted and well-respected firm, and iii) to demonstrate management practices as a

responsible corporation in every respect, including the practices related to CSR, as mentioned above. If a Proposing Party lacking in understanding of such matters acquires the Company's shares, etc., damages the Nichirei Group's competitiveness by placing importance on short-term economic efficiency only, and takes actions which are against medium or long-term management policies, etc., the Company's corporate value and the common interests of its shareholders may be impaired. Among takeover proposals, there may be some which would impair the Company's corporate value and the common interests of its shareholders, depending on the forms they take, as mentioned above. Therefore, the Company believes it necessary for shareholders to make the relevant decision after having been provided with sufficient information.

The Nichirei Group consists of Nichirei Corporation, 67 subsidiaries and 15 affiliates, as of May 15, 2007, and engages in processed foods, marine products, meat and poultry products, logistics, real estate, and other operations. The Company has also physically developed its business activities in [12] countries through its subsidiaries and bases of operations. For the management of the Nichirei Group, it is definitely necessary to have wide knowledge of such operations and rich experience therein, as well as a full understanding as to the relationship established with customers, employees and business partners worldwide. When a takeover proposal is submitted and shareholders are required to make a decision as to whether or not the relevant takeover proposal should be accepted, it will also be necessary to fully understand the said matters in order to ensure the proper evaluation of the value of the Company stock.

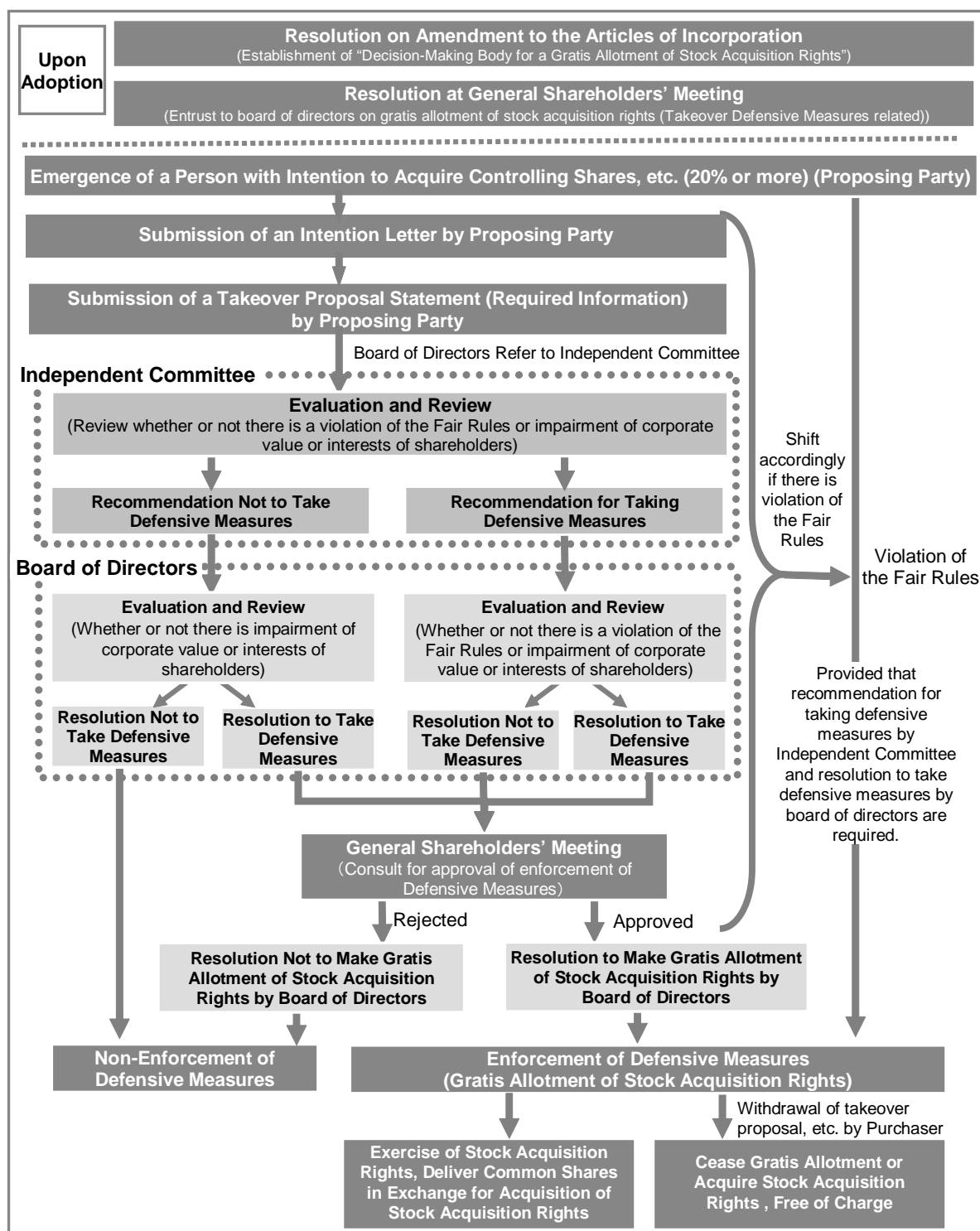
The Company has already made efforts to provide its shareholders with information through its active IR activities. When a takeover proposal is submitted, however, in order to have its shareholders properly determine whether or not to accept the proposal made by the Proposing Party, it will be definitely necessary to provide shareholders with appropriate and sufficient information both from the Company and the Proposing Party (e.g., the details of the management policies and business plans of the Nichirei Group intended by the Proposing Party, the effect from the takeover proposal on the Company's shareholders and the business management of the Nichirei Group, or an effect on a number of stakeholders surrounding the Nichirei Group, the idea on social responsibility including that "safe and reliable" food, etc., will be provided by the Proposing Party) and also provide the shareholders with a review period necessary to make the relevant decision. In some cases, the Company may also make a possible alternative proposal to its shareholders, so that the shareholders can choose a more favorable proposal in view of the benefits to the Company's corporate value and the common interests of its shareholders.

Taking the said matters into consideration, the board of directors of the Company has come to the conclusion that, when a substantial acquisition is to be made, the Company should obtain necessary and sufficient information from the relevant Proposing Party, in advance, and has decided that the Fair Rules should be established on the condition that (i) the proposed amendment to the articles of incorporation (as described in 4.(3) below) will be adopted at the 89th ordinary general meeting of shareholders of the Company, and (ii) the proposal concerning a gratis allotment of stock acquisition rights (as described in 4.(3) below) will be adopted at the said general meeting of shareholders. The Fair Rules will be explained in due order in the following sections.

2. Summary of the Fair Rules

The details of the Fair Rules will be described in Section 4. "Details of the Fair Rules" below, and the outline of such rules is as shown in the chart on the next page. (The terms used in the chart will be defined, as appropriate, in this press release.)

Enforcement or Non-Enforcement of Defensive Measures Pursuant to the Fair Rules



※ Above flow chart was prepared only to explain the outline of the Fair Rules so please refer to the main text of this press release for details of the Fair Rules.

3. Features of the Fair Rules

(1) In order to ascertain the intention of the shareholders regarding the adoption of the Fair Rules, the Company will, before introducing the Fair Rules, ask its shareholders for approval of the proposed amendment to the articles of incorporation of the Company (as per Exhibit 1 hereto) through a special resolution of a general meeting of shareholders, and on the condition that such proposed amendment to the articles of incorporation will be approved and adopted, the Company will, in accordance with Article 14 of the articles of incorporation so amended, ask its shareholders for approval of any future entrustment of the relevant resolution to the board of directors in the cases where the relevant requirements under the Fair Rules are satisfied and therefore the board of directors can resolve a gratis allotment of stock acquisition rights without a resolution of a general meeting of shareholders. In other words, the “adoption of the Fair Rules” itself will reflect the intention of the shareholders.

(2) Under the Fair Rules, the board of directors may take defensive measures against a takeover proposal without ascertaining the relevant intention of the shareholders only when there is a violation of procedures of the Fair Rules, and in any such limited cases, the relevant intention of the shareholders regarding the adoption thereof will be also ascertained, as stated in (1) above.

(3) If a defensive measures is taken in the cases other than those stated in (2) above, the Company will ascertain the intention of the shareholders through a resolution of a general meeting of shareholders.

(4) As to the verification regarding (i) whether or not a Proposing Party is in violation of procedures of the Fair Rules and (ii) whether or not the relevant takeover proposal will impair the Company’s corporate value and the common interests of its shareholders in light of “1. (2) Purpose of Adoption of the Fair Rules” etc., in addition to the verification by the board of directors, an independent committee will also independently make the relevant verification.

4. Details of the Fair Rules

(1) Procedures of the Fair Rules

① Persons to whom the Fair Rules Apply

The persons to whom the Fair Rules apply will refer to those persons (i) who intend to acquire the share certificates, etc., (as defined in Article 27-23, Paragraph 1¹ of the Securities and Exchange Law (the “SEL”)) which constitute twenty percent (20%) or more of the holding ratio of share certificates, etc. (as defined in Article 27-23, Paragraph 4 of the SEL) of the Company (for the purpose of calculation of such holding ratio of share certificates, etc., the number of share certificates, etc. held by the relevant person’s joint holders (as defined in Article 27-23, Paragraphs 5 and 6 of the SEL) will also be taken into account; the same shall apply hereinafter), or (ii) who intend to purchase by means of a tender offer the share certificates, etc., (as defined in Article 27-2, Paragraph 1 of the SEL) which constitute twenty percent (20%) or more of the ratio of ownership of share certificates, etc. (as defined in Article 27-2, Paragraph 8 of the SEL, and inclusive of the ratio of ownership of share certificates, etc. of the person having a special relationship defined in Article 27-2, Paragraph 7 of the SEL; the same shall apply hereinafter) of the Company. If the Company has in advance agreed upon a specific person through a resolution of its board of directors, however, such person shall be excluded from the persons to

¹ If there is an amendment, etc. to the provisions of laws, regulations, etc. cited in this press release, the relevant reference shall be made to the corresponding provisions of laws, regulations, etc., so amended, etc.

whom the Fair Rules apply. The persons referred to in (i) and (ii) above (other than those excluded from the persons to whom the Fair Rules apply by a resolution of the board of directors in advance) shall be referred to as the “Proposing Party”, and the share certificates, etc. as provided for in (i) and (ii) above shall collectively be referred to as the “Controlling Shares, etc.”

The Proposing Party shall not consummate the acquisition of the Controlling Shares, etc. of the Company or make a public notice of commencement of the purchase of the Controlling Shares, etc. by means of a tender offer, until the board of directors adopts a Resolution to Accept a Takeover Proposal (as defined in 4.(1)④ below), or until a general meeting of shareholders affirms a Rejection of Taking Defensive Measures (as defined in 4.(1)⑤ below), pursuant to the Fair Rules. If there is a violation of this, the board of directors will enforce the relevant defensive measures on the grounds that there is a violation of procedures of the Fair Rules. Please note that, accordingly, a Proposing Party will be required to wait for a certain period of time before such party materializes its takeover proposal in accordance with the Fair Rules.

② Submission of Intention Letter and Required Information by the Proposing Party

Under the Fair Rules, the Company will request, before a takeover proposal materializes, that the Proposing Party submit to the Company an intention letter prepared in the format designated by the Company to comply with the Fair Rules. In the intention letter, the name, address, the name of the representative, governing law of incorporation, contact details in Japan of the Proposing Party and an outline, etc. of the takeover proposal should be specified.

The Company shall, within ten (10) business days after receipt of the intention letter, deliver to the Proposing Party the initial list of the information necessary for decisions to be made by the Company’s shareholders and its independent committee (as explained in detail in 4.(1)③ below) and for opinions to be formed by its board of directors (such information will be referred to as the “Required Information”). The Proposing Party shall submit to the Company a takeover proposal statement containing all the Required Information so required. The Required Information to be contained in a takeover proposal statement will, although it depends on the nature of the relevant takeover proposal, possibly include the following information:

< Required Information >

- (i) Information on the Proposing Party and its group (including joint holders, and members or other constituents (in the case of an investment fund));
- (ii) Information on acquisition of the Controlling Shares, etc.:
i.e., the purpose, method and details of the acquisition (including the amount/type of consideration for acquisition of the Controlling Shares, etc., the time of acquisition, the structure of the relevant transaction, the legality of the method of acquisition, and the feasibility of acquisition);
- (iii) Grounds for calculation of consideration for acquisition of the Controlling Shares, etc. (including the facts/assumptions for calculation, the method of calculation, the numerical information used for calculation, any synergies expected to be created through a series of transactions related to acquisition and allocation of the synergy and the grounds for the relevant calculation of such allocation);
- (iv) Evidence of funds for acquisition of the Controlling Shares, etc. (including the specific name of the provider of funds (including the substantial providers), the methods of procurement, and the details of the relevant transactions);
- (v) The management policies, etc. of the Company after the acquisition of the Controlling Shares, etc.:
i.e., the management policies, business plans, capital policies and dividend plans of the Company and the Nichirei Group after the acquisition of the Controlling Shares, etc. (including selling of shares, selling of businesses or assets, mergers, corporate splits, stock-for-stock exchanges (*kabushiki-kokan*, *kabushiki-iten*), corporate

rehabilitation, liquidation, changes in the current equity, dividend payout ratio, dividend policies, debts or total equity, changes in the corporate structure, businesses, management policies or business plans of the Company, acquisition or disposal of stock and other securities of the Company, de-listings, and any unconventional transactions);

- (vi) Policies for treatment of the Company's and Nichirei Group's employees, business partners, customers, regional societies or other interest parties (stakeholders) related to the Company (including the understanding toward CSR) after the acquisition of the Controlling Shares, etc.;
- (vii) Procedures required to be followed by the Proposing Party for acquisition of the Controlling Shares, etc.:
i.e., any related and necessary approvals, etc. of government authorities, the consents, etc. of third parties, and the applicability of the anti-monopoly law or other competition law or other important laws of the countries or regions where the Company conducts its business activities or sells products;
- (viii) Specific measures to circumvent conflicts of interest, if there are any such conflicts with other shareholders of the Company; and
- (ix) Other information which is determined to be reasonably necessary by the independent committee.

③ Referring a Proposal to the Independent Committee and Recommendations for Taking Defensive Measures

The board of directors shall refer a takeover proposal statement received from a Proposing Party to the independent committee, which consists of three (3) or more members to be appointed by the board of directors from among outside executives of the Company, scholars, well-informed people, etc. The term of office of such independent committee members will be one (1) year, and Mr. Toshiki Sumitani and Ms. Miyuri Kawamata, outside directors of the Company, and Mr. Kunitaro Saida, a person who the Company plans to propose to the shareholders to elect as an outside auditor of the Company at the 89th ordinary general meeting of shareholders of the Company, are planned to serve as the initial independent committee members after the adoption of the Fair Rules. (Please refer to Exhibit 2 hereto as to the brief personal histories, etc. of such three (3) independent committee members.)

With respect to any takeover proposal statements, the independent committee will examine (i) whether or not the Required Information has been satisfactorily provided or otherwise whether the Fair Rules have been complied with, and (ii) whether or not the takeover proposal will improve the Company's corporate value and the common interests of its shareholders in light of "1. (2) Purpose of Adoption of the Fair Rules" etc. If the independent committee determines that the Required Information provided in the takeover proposal statement is not sufficient enough for decisions to be made by the Company's shareholders and its independent committee and for opinions to be formed by its board of directors, the independent committee will i) designate as appropriate a reasonable date for the Proposing Party to reply and ii) demand through the board of directors that the Proposing Party provide additional Required Information by such date.

The independent committee will objectively examine, in light of the Fair Rules, whether or not the Required Information has been satisfactorily provided in the takeover proposal statement. When the independent committee determines that the Required Information has been satisfactorily provided, the independent committee will make a notice to the board of directors to that effect. If the independent committee decides that (i) there is a violation of procedures of the Fair Rules on the part of the Proposing Party, including the case where additional Required Information has not been provided by the Proposing Party by the designated date, or (ii) the takeover proposal will impair the Company's corporate value and the common interests of its

shareholders, the independent committee will, with informing the board of directors of the relevant decision, recommend that the board of directors should take defensive measures under the Fair Rules (i.e., “Recommendation for Taking Defensive Measures”). In the cases other than (i) or (ii) above, the independent committee may, as necessary, make any recommendation, including a recommendation for not taking defensive measures, to the board of directors.

④ The Board of Directors’ Resolution to Take Defensive Measures

When the board of directors receives a Recommendation for Taking Defensive Measures under the Fair Rules from the independent committee based on its decision that a Proposing Party is in violation of procedures of the Fair Rules, the board of directors will, after confirming the Proposing Party’s violation of procedures of the Fair Rules, resolve to take defensive measures and initiate the relevant defensive measures without taking a resolution of a general meeting of shareholders. (If the independent committee has not made any such Recommendation for Taking Defensive Measures against a Proposing Party for its violation of procedures of the Fair Rules, the board of directors will not take any defensive measures, at its sole discretion, solely on the grounds that there is a violation of procedures of the Fair Rules.)

Except when the board of directors is allowed to take defensive measures without taking a resolution of a general meeting of shareholders in accordance with the provisions stated above, the board of directors will examine and review whether or not the relevant takeover proposal should be accepted, by taking into consideration whether or not the relevant proposal will contribute to the Company’s corporate value and the common interests of its shareholders in light of “1. (2) Purpose of Adoption of the Fair Rules“ etc. Such examination and review of a proposal will continue for sixty (60) business days from the day when the independent committee makes a notice to the board of directors that the relevant Required Information is completely provided in the case of a takeover proposal in which the relevant consideration is paid in cash in Japanese Yen only and the ceiling number of shares to be purchased has not been set, and for ninety (90) business days from the day when the above mentioned notice is made that the relevant Required Information is completely provided in the case of any other takeover proposals (provided, however, that either of such periods may be extended, unless the independent committee raises objections thereto, when a general meeting of shareholders is to be held for ascertaining the intention of the shareholders, or otherwise when there is a reasonable ground for extending such period. When either of such periods is extended, the Company will disclose the specific extended period and the reason for such extension.) (such periods will be referred to as the “Review Period”). Thereafter, if the board of directors determines that the takeover proposal may impair the Company’s corporate value and the common interests of its shareholders, the board of directors will resolve to take defensive measures against the takeover proposal under the Fair Rules (a “Resolution to Take Defensive Measures”) and convene a general meeting of shareholders, which shall be held by the end of the Review Period, in order to ascertain the intention of the shareholders as to whether or not the relevant defensive measures should be taken.

If the board of directors determines that the takeover proposal will contribute to the Company’s corporate value and the common interests of its shareholders through its examination during the Review Period, the board of directors will resolve not to take defensive measures against the takeover proposal under the Fair Rules (a “Resolution Not to Take Defensive Measures”). In such a case, the board of directors may, unless it has received from the independent committee a Recommendation for Taking Defensive Measures as to the relevant takeover proposal under the Fair Rules, allow the Proposing Party to materialize the takeover proposal, without ascertaining the intention of the shareholders, and even when the takeover proposal is materialized by the Proposing Party, no defensive measures will be taken under the Fair Rules. On the other hand, even when a Resolution Not to Take Defensive Measures is adopted, the board of directors has to convene a general meeting of shareholders and ascertain the intention of the shareholders as to whether or not defensive measures should be taken against the relevant takeover proposal, if the

independent committee has made a Recommendation for Taking Defensive Measures.

Under the Fair Rules, the board of directors' resolution not to take defensive measures when the board of directors has not received any Recommendation for Taking Defensive Measures under the Fair Rules from the independent committee as to a takeover proposal shall be referred to as a "Resolution to Accept a Takeover Proposal."

⑤ Ascertaining of the Intention of Shareholders

When (i) the independent committee has made a Recommendation for Taking Defensive Measures against a takeover proposal (excluding the case where such recommendation is made on the grounds that the Proposing Party is in violation of procedures of the Fair Rules and when the board of directors may take defensive measures only with a resolution of the board of directors, by confirming such violation), or (ii) when the independent committee has not made a Recommendation for Taking Defensive Measures and the board of directors determines that the Company's corporate value or the common interests of its shareholders may be impaired and adopts a Resolution to Take Defensive Measures, the board of directors shall ascertain the intention of the shareholders as to whether or not defense measures should be taken. Such ascertaining of the intention of the shareholders shall be made through a resolution for approval of taking defensive measures at a general meeting of shareholders and, specifically speaking, a proposal for entrusting the decision on gratis allotment of stock acquisition rights to the board of directors will be referred to a general meeting of shareholders, and such resolution will be proposed. In such a case, if the relevant proposal is rejected at a general meeting of shareholders, no defensive measures will be taken under the Fair Rules against the relevant takeover proposal. Under the Fair Rules, such rejection of a proposal for taking defensive measures at a general meeting of shareholders shall be referred to as "Rejection of Taking Defensive Measures."

When the board of directors is to ascertain the intention of shareholders, the board of directors shall decide on the convocation of a general meeting of shareholders to be held on or before the last day of the Review Period. Such general meeting of shareholders to ascertain the intention of shareholders shall be held in accordance with the following procedures:

- (a) Requirement for Resolution:
At a general meeting of shareholders, resolution for enforcement of defensive measures under the Fair Rules shall be adopted by a majority of the voting rights of the shareholders who are present thereat and are eligible for exercising voting rights, including the exercise in writing or through an electromagnetic method.
- (b) Shareholders Eligible for Exercising Voting Rights:
The shareholders who are eligible for exercising voting rights at a general meeting of shareholders shall be those shareholders who are listed or recorded in the latest shareholders' register and substantial shareholders' register as of the record date set by the board of directors.
- (c) Disclosure of Results:
The Company will, after it determines the relevant results, promptly disclose the results of any resolution adopted at a general meeting of shareholders for ascertaining the intention of the shareholders as to whether defensive measures should be taken against a takeover proposal.

Except as otherwise provided by law, only the board of directors is entitled to convene a general meeting of shareholders to ascertain the intention of shareholders regarding whether or not defensive measures should be taken under the Fair Rules against a takeover proposal. In

addition, the board of directors may decide not to hold a general meeting of shareholders, even after the board of directors decided to hold a general meeting of shareholders in accordance with the above, if either of the following events occurs before the date of such general meeting of shareholders, and in the case of (x) below, the board of directors may take defensive measures immediately under the Fair Rules:

- (x) When the requirement for taking defensive measures only with a resolution of the board of directors has been satisfied as a result of the Proposing Party violating procedures of the Fair Rules;
- (y) When the independent committee has made no Recommendation for Taking Defensive Measures against a takeover proposal (if there is a newly found fact, limited to the case where the independent committee having reviewed the relevant fact does not make any Recommendation for Taking Defensive Measures) and the board of directors has newly adopted a Resolution Not to Take Defensive Measures under the Fair Rules.

If the board of directors decides not to hold the above said general meeting of shareholders, this would mean that the intention of shareholders has not been ascertained as to whether or not defensive measures should be taken against a takeover proposal. Therefore, in order for the board of directors to obtain the approval of a general meeting of shareholders as to the enforcement of defensive measures against a takeover proposal again, in the case of (y) above, it will be necessary to obtain the approval of a general meeting of shareholders with respect to the enforcement of the relevant defensive measures by again convening a general meeting of shareholders.

⑥ The Board of Directors' Resolution to Make or Not to Make Gratis Allotment of Stock Acquisition Rights based on a Resolution of a General Meeting of Shareholders

Unless a takeover proposal is withdrawn by the relevant Proposing Party, the board of directors shall resolve, based on the results of the said procedures for ascertaining the intention of shareholders, to make or not to make gratis allotment of stock acquisition rights and disclose the details of such resolution. In other words, when the enforcement of defensive measures against a takeover proposal is approved at the said general meeting of shareholders (the "Approval of Taking Defensive Measures") and the Proposing Party becomes a Purchaser (as defined in 4.(1)⑦ below) by performing its takeover proposal, the board of directors shall resolve to make gratis allotment of stock acquisition rights pursuant to the Fair Rules. Conversely, if the said general meeting of shareholders makes a Rejection of Taking Defensive Measures, the board of directors shall resolve not to make gratis allotment of stock acquisition rights even when the Proposing Party becomes a Purchaser by performing its takeover proposal.

⑦ Resolution to Make Gratis Allotment of Stock Acquisition Rights

When the board of directors adopts a Resolution to Accept a Takeover Proposal, or when a general meeting of shareholders makes a Rejection of Taking Defensive Measures, no defensive measure shall be taken against the relevant takeover proposal. However, in other circumstances, if a Proposing Party (i) makes a public notice of commencement of a tender offer so that the ratio of ownership of share certificates, etc. will be twenty percent (20%) or more after the relevant purchase, or (ii) acquires or holds the Controlling Shares, etc. of the Company, the board of directors will, in order to lower the holding ratio of share certificates, etc. or the ratio of ownership of share certificates, etc. of the relevant person (a "Purchaser"), resolve to make gratis allotment of stock acquisition rights with restrictions on the exercise of rights by the Purchaser and its related parties, etc. (to be explained in detail in 4.(2)④ below; hereinafter referred to as the "Purchaser, etc.") or with distinctions of the Purchaser, etc. from other parties in relation to the acquisition of the stock acquisition rights with conditions for acquisition or in relation to the

consideration for acquisition, as defensive measures under the Fair Rules. However, such resolution to make gratis allotment of stock acquisition rights under the Fair Rules can be adopted only (i) when the requirement for taking defensive measures only with a resolution of the board of directors has been satisfied as a result of the Proposing Party violating procedures of the Fair Rules, or (ii) when a general meeting of shareholders makes Approval of Taking Defensive Measures.

Even after the board of directors resolves to make gratis allotment of stock acquisition rights, if the relevant Proposing Party withdraws its takeover proposal or otherwise when the relevant purchase ceases to exist, the board of directors may resolve to (i) cancel the gratis allotment of stock acquisition rights if it is before the relevant gratis allotment becomes effective, or (ii) acquire the relevant stock acquisition rights, free of charge, if it is after the relevant gratis allotment becomes effective, as the case may be. When the board of directors resolves to cancel gratis allotment of stock acquisition rights, or to acquire the relevant stock acquisition rights, free of charge, in accordance with the above, the relevant shareholders will ultimately not acquire or hold the stock acquisition rights of the Company. In such a case, the stock price of the Company may be affected.

⑧ Disclosure of the Details of Resolution to Make a Gratis Allotment of Stock Acquisition Rights

When the board of directors resolves to make a gratis allotment of stock acquisition rights as stated in ⑦ above, the board of directors shall promptly disclose information on the details of such resolution and other related matters.

(2) Outline of a Gratis Allotment of Stock Acquisition Rights

When the board of directors resolves to make a gratis allotment of stock acquisition rights, the board of directors will allot the stock acquisition rights free of charge, (i) with restrictions on the exercise of rights by the Purchaser, etc. or (ii) with distinctions of the Purchaser, etc. from others in relation to the acquisition of the stock acquisition rights with conditions for acquisition or in relation to the consideration for acquisition, to the relevant shareholders. As to any such gratis allotment of stock acquisition rights, the Company believes that disclosing the details, etc. thereof, in advance, will contribute to the benefits of its shareholders and investors in view of the relevant predictability, etc. Therefore, the Company will disclose the information on such gratis allotment of stock acquisition rights, as much as possible as follows:

① Types of Shares to be Issued upon Exercise of Stock Acquisition Rights:
The common shares of the Company.

② Total Number of Shares to be Issued upon Exercise of Stock Acquisition Rights:

The maximum number of such shares shall be the number obtained after deducting the total number of outstanding shares of the Company from the total number of shares of the Company authorized to be issued.

③ Value of Assets to be Paid upon the Exercise of Stock Acquisition Rights:

Assets to be paid upon the exercise of stock acquisition rights shall be money, and the amount to be paid upon the exercise of stock acquisition rights shall be the amount equivalent to one (1) yen or more per share of the Company determined by the board of directors.

④ Conditions for Exercising Stock Acquisition Rights:

The following conditions or other conditions may be imposed for the exercise of stock acquisition rights. Any person who fails to satisfy the requirements of (i) or (ii) below shall be referred to as the “Purchaser, etc.” in this press release:

- (i) The person exercising the stock acquisition rights does not fall under any of the following:
 - (a) the Purchaser;
 - (b) a person having a special relationship with (Article 27-2, Paragraph 7 of the SEL) or is a joint holder of (Article 27-23, Paragraphs 5 and 6 of the SEL) the Purchaser;
 - (c) a person who purchased or succeeded to the relevant stock acquisition rights from the person applicable to (a) or (b) above without obtaining a consent of the board of directors of the Company; or
 - (d) a related person of the person applicable to any of (a) through (c) above (a “related person” shall mean a person determined by the board of directors of the Company as a person substantially controlling the relevant person, controlled by the relevant person or under common control with the relevant person, or a person determined by the board of directors of the Company as a person acting cooperatively with the relevant person. “Control” shall mean “controlling the decisions on financial and business policies” of another company, etc. (see Article 3 of the Enforcement Regulations of the Company Law));
- (ii) Either (a) the person is exercising the relevant rights for his/her own benefit, or (b) if the person is exercising the relevant rights on behalf of a third party, such third party satisfies the requirement of (i) above; and
- (iii) When requested by the board of directors of the Company, a written representation and warranty in relation to the satisfaction of the requirements of (i) and (ii) above shall be submitted.

⑤ Restriction on Transfer

Any transfer of stock acquisition rights shall require an approval of the board of directors of the Company.

⑥ Acquisition of Stock Acquisition Rights by the Company

- (i) At any time before the day of commencement of the exercise period for the relevant stock acquisition rights, the Company may acquire all the stock acquisition rights, free of charge, as of the arrival of the date designated by the board of directors, if the board of directors deems it appropriate for the Company to acquire such stock acquisition rights.
- (ii) The Company will acquire the relevant stock acquisition rights by either of the following methods as of the arrival of the date designated by the board of directors:
 - (a) Acquire all the stock acquisition rights held by persons other than those persons who are not eligible for exercising such stock acquisition rights pursuant to the provisions of ④ above and, in exchange therefor, deliver the common shares of the Company; or
 - (b) Acquire all the stock acquisition rights and, in exchange therefor, deliver the common shares of the Company for the stock acquisition rights held by persons other than those persons who are not eligible for exercising such stock acquisition rights pursuant to the provisions of ④ above, and deliver any other

consideration as to the stock acquisition rights held by those persons who are not eligible for exercising such stock acquisition rights pursuant to the provisions of ④ above.

The maximum number of the common shares of the Company to be delivered as consideration for acquiring stock acquisition rights by either of the methods described in (a) or (b) above shall be the number obtained by deducting the total number of outstanding shares of the Company from the total number of shares of the Company authorized to be issued.

(3) Procedures for Adopting the Fair Rules

As to the enforcement of defensive measures when a takeover proposal is made, including the cases where such defensive measures are to be taken on the grounds that the Company's corporate value and the common interests of its shareholders may be impaired (please see 4.(1)④ for a case where a defensive measure can be taken without ascertaining the intention of the shareholders), the Fair Rules require a resolution of a general meeting of shareholders, in principle, so the Fair Rules reflect the intention of the shareholders in this respect.

However, the Company thinks it necessary that the intention of the shareholders be reflected in regards to "adopting the Fair Rules" itself, and not only in regards to whether or not the relevant defensive measures should be taken. Therefore, the Company has decided that it will, when adopting the Fair Rules, ask its shareholders for approval of the proposed amendment to the articles of incorporation of the Company (as per Exhibit 1 hereto) through a special resolution of a general meeting of shareholders and, on the condition that such proposed amendment to the articles of incorporation will be approved and adopted, the Company will, in accordance with Article 14 of the articles of incorporation so amended, ask its shareholders for approval of any future entrustment of the relevant resolution to the board of directors through an ordinary resolution of a general meeting of shareholders in the cases where the relevant requirements are satisfied and therefore the Company can decide upon gratis allotment of stock acquisition rights without taking a resolution of a general meeting of shareholders and with a resolution of the board of directors only pursuant to the procedures set forth in the Fair Rules, and thereby ascertain the intention of the shareholders as to whether or not the Fair Rules should be adopted.

(4) Effective Term, Abolition, Revision, etc. of the Fair Rules

The effective term of the Fair Rules shall be from the time when (i) the proposal for amendment to the articles of incorporation of the Company as described in 4.(3) is adopted and (ii) the proposal for gratis allotment of stock acquisition rights as described in 4.(3) is adopted at the 89th ordinary general meeting of shareholders until the close of the ordinary general meeting of shareholders to be held in 2010; provided, however, that even before the expiration of such effective term, the Fair Rules shall be abolished, at the time of the resolution if the board of directors resolves to abolish the Fair Rules. When the board of directors resolves to revise or change the Fair Rules before the expiration of the effective term (any such substantial revision of or change to the Fair Rules shall require the approval of a general meeting of shareholders (with a majority of the voting rights held by the shareholders who are present thereat and are eligible for exercising their voting rights)), the board of directors shall promptly disclose the details of such revision or change or other necessary information. In order to renew the Fair Rules upon the expiration of the effective term stated above, the board of directors shall obtain the approval of a general meeting of shareholders (with a majority of the voting rights held by the shareholders who are present thereat and are eligible for exercising their voting rights).

5. Reasonableness of the Fair Rules

(1) Requirements of the Guidelines Concerning Takeover Defensive Measures have been Satisfied

The Fair Rules satisfy the three (3) principles provided in the “Guidelines of takeover defensive measure for ensuring and/or improving corporate value and common interests of shareholders” released on May 27, 2005, by the Ministry of Economy, Trade and Industry and the Ministry of Justice.

(2) A Type which Shareholders Directly Decide

As described in 4.(3) above, the Company will, when adopting the Fair Rules, ask its shareholders for approval of the proposed amendment to the articles of incorporation of the Company (as per Exhibit 1 hereto) through a special resolution of a general meeting of shareholders and, on the condition that such proposed amendment to the articles of incorporation will be approved and adopted, the Company will, in accordance with Article 14 of the articles of incorporation so amended, ask its shareholders for approval of any future entrustment of the relevant resolution to the board of directors through an ordinary resolution of a general meeting of shareholders in the cases where the relevant requirements are satisfied and therefore the Company can decide upon gratis allotment of stock acquisition rights without taking a resolution of a general meeting of shareholders and with a resolution of the board of directors only, pursuant to the procedures set forth in the Fair Rules, and thereby ascertain the intention of shareholders as to whether or not the Fair Rules should be adopted. In addition, as described in 4.(1)⑤ above, the Fair Rules inevitably require approval of a general meeting of shareholders for taking defensive measures against a takeover proposal, unless there is a violation of procedures of the Fair Rules, and asks shareholders for their direct decision as to whether or not the takeover proposal by a Proposing Party should be accepted. As seen above, since it is necessary to obtain the approval of a general meeting of shareholders before taking defensive measures, unless there is a violation of procedures of the Fair Rules, defensive measures will not be taken for the selfish intentions of the directors. Moreover, the effective term of the Fair Rules is set for three (3) years, and as described in 4.(4), it is necessary to again ask shareholders for their direct decision, in order to renew and continue the Fair Rules, upon the expiration of the effective term thereof.

(3) Decision on Taking Defensive Measures by the Independent Committee which is Independent from the Board of Directors and Restrictions on Taking Defensive Measures by Decisions of the Board of Directors

Under the Fair Rules, an independent committee consisting of members who are highly independent will be established, separate from the board of directors, in order to secure the neutrality in determining whether or not defensive measures should be taken against a takeover proposal. First of all, in order to enforce defensive measures on the grounds that there is a violation of procedures of the Fair Rules, it is inevitably required that the independent committee has recommended that the relevant measures should be taken against such violation, and this prevents the board of directors from taking defensive measures by applying the Fair Rules for their selfish intentions.

In other cases, the Fair Rules require that the independent committee also review whether or not defensive measures should be taken against a takeover proposal. In other words, even when the board of directors adopts a Resolution Not to Take Defensive Measures, the board of directors has to convene a general meeting of shareholders in order to ascertain the intention of shareholders as to whether or not defensive measures should be taken, as long as a Recommendation for Taking Defensive Measures is received from the independent committee. Therefore, the Fair Rules provide the opportunity not only to prevent the board of directors from intentionally disturbing the Purchaser's takeover, but also to prevent directors from intentionally voting for the takeover, etc. to be made by directors for only their own benefit. The Fair Rules also restricts the board of directors so that the board of directors can take defensive measures against a takeover proposal without ascertaining the intention of shareholders only when there is a violation of procedures of the Fair Rules as stated in 4.(1)④ above.

(4) Takeover Defensive Measures which are not Dead Hand Type or Slow Hand Type

The term of office for the directors of the Company shall expire at the close of the ordinary general meeting of shareholders pertaining to the last business year ending within one (1) year after each director's election according to the articles of incorporation of the Company. In addition, as described in 4.(4), whether or not to abolish the Fair Rules may be determined by a resolution of the board of directors. Therefore, whether or not to continue or abolish the Fair Rules may be determined, from time to time, by a resolution of the board of directors which is composed of directors who are elected by the shareholders every year, and so it is neither a dead hand type of takeover defensive measure (takeover defensive measures which may not be prevented from being enforced even if a majority of the board members are replaced) nor a slow hand type of takeover defensive measure (takeover defensive measures which are difficult to prevent from being enforced because the board members may not be replaced at once).

6. Influence, etc. on Shareholders and Investors

(1) Influence, etc. on Shareholders and Investors upon Adoption of the Fair Rules

The Fair Rules aim to ensure and improve the common interests of shareholders of the Company by providing shareholders with information necessary to determine whether or not a takeover proposal should be accepted pursuant to the Fair Rules and by referring to the shareholders for the final decision as to whether or not the takeover proposal should be accepted, except for the cases where both the independent committee and the board of directors agree to the takeover proposal or where defensive measures may be taken only with a resolution of the board of directors due to a violation of the procedures under the Fair Rules by the Proposing Party, and thereby contribute to the benefits of the Company's shareholders and investors. At the time of the adoption of the Fair Rules, since no allotment of stock acquisition rights, etc. will be made, there will be no direct or specific influence on the shareholders and investors of the Company.

(2) Influence, etc. on Shareholders and Investors upon Enforcement of the Fair Rules

Upon the enforcement of the Fair Rules, stock acquisition rights will be allotted, free of charge, to the shareholders recorded as of the record date for such allotment which is separately determined by the board of directors upon resolution of such allotment of stock acquisition rights. Under this procedure, as the relevant shareholders will become the right holders of such stock acquisition rights automatically as of the day any gratis allotment of stock acquisition rights becomes effective, it will be unnecessary for shareholders to make an application, etc. Please see to it, however, that if the relevant shareholders fail to pay money or follow other procedures, etc. related to the exercise of such stock acquisition rights as described in 6.(3)② below by the end of the exercise period therefor, there will be a dilution of per share value of the Company shares held by such shareholders along with the value of the entire shares of the Company held by such shareholders by the exercise of the stock acquisition rights by other shareholders.

On the other hand, as long as the procedures, etc. related to the exercise of such stock acquisition rights are followed and such stock acquisition rights are exercised, the value of the entire shares of the Company held by such shareholders will not be diluted, so no direct or specific influence on legal rights and economic interests of shareholders and investors other than those shareholders who are restricted to exercise such stock acquisition rights is expected.

In addition, the Company may, based on the board of directors' decision, acquire the relevant stock acquisition rights from the shareholders other than those who are restricted from exercising such stock acquisition rights such as the Purchaser, etc. and, in exchange therefor, deliver the Company shares, pursuant to the procedures stated in 6.(3)③ below. When the Company follows these procedures for acquisition, the shareholders other than those who are restricted from exercising the relevant stock acquisition rights will receive the common shares of the Company without exercising the stock acquisition rights or paying money corresponding to the exercise price thereof. Therefore, the per

share value of the company shares held by such shareholders will be diluted, but there will be no dilution of the value of the entire shares of the Company held by such shareholders so no direct or specific influence on legal rights and economic interests of shareholders and investors other than those shareholders who are restricted to exercise such stock acquisition rights is expected.

As to the gratis allotment of stock acquisition rights, the Company may decide not to make such gratis allotment before the relevant gratis allotment becomes effective, or acquire the relevant stock acquisition rights, free of charge, after the relevant gratis allotment becomes effective, as described in 4.(1)⑦ above. Please see to it that, in such a case, as there will be no dilution of the stock value per share, those investors who purchased or sold the relevant shares based on the assumption that there will be a dilution of the stock value per share may suffer damage due to fluctuations in stock prices.

(3) Procedures, etc. Required with a Gratis Allotment of Stock Acquisition Rights

① Shareholder Registration

When a gratis allotment of stock acquisition rights is enforced, the relevant rights will be allotted, free of charge, to the shareholders registered as of the record date for allotment of such stock acquisition rights. Therefore, it will be necessary for the relevant shareholders to have their names registered in the shareholders' register promptly.

② Procedures for Exercising Stock Acquisition Rights

When the shareholders who were allotted stock acquisition rights desire to exercise such stock acquisition rights, it will be necessary for such shareholders to submit a written request for the exercise of stock acquisition rights prescribed by the Company and other documents designated by the Company and to pay the exercise price thereof.

③ Procedures to be Followed by the Company to Acquire Stock Acquisition Rights

When the board of directors decides to acquire stock acquisition rights, the Company may acquire the relevant stock acquisition rights as of the date separately designated by the board of directors by following the procedures prescribed by law. When such decision is made, the shareholders other than those who are restricted to exercise such stock acquisition rights such as the Purchaser, etc. will receive the common shares of the Company as consideration for the Company's acquisition of such stock acquisition rights without paying the money equivalent to the exercise price thereof.

In addition to the above, as to the details of the method of allotment, the method of shareholder registration, the method of exercising rights, and the method of acquiring the relevant rights by the Company, the Company will disclose or notify the relevant information to its shareholders after the relevant decision is made by the board of directors, so please refer to such information.

Exhibit 1

The following provisions shall be added as Article 14 of the articles of incorporation of the Company:

(Decision-Making Body for a Gratis Allotment of Stock Acquisition Rights)

Article 14

The Company may decide upon the matters pertaining to a gratis allotment of stock acquisition rights to its shareholders through (i) a resolution of its board of directors, (ii) a resolution of a general meeting of shareholders, or (iii) a resolution of its board of directors as entrusted by the resolution of a general meeting of shareholders.

Exhibit 2

Brief Personal History of Members of the Independent Committee

Toshiki Sumitani

(Born on November 11, 1960)

April 1986 Joined McKinsey & Company, Inc., Japan
April 1996 Representative Director of Learnnet Inc. (current)
April 2005 Professor of Kenichi Ohmae Graduate School of Business (current)
June 2005 Director of Nichirei Corporation (current)

Representative status in other Companies, etc.:

Representative Director of Learnnet Inc.

*There are no special interests between Mr. Sumitani and the Company.

Miyuri Kawamata

(Born on January 2, 1963)

October 1987 Joined Tokyo Sogo Bank Limited (currently the Tokyo Star Bank, Limited)
December 1989 Joined Reuters Limited
April 1998 Full-time lecturer of the Faculty of Business Administration at Yokohama
National University
April 1999 Assistant Professor of the Faculty of Business Administration at Yokohama
National University
April 2002 Assistant Professor of the International Graduate School of Social Sciences at
Yokohama National University (name of the title has changed to Associate
Professor from April 2007) (current)
June 2005 Director of Nichirei Corporation (current)

*There are no special interests between Ms. Kawamata and the Company.

Kunitaro Saida

(Born on May 4, 1943)

April 1969 Appointed as a public prosecutor
November 2001 Chief Public Prosecutor of the Tokyo District Public Prosecutors Office
February 2003 Superintendent Public Prosecutor of the Takamatsu High Public Prosecutors Office
June 2004 Superintendent Public Prosecutor of the Hiroshima High Public Prosecutors
Office
August 2005 Superintendent Public Prosecutor of the Osaka High Public Prosecutors Office
May 2006 Retired from the above position
May 2006 Admitted to the bar (The Dai-ichi Tokyo Bar Association)
June 2007 Scheduled to assume office of a Statutory Auditor of Nichirei Corporation

*There are no special interests between Mr. Saida and the Company.