

June 6 2008

To the shareholders of IBIDEN CO., LTD.

2-1, Kanda-cho, Ogaki, Gifu Pref.

IBIDEN CO., LTD.

Hiroki Takenaka

President , Representative Director

IBIDEN CO., LTD.
Notice of the 155th Ordinary General Meeting of Shareholders

We hereby cordially invite you to attend the 155th Ordinary General Meeting of Shareholders of IBIDEN CO., LTD. (the "Company") to be held as mentioned below.

If you do not expect to attend the meeting, you may exercise your voting rights by either of the methods described below. Please review the enclosed "Reference Materials for General Meeting of Shareholders," and exercise your voting rights no later than 5:00 p.m. (Tokyo time), Monday June 23, 2008.

[Exercise of Voting Rights by Mail]

Please send the enclosed proxy card, indicating your approval or disapproval of the proposals, in order to be received by the Company on or before the above, exercise period.

[Exercise of Voting Rights by the Internet, etc.]

Please read the enclosed "Instructions for Exercise of Voting Rights by the Internet, etc." and access the designated website for the exercise of voting rights (<http://www.web54.net>) using the "code for exercise of voting rights" and the "password" specified on the enclosed proxy card. Please follow the instructions on the screen and enter your approval or disapproval of the proposals.

Particulars:

1. **Date and hour** June 24, 2008 (Tuesday), 2:00 p.m.
2. **Place** 2-1, Kanda-cho, Ogaki-city, Gifu Pref.

 In the **Multipurpose** Hall on the second (2nd) floor of the IBIDEN Headquarters Building

3. Items on the agenda

Matters to be reported:

1. Reports on the business report, the consolidated financial documents for the 155th fiscal year (from April 1, 2007 to March 31, 2008) and Audit reports from the accounting auditor and the board of auditors on the consolidated financial documents for the 155th fiscal year

(from April 1, 2007 to March 31, 2008).

2. Reports on the non-consolidated financial documents for the 155th fiscal year (from April 1, 2007 to March 31, 2008).

Proposals to be acted upon:

- | | |
|--------------------|--|
| Proposal 1. | Election of thirteen (13) Directors |
| Proposal 2. | Election of one (1) Corporate Auditor |
| Proposal 3. | Payment of Director's bonus |
| Proposal 4. | Revision of Directors' remuneration |
| Proposal 5. | Issuance of New Share Acquisition Rights
(<i>shinkabu-yoyakuden</i>) as stock option remuneration to
Directors |
| Proposal 6. | Authorization of the Board of Directors to decide on the
terms of offering New Share Acquisition Rights, which are to
be issued as stock options |

4. Rules regarding the General Meeting of Shareholders

- (1) If a shareholder redundantly votes by using the Internet, the last vote shall be deemed to be the valid vote.
- (2) If a shareholder's multiple votes arrive on the same day, a vote via the Internet shall be given priority over a vote via a proxy card.

The information contained hereunder is an English translation of the Notice of the 155th Ordinary General Meeting of Shareholders originally prepared in Japanese language.

The English translation is for general reference purpose only, and subject to errors and omissions. All the information is deemed accurate, but is not guaranteed.

CONSOLIDATED BALANCE SHEET

As of March 31, 2008

(In millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current Assets	197,340	Current Liabilities	109,455
Cash and deposits	41,019	Notes and accounts payable - trade	58,138
Notes and accounts receivable - trade	75,433	Short-term loans payable	4,314
Short-term investment securities	28,249	Current portion of bonds	10,051
Inventories	42,221	Accounts payable - other	15,261
Deferred tax assets	3,315	Accrued income taxes	4,297
Other - current assets	7,877	Deferred tax liabilities	32
Less - allowance for doubtful accounts	△776	Reserve for bonuses	4,212
		Reserve for directors' bonuses	313
		Notes payable - facilities	2,851
Non-Current Assets	219,798	Other - current liabilities	9,982
Property, plant and equipment	171,103	Non-Current Liabilities	8,678
Buildings and Structures	64,170	Long-term loans payable	676
Machinery, equipment and vehicles	71,458	Deferred income taxes for land revaluation	179
Land	16,384	Reserve for retirement benefit	1,073
Construction in progress	13,384	Reserve for directors' retirement benefit	645
Other - property, plant and equipment	5,705	Deferred tax liabilities	4,628
		Negative goodwill	262
Intangible assets	5,284	Other - long-term liabilities	1,213
Goodwill	1,052	Total Liabilities	118,134
Other - intangible assets	4,231		
		(Net Assets)	
		Shareholders' Equity	289,242
Investments and other assets	43,409	Capital stock	64,127
Investment securities	36,713	Capital surplus	68,336
Long-term loans receivable	2,090	Retained earnings	172,139
Deferred tax assets	3,014	Less - treasury stock, at cost	△15,361
Other - investments and other assets	2,050	Valuation and Translation adjustments	6,027
Less - allowance for doubtful accounts	△460	Valuation difference on available for sale securities	6,001
		Revaluation reserve for land	48
		Foreign currency translation adjustments	△22
		Subscription rights to shares	423
		Minority interests	3,310
		Total Net Assets	299,004
Total Assets	417,138	Total Liabilities and Net Assets	417,138

Notes: Amounts less than one million yen are omitted.

CONSOLIDATED STATEMENT OF INCOME

(From April 1, 2007
to March 31, 2008)

(In millions of yen)

Account	Amount	
Net sales		413,522
Cost of sales		292,978
Gross profit		120,544
Selling, general and administrative expenses		53,279
Operating income		67,265
Non-operating income		
Interest income	1,229	
Dividends income	484	
Amortization of negative goodwill	99	
Equity in earnings of an affiliate	1,140	
Subsidy income	500	
Other - non-operating income	941	4,395
Non-operating expenses		
Interest expenses	553	
Rent expenses on facilities	331	
Foreign exchange losses	2,627	
Other - non-operating expenses	574	4,087
Ordinary Income		67,573
Extraordinary income		
Gain on sales of property, plant and equipment	101	
Gain on sales of investment securities	1	
Incentive income	705	
Reversal of allowance for doubtful accounts	265	
Gain on prior period adjustments	41	
Other - extraordinary income	89	1,205
Extraordinary loss		
Loss on disposal of property, plant and equipment	919	
Impairment loss on property, plant and equipment	2	
Loss on sales of investment securities	0	
Loss on valuation of investment securities	1,189	
Loss on business restructuring	317	
Loss on compensation of claim	594	
Loss on change in retirement benefit plans	46	
Loss on prior period adjustments	3	
Other - extraordinary loss	254	3,327
Income before income taxes		65,451
Income taxes - current	16,648	
Income taxes - deferred	2,568	19,217
Minority interests		214
Net income		46,019

Notes: Amounts less than one million yen are omitted.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2007
to March 31, 2008)

(in millions of yen)

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at March 31, 2007	63,064	67,696	133,571	△9,587	254,745
Changes of items during the period					
Issuance of new shares due to conversion of convertible bonds	1,063	1,063			2,126
Dividends from surplus			△7,408		△7,408
Net income			46,019		46,019
Purchase of treasury stock				△7,275	△7,275
Disposal of treasury stock		△423		1,501	1,077
Decrease of retained earnings from merging of a non-consolidated subsidiary			△43		△43
Net changes of items other than shareholders' equity					
Total changes of items during the period	1,063	640	38,567	△5,774	34,496
Balance at March 31, 2008	64,127	68,336	172,139	△15,361	289,242

	Valuation and translation adjustments					Subscription rights to shares	Minority interests	Total Net Assets
	Valuation difference on available for sale securities	Deferred gain or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Total Valuation and translation adjustments			
Balance at March 31, 2007	13,373	0	48	4,404	17,827	117	3,127	275,817
Changes of items during the period								
Issuance of new shares due to conversion of convertible bonds								2,126
Dividends from surplus								△7,408
Net income								46,019
Purchase of treasury stock								△7,275
Disposal of treasury stock								1,077
Decrease of retained earnings from merging of a non-consolidated subsidiary								△43
Net changes of items other than shareholders' equity	△7,372	△0	—	△4,427	△11,799	306	183	△11,309
Total changes of items during the period	△7,372	△0	—	△4,427	△11,799	306	183	23,186
Balance at March 31, 2008	6,001	—	48	△22	6,027	423	3,310	299,004

Notes: Amounts less than one million yen are omitted.

BALANCE SHEET

As of March 31, 2008

(In millions of yen)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current Assets	130,358	Current Liabilities	78,621
Cash and deposits	11,107	Notes payable - trade	6,750
Notes receivable - trade	1,082	Accounts payable - trade	26,408
Accounts receivable - trade	38,859	Current portion of bonds	10,051
Short-term investment securities	28,249	Accounts payable - other	13,118
Merchandise and finished goods	14,659	Accrued expenses	1,708
Raw materials	1,826	Accrued income taxes	2,848
Work in process	5,054	Deposit received	12,433
Supplies	2,157	Reserve for bonuses	2,362
Prepaid expenses	575	Reserve for directors' bonuses	180
Short-term loans	17,017	Notes payable - facilities	2,556
Accounts receivable - other	7,349	Other - current liabilities	203
Deferred tax assets	2,311	Non-Current Liabilities	794
Other - current assets	237	Long-term accounts payable - other	794
Less - allowance doubtful accounts	△ 129	Total Liabilities	79,415
Non-current Assets	172,177	(Net Assets)	
Property, plant and equipment	89,363	Shareholder's Equity	216,708
Buildings	30,758	Capital stock	64,127
Structures	7,701	Capital surplus	66,660
Machinery and equipment	29,451	Legal capital surplus	64,554
Vehicles	65	Other capital surplus	2,105
Tools, furniture and fixtures	3,453	Retained earnings	101,282
Land	9,722	Legal retained earnings	3,548
Construction in progress	8,209	Other retained earnings	97,733
Intangible assets	3,267	Reserve for advanced depreciation of non-current assets	145
Software	2,151	General reserve	8,600
Other - intangible assets	1,115	Retained earnings brought forward	88,988
Investments and other assets	79,547	Less - treasury stock, at cost	△ 15,361
Investment securities	30,774	Valuation and translation adjustments	5,988
Stock of subsidiaries and affiliates	38,285	Valuation difference on available for sale securities	5,988
Long-term loans receivable	8,927	Subscription rights to shares	423
Long-term prepaid expenses	378	Total Net Assets	223,120
Deferred tax assets	811		
Other - investment and other assets	420		
Less - allowance doubtful accounts	△ 51		
Total Assets	302,536	Total Liabilities and Net Assets	302,536

(Note) Amounts less than one million yen are omitted.

STATEMENT OF INCOME

(From April 1, 2007
to March 31, 2008)

(In millions of yen)

Account	Amount	
Net Sales		252,285
Cost of sales		184,618
Gross profit		67,666
Selling, general and administrative expenses		36,264
Operating income		31,402
Non-operating income		
Interest income	1,360	
Interest on securities	113	
Dividends income	6,429	
Rent income on facilities	369	
Commission fee	366	
Other - non-operating income	1,123	9,762
Non-operating expenses		
Interest expenses	394	
Interest on bonds	87	
Rent expenses on facilities	306	
Foreign exchange losses	1,862	
Other - non-operating expenses	117	2,768
Ordinary Income		38,396
Extraordinary income		
Gain on sales of property, plant and equipment	81	
Reversal of allowance for doubtful accounts	107	
Other - extraordinary income	5	194
Extraordinary loss		
Loss on disposal of property, plant and equipment	657	
Impairment loss on property, plant and equipment	2	
Loss on valuation of investment securities	1,180	
Other - extraordinary loss	8	1,849
Income before income taxes		36,741
Income taxes - current	11,127	
Income taxes - deferred	△ 315	10,812
Net income for the year		25,929

(Note) Amounts less than one million yen are omitted.

STATEMENT OF CHANGES IN NET ASSETS

(From April 1, 2007)
to March 31, 2008

(in millions of yen)

	Shareholders' Equity								
	Capital stock	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for advanced depreciation	General reserve	Retained earnings brought	
Balance at March	63,064	63,490	2,529	66,020	3,548	156	8,600	70,456	82,761
Changes of items during the period									
Issuance of new shares due to conversion of convertible bonds	1,063	1,063		1,063					
Reversal of reserve for advanced depreciation of non-current assets						△ 11		11	-
Dividends from surplus								△ 7,408	△ 7,408
Net income								25,929	25,929
Purchase of treasury stock									
Disposal of treasury stock			△ 423	△ 423					
Net changes of items other than shareholders' equity									
Changes of items during the period	1,063	1,063	△ 423	640	-	△ 11	-	18,532	18,521
Balance at March	64,127	64,554	2,105	66,660	3,548	145	8,600	88,988	101,282

	Shareholders' Equity		Valuation and translation adjustments			Subscription rights to shares	Total Net Assets
	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available for	Deferred gain or losses on	Total Valuation and		
Balance at March	△ 9,587	202,258	13,217	0	13,217	117	215,593
Changes of items during the period							
Issuance of new shares due to conversion of convertible bonds		2,126					2,126
Reversal of reserve for advanced depreciation of non-current assets		-					-
Dividends from surplus		△ 7,408					△ 7,408
Net income		25,929					25,929
Purchase of treasury stock	△ 7,275	△ 7,275					△ 7,275
Disposal of treasury stock	1,501	1,077					1,077
Net changes of items other than shareholders' equity			△ 7,229	△ 0	△ 7,229	306	△ 6,923
Changes of items during the period	△ 5,774	14,450	△ 7,229	△ 0	△ 7,229	306	7,527
Balance at March 31, 2008	△ 15,361	216,708	5,988	-	5,988	423	223,120

(Note) Amounts less than one million yen are omitted.

REFERENCE MATERIALS FOR GENERAL MEETING OF SHAREHOLDERS

Proposal 1 Election of thirteen (13) Directors

The term of office of all directors (fourteen (14) directors) will end upon the closing of this ordinary general meeting of shareholders. Therefore, the Company seeks to elect thirteen (13) directors.

The candidates for directors are as follows:

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
1	Yoshifumi Iwata (May 4, 1939)	March 1962 Entered Ibdien June 1985 Director June 1989 Managing Director June 1993 Executive Managing Director August 1997 Senior Vice President & Representative Director June 1999 President & Representative Director April 2007 Chairman & Representative Director (to present)	102,700
2	Hiroki Takenaka (January 1, 1951)	April 1973 Entered Ibdien June 1997 Director June 2001 Managing Director June 2005 Director & Senior Executive Officer April 2006 In charge of Ceramics Business Group April 2007 President & Representative Director (to present)	30,800
3	Yoshitsugu Aoyama (September 2, 1945)	April 1968 Entered Ibdien June 1991 Director June 1998 Managing Director June 2001 Executive Managing Director June 2004 Representative Director & Executive Managing Director June 2005 Senior Vice President & Representative Director (to present)	44,800
4	Mafumi Kunishima (April 6, 1949)	April 1973 Entered Ibdien June 1999 Director June 2001 Managing Director June 2001 General Manager of Electronics Business Operations June 2005 Director & Senior Executive Officer April 2006 In charge of Electronics Business Group April 2007 Senior Vice President & Director (to present)	30,090
5	Yoshio Hirabayashi (November 19, 1948)	April 1972 Entered Ibdien June 2001 Director April 2003 General Manager of Strategic Planning Operations June 2003 Managing Director June 2005 Director & Managing Executive Officer April 2007 Director & Senior Executive Officer (to present)	22,300
6	Hironobu Kodaka (November 7, 1950)	April 1974 Entered Ibdien June 2001 Director June 2005 Director & Managing Executive Officer April 2006 General Manager of PWB Operations in	20,850

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies		Number of Shares held in the Company
		April 2007	Electronics Business Group In charge of Electronics Business Group (to present)	
		April 2007	Director & Senior Executive Officer (to present)	
7	Masataka Sekiya (January 9, 1947)	April 1969	Entered Ibdien	16,300
		June 2001	Director	
		April 2003	Deputy General Manager of R&D Operations	
		June 2005	Director & Managing Executive Officer (to present)	
		April 2006	In charge of Process Engineering Division	
		April 2008	General Manager of CSR & Environment Operation (to present)	
8	Toshiaki Matsuo (June 27, 1949)	April 1973	Entered Ibdien	16,800
		June 2001	Director	
		June 2001	Deputy General Manager of Electronic Substrate Operations	
		June 2005	Director & Managing Executive Officer (to present)	
		April 2006	General Manager of Business Improvement Operations	
		April 2007	General Manager of Process Improvement Operations (to present)	
		[Representation of other companies] March 2003	President & Representative Director of TIBC Corporation	
9	Katsumi Mabuchi (April 18, 1951)	July 1975	Entered Ibdien	17,400
		June 2003	Director	
		June 2005	Executive Officer	
		April 2006	General Manager of PKG Operations, Electronics Business Group	
		April 2006	Managing Executive Officer (to present)	
		April 2007	General Manager of APKG Operations in Electronics Business Group (to present)	
		June 2007	Director (to present)	
10	Keiichi Sakashita (April 21, 1956)	April 1981	Entered Ibdien	7,500
		June 2003	Corporate Officer	
		April 2004	Deputy General Manager of Ceramics Business Group	
		June 2005	Executive Officer	
		April 2006	General Manager of Automotive Ceramic Operations in Ceramics Business Group	
		April 2007	Managing Executive Officer (to present)	
		June 2007	Director (to present)	
11	Yoshitoshi Toyoda (August 29, 1925)	February 1978	President & Representative Director of Toyoda Automatic Loom Works, Ltd. (now Toyota Industries Corporation)	15,450
		June 1984	Director (to present)	
		June 1993	Chairman & Representative Director of Toyoda Automatic Loom Works, Ltd. (now Toyota Industries Corporation)	
		June 1999	Director & Honorary Chairman of Toyota Industries Corporation (to present)	
12	Norio Sato (December 10, 1945)	June 1998	Director of Toyota Motor Corporation	1,700
		June 2001	Managing Director of Toyoda Automatic Loom Works, Ltd. (now Toyota Industries Corporation)	
		June 2003	Representative Director & Executive	

No.	Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
		June 2004 Managing Director of Toyota Industries Corporation Representative Director & Executive Vice president of Toyota Industries Corporation (to present) June 2005 Director of Toyota Industries Corporation (to present)	
13	Toshio Yonezawa (July 5, 1944)	June 2000 Managing Executive Officer of Toshiba Corporation March 2003 President of Toshiba Matsushita Display Technology Co., Ltd. June 2005 Executive Officer and Corporate Executive Vice President of Toshiba Corporation June 2006 Director and Representative Executive Officer and Corporate Senior Executive Vice President of Toshiba Corporation (to present)	1,000

Notes:

1. Mr. Toshiaki Matsuo is the President of TIBC Corporation, to which the Company subcontracts the manufacture of electronic products pursuant to an entrustment agreement.
2. Mr. Toshio Yonezawa is the Representative Executive Officer and Corporate Senior Executive Vice President of Toshiba Corporation, to which the Company sells electronic products and ceramic products pursuant to a purchase agreement.
3. The Company has no special interests with other candidates.
4. Mr. Yoshitoshi Toyoda, Mr. Norio Sato and Mr. Toshio Yonezawa are candidates as outside directors.
5. Reasons for election of a candidate as an outside director; the number of years of the term of office after being elected as an outside director of the Company; and the liability limitation agreement executed with outside directors
 - (1) Reasons for election of a candidate as an outside director; the number of years of the term of office after being elected as an outside director of the Company
 - (i) The Company seeks to elect Mr. Yoshitoshi Toyoda to be an outside director, on the basis of the advice and supervision he can provide based on his abundant and wide-ranging experience and knowledge, including corporate management. His term of office as an outside director of the Company is to be 24 years as of the closing of this ordinary general meeting of shareholders.
 - (ii) The Company seeks to elect Mr. Norio Sato to be an outside director, on the basis of the advice and supervision he can provide based on his abundant and wide-ranging experience and knowledge, including corporate management. His term of office as an outside director of the Company is to be 3 years as of the closing of this ordinary general meeting of shareholders.
 - (iii) The Company seeks to elect Mr. Toshio Yonezawa to be an outside director, on the basis of the advice and supervision he can provide based on his abundant and wide-ranging experience and knowledge, including corporate management. He is a new candidate.
 - (2) Liability limitation agreement executed with outside directors

The Company has respectively executed an agreement limiting liability for damages stipulated in Article 423.1 of the Corporate Law with Mr. Yoshitoshi Toyoda and Mr. Norio Sato, who are outside directors. In the event that the election of Mr. Toshio Yonezawa is approved, an agreement that has the same contents as the above agreement is to be executed between the Company and Mr. Toshio Yonezawa. A summary of the contents of this agreement is as follows:

- (i) Liability for damages incurred due to an outside director's failure to perform his/her duties as an outside director shall be up to the amount of 20,000,000 yen or the minimum liability amount stipulated in Article 425.1 of the Corporate Law, whichever is higher.
 - (ii) The above liability limitation is applied only if an outside director performed the duties, which caused his/her liability, without any knowledge and without gross negligence that would cause his/her liability.
6. There are no further matters to be specified other than the above regarding the matters to be stated in the proposal relating to the election of the directors stipulated in Article 74 of the Enforcement Regulations of the Corporate Law.

Proposal 2 Election of one (1) Corporate Auditor

The term of office of Mr. Tadao Kuribayashi will end upon the closing of this ordinary general meeting of shareholders. Therefore, the Company seeks to elect one (1) Corporate Auditor. The Company has obtained consent from the Board of Corporate Auditors regarding submission of this proposal. The candidate for Corporate Auditor is:

Name (Date of birth)	Career, Position in the Company and Representation of Other Companies	Number of Shares held in the Company
Tadao Kuribayashi (March 29, 1937)	April 1977 Professor of the Faculty of Law at Keio University June 1998 Corporate Auditor of the Company (to present) October 1999 Dean of the Faculty of Law at Keio University April 2002 Professor Emeritus at Keio University (to present)	0

Notes:

1. Mr. Tadao Kuribayashi has no special interest with the Company.
2. Mr. Tadao Kuribayashi is a candidate for an outside corporate auditor.
3. Reasons for election of a candidate as an outside corporate auditor; the number of years of the term of office after being elected as a corporate auditor of the Company; eligibility to be an outside corporate auditor; and liability limitation agreement executed with outside corporate auditors
 - (1) Reasons for election of a candidate as an outside corporate auditor; the number of years of the term of office after being elected as a corporate auditor of the Company
The Company seeks to elect Mr. Tadao Kuribayashi to be an outside corporate auditor, for the supervision over overall management and the effective advice he can provide based on his professional experience and knowledge as a university professor. His term of office as a corporate auditor of the Company is to be 10 years as of the closing of this ordinary general meeting of shareholders.
 - (2) Eligibility to be a candidate for an outside corporate auditor
Mr. Tadao Kuribayashi has abundant experience and knowledge as a university professor and has sufficiently performed duties as a corporate auditor for the past 10 years. Therefore, the Company judges that he would properly perform the duties as an outside corporate auditor.
 - (3) Liability limitation agreement executed with an outside corporate auditor
The Company has executed an agreement, limiting liability for damage stipulated in Article 423.1 of the Corporate Law, with Mr. Tadao Kuribayashi who is an outside corporate auditor. A summary of the contents of the agreement is as follows:
 - (i) Liability for damages incurred due to an outside corporate auditor's failure to perform his/her duties as an outside corporate auditor shall be up to the amount of 18,000,000 yen or the minimum liability amount stipulated in Article 425.1 of the Corporate Law, whichever is higher.
 - (ii) The above liability limitation is applied only if an outside corporate auditor performed the duties which caused his/her liability, without any knowledge and without gross negligence that would cause his/her liability.

4. There are no further matters to be specified other than the above regarding the matters to be stated in the proposal regarding the election of the corporate auditor, as stipulated in Article 76 of the Enforcement Regulations of the Corporate Law.

Proposal 3 Payment of Directors' Bonus

The Company desires to pay, to fourteen (14) directors in service as of the end of this business year (including the three (3) outside directors), a directors' bonus in the total amount of 180 million yen (i.e. 7 million yen for outside directors and 173 million yen for other directors), taking into consideration such matters as the business results and the amount of dividend of surplus for this business year. The Company desires to leave it entirely up to the board of directors regarding the amount to be paid to each director.

Proposal 4 Revision of directors' remuneration

Regarding the directors' remuneration of the Company, it was resolved, at the 154th ordinary general meeting of shareholders held on June 22, 2007, that the total amount be equal to or less than 45 million yen per month (i.e., equal to or less than 3 million yen for outside directors, and equal to or less than 42 million yen for other directors, excluding any stock option remuneration to directors, or any employee salaries to be paid to the employees who are employees and directors at the same time), and this amount has been applicable up to the present date.

In addition to this finalized monetary remuneration and any stock option remuneration, the Company asks for your approval for the payment of, to directors excluding outside directors, effective from the business year which ends on March 31, 2009, a total bonus amount equal to the sum of 0.3% of the consolidated net income for each business year and 1.0% of the total annual dividends for such business year (not to exceed 400 million yen annually, with any amount under 1 million yen resulting from the calculation to be rounded down).

The Company considers this method of calculation to be reasonable in clarifying the managerial responsibilities of directors and enhancing the incentive for increased business results and corporate value, as well as ensuring that the directors share the sense of interest with the Company's shareholders. With regard to the level of directors' bonus, this amount has been determined by comprehensively considering the levels of the Company's business results and profits, the actual amount of director bonus paid, and other factors.

The directors' bonus shall continue not to include any bonus that may be paid to employees who are employees and directors at the same time, for their service as employees.

The Company currently has fourteen (14) directors (including three (3) outside directors); however, if Proposal 1 is approved as proposed, that number will be thirteen (13) (including three (3) outside directors).

Proposal 5 Issuance of New Share Acquisition Rights (*shinkabu-yoyakuken*) as stock option remuneration to Directors

Regarding the directors' monetary remuneration amount, it was resolved, at the 154th ordinary general meeting of shareholders held on June 22, 2007, that the total amount be equal to or less than 45 million yen per month (i.e., equal to or less than 3 million yen for outside directors, and equal to or less than 42 million yen for other directors, excluding any stock option remuneration to directors, or the employee salaries to be paid to directors who are employees and directors at the same time). Furthermore, in proposal 4 above, the Company asks for your approval as to the method of calculating directors' bonus stipulated in Article 361.1(ii) of the Corporate Law. Apart from such monthly remuneration amount for directors, considering various circumstances including the Company's management scale and business category, and the recent changes in the economic situation, the Company asks for your approval that the remuneration amount relating to the New Share Acquisition Rights that are to be allocated to directors as stock options be made equal to or less than 103 million Yen per year (including 17 million yen or less for outside directors and 86 million yen or less for other directors). It is noted that the amount of the New Share Acquisition Rights that are to be allocated to directors as stock options shall be calculated by applying the Black - Scholes Model.

Since the allotment of the New Share Acquisition Rights to directors as stock options falls under "remunerations that are not monetary" stipulated in Article 361.1(3) of the Corporate Law, the Company asks for your approval as to the specific details of such non-monetary remuneration as well.

The Company currently has fourteen (14) directors (including three (3) outside directors), and if Proposal 1 is approved as proposed, there will be thirteen (13) directors (including three (3) outside directors).

The details of New Share Acquisition Rights to be issued to directors as stock options are as follows:

- (1) Class and number of shares to be issued as the subject matter of New Share Acquisition
Up to 80,000 shares of the common stock of the Company may be delivered upon the exercise of the New Share Acquisition Rights that are to be issued on any day within one (1) year from the following day of this ordinary general meeting of shareholders.

If it is appropriate to change the said ceiling number of shares upon the Company splitting or consolidating the shares of its common stock, or reducing its capital, etc., the Company will make adjustment, as it deems necessary, to a reasonable extent.

- (2) Total number of New Share Acquisition Rights

The ceiling of New Share Acquisition Rights, that are to be issued on any day within one (1) year from the following day of this ordinary general meeting of shareholders, shall be eight hundred (800).

The number of shares to be issued as the subject matter of one (1) New Share Acquisition Right ("Number of Shares Granted") shall be one hundred (100); provided,

however that, in case of an adjustment in the number of shares as provided in (1) above, the same adjustment shall be made with respect to the Number of Shares Granted.

(3) The amount of assets to be contributed upon the exercise of New Share Acquisition Rights

The amount of assets to be contributed upon the exercise of each New Share Acquisition Right shall be the amount payable per each share to be received upon the exercise of a New Share Acquisition Right as decided below ("Exercise Price"), multiplied by the Number of Shares Granted with respect to the said New Share Acquisition Rights.

Exercise Price shall be calculated by multiplying the average daily closing price of Company's shares, ordinarily traded on the Tokyo Stock Exchange, in the month preceding the month during which the allocation date of the New Shares Acquisition Rights occurs (excluding days when no trading took place) by 1.05. However, if the price so calculated is lower than the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the nearest preceding day of trading, when no trading took place), the Exercise Price shall be the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the nearest preceding day of trading, when there is no closing price on such allocation date). Any fraction less than one yen (¥1) resulting from the calculation shall be rounded off upwards.

After the allocation date of New Shares Acquisition Rights, if it is appropriate for the Company to adjust the Exercise Price upon the Company splitting or consolidating its ordinary shares or reducing its capital etc., the Company will make the adjustment, as it deems necessary, to a reasonable extent.

(4) Period during which New Shares Acquisition Rights may be exercised

From August 1, 2010 to July 31, 2012.

(5) Conditions for exercise of New Share Acquisition Rights

(i) If a person, who has received New Share Acquisition Rights ("Holder of New Share Acquisition Rights") loses his/her eligible position as director or executive officer of the Company or its consolidated subsidiaries, he/she may exercise his/her rights only within six (6) months from the date of loss of such position.

(ii) Heirs of a Holder of New Share Acquisition Rights may exercise New Share Acquisition Rights only within six (6) months after the date of the death of the Holder of the New Share Acquisition Rights.

(iii) New Share Acquisition Rights may not be transferred, used as collateral, including a pledge, or otherwise disposed.

(iv) Other conditions for exercising the New Share Acquisition Rights shall be as stipulated in the "New Share Acquisition Rights Allotment Agreement".

(6) Matters concerning increases in the capital fund and capital reserve in the event of issuance of shares upon exercise of New Share Acquisition Rights

(i) The amount of increase in the capital fund shall be equal to one half (1/2) of the maximum limited amount of increase in the capital fund, etc., calculated in accordance with Article 40.1 of the Corporate Calculation Regulation, and any

fraction of one yen (¥1) resulting from the adjustment shall be rounded off upwards.

- (ii) The amount of increase in the capital reserve shall be equal to the maximum limited amount of increase in the capital fund, etc., as specified in (i) above, less the amount of increase in the capital fund, calculated under (i) above.

(7) Causes for Acquisition of New Share Acquisition Rights

The Company may acquire New Share Acquisition Rights if a merger agreement under which the Company becomes an expired corporation through merger is approved at a general meeting of shareholders, or if a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary of another company through a share exchange or share transfer is approved at a general meeting of shareholders.

(8) Limiting Acquisition of New Share Acquisition Rights by Transfer

Any acquisition of New Share Acquisition Rights by way of transfer shall require approval of the Board of Directors of the Company.

(9) Other Details on New Share Acquisition Rights

Other details concerning New Share Acquisition Rights not stated in the above details and (1) through (8) above shall be decided by a resolution of the Board of Directors relating to the issuance of New Share Acquisition Rights.

Proposal 6 Authorization of the Board of Directors to decide on the terms of offering New Share Acquisition Rights, which are to be issued as stock options

Pursuant to the provisions of Articles 236, 238 and 239 of the Corporate Law, the Company asks for your approval with respect to authorization of the Board of Directors to decide on the terms for the offering of New Share Acquisition Rights, which are to be issued as stock options for executive officers (“*Shikko-yakuin*”), corporate officers (“*Riji*”), and employees of the Company, and directors of its consolidated subsidiaries.

1. Reason for making offers on especially favorable conditions to potential subscribers of the New Share Acquisition Rights.

To heighten the level of commitment and morale on business performance improvement of executive officers, corporate officers, and employees of the Company, and directors of its consolidated subsidiaries, the Company proposes the issuance of New Share Acquisition Rights which will be allocated, without consideration, to executive officers, corporate officers, and employees of the Company and directors of its consolidated subsidiaries.

2. The details and ceiling number of the New Share Acquisition Rights, for which the terms of offer may be decided on the basis of matters decided in this ordinary general meeting of shareholders, are as follows:

- (1) Class and number of shares to be issued as the subject matter of New Share Acquisition Rights

The ceiling number shall be 360,000 shares of the common stock of the Company.

- (2) Total number of New Share Acquisition Rights

The ceiling number shall be 3,600.

The number of shares to be issued (“Number of Shares Granted”) upon the exercise of one (1) New Share Acquisition Right shall be one hundred (100).

If the Company splits (including gratis allocation of the Company’s shares in common stock; the same applies hereinafter) or consolidates its common stocks, the Company shall adjust the Number of Shares Granted, according to the following formula:

If any unavoidable event requiring an adjustment in the number of shares as the subject matter of the New Share Acquisition Rights occurs, after a resolution is made in this ordinary general meeting of shareholders, such adjustment shall be made to a reasonable extent.

Number of Shares Granted after adjustment=

Number of Shares Granted before adjustment × Ratio of split (or

consolidation)

The said adjustment shall be made only with respect to those Numbers of Shares Granted, for which New Share Acquisition Rights have not been exercised at the time of the adjustment, and any fraction of a share resulting from the adjustment shall be rounded off.

(3) Payment for New Share Acquisition Rights

No payment of money may be required concerning the New Share Acquisition Rights, of which offering conditions can be decided on the basis of delegation by this ordinary general meeting of shareholders.

(4) The amount of assets to be contributed upon the exercise of New Share Acquisition Rights

The amount of assets to be contributed upon the exercise of each New Share Acquisition Right shall be the amount to be paid in exchange for share to be received upon the exercise of a New Share Acquisition Right as decided below ("Exercise Price"), multiplied by the Number of Shares Granted with respect to the New Share Acquisition Right.

The Exercise Price shall be calculated by multiplying by 1.05, the average daily closing price of Company's shares ordinarily traded on the Tokyo Stock Exchange in the month preceding the month during which the allocation date of the New Share Acquisition Rights occurs (excluding days when no trading took place). However, if the price so calculated is lower than the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the last day of trading, when no trading took place), the Exercise Price shall be the closing price on the allocation date of the New Share Acquisition Rights (or the closing price on the last day of trading, when there is no closing price on such allocation date). Any fraction less than one yen (¥1) resulting from the calculation shall be rounded off upwards.

If the Company splits or consolidates its ordinary shares after the allocation date of the New Share Acquisition Rights, the Exercise Price shall be adjusted according to the following formula and any fraction less than one yen (¥1) resulting from the adjustment shall be rounded off upwards:

Exercise Price After Adjustment =

$$\text{Exercise Price Before Adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

If the Company issues new ordinary shares or disposes of its own shares at a price lower than the current price (excluding any sale of its own shares based on a demand made by a shareholder with fractional unit shares for sale of fractional unit shares; and any exercise of New Share Acquisition Rights (including those attached to bonds with share option) by which the delivery of ordinary shares may be demanded), the Exercise Price shall be adjusted by the following formula and any fraction less than one yen (¥1) resulting from the adjustment shall be rounded off upwards.

$$EPAA = \frac{NOIS + \frac{\text{Number of newly issued shares} \times \text{Payment per share}}{\text{Share price before new issuance}}}{NOIS + \text{Number of newly issued shares}}$$

where:

EPAA: Exercise Price after adjustment,

EPBA: Exercise Price before adjustment,

NIOS: Number of issued and outstanding shares

In the above formula, "Number of issued and outstanding shares (NIOS)" means the total number of shares issued by the Company less the number of ordinary shares held by the Company as the Company's own shares; and the "Number of newly issued shares" shall be read as "Number of the Company's own shares to be disposed", and the "Share price before new issuance" shall be read as "Share price before the disposition of the Company's own shares", respectively, in the case of the disposition of the Company's own shares. Further, after the allocation date of New Share Acquisition Rights, if it is appropriate for the Company to adjust the Exercise Price upon the Company reducing the capital, etc., the Company will make the adjustment, as it deems necessary, to a reasonable extent.

- (5) Period during which New Share Acquisition Rights may be exercised
From August 1, 2010 to July 31, 2012.
- (6) Conditions for exercise of New Share Acquisition Rights
 - (i) If a person, who has been allocated New Share Acquisition Rights ("Holder of New Shares Acquisition Rights"), loses his/her eligible position as director, executive officer, corporate officer, or employee of the Company or its consolidated subsidiaries, he/she may exercise his/her rights only within six (6) months from the date of the loss of position.
 - (ii) Heirs of a Holder of New Share Acquisition Rights may exercise New Share Acquisition Rights only within six (6) months after the date of the death of the Holder of New Share Acquisition Rights.
 - (iii) New Share Acquisition Rights may not be transferred, used as collateral, including a pledge, or otherwise disposed.
 - (iv) Other conditions for exercising the rights shall be as stipulated in the "New Share Acquisition Rights Allotment Agreement".
- (7) Matters concerning the increase of the capital fund and capital reserve in the case of the issuance of shares upon the exercise of New Share Acquisition Rights:
 - (i) The amount of the increase in the capital fund shall be half the ceiling amount for a capital fund increase, that is to be calculated in accordance with Article 40, Paragraph 1 of the Corporate Accounting Rules, and any fraction less than one yen (¥1) resulting from the calculation shall be rounded off upwards.
 - (ii) The amount of the increase in the capital reserve shall be the ceiling amount for the capital fund increase referred to in (i) above less the amount by which the

capital fund is increased as provided in (i) above.

(8) Acquisition of New Share Acquisition Rights

New Share Acquisition Rights may be acquired without compensation, if a merger agreement under which the Company becomes an expired corporation, is approved at a general meeting of shareholders or if a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary of another company through a share exchange or share transfer is approved at a general meeting of shareholders.

(9) Limiting Acquisition of New Share Acquisition Rights by Transfer

Any acquisition of New Share Acquisition Rights by way of transfer shall require approval of the Board of Directors of the Company.

(10) Other Details on New Share Acquisition Rights

Other details concerning New Share Acquisition Rights not stated in the above details and (1) through (9) above shall be decided by a resolution of the Board of Directors relating to the issuance of New Share Acquisition Rights.

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