

TAIKISHA LTD.

CORPORATE GOVERNANCE

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TAIKISHA LTD.

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The current state of the company's corporate governance is as follows:

I. Basic policy, capital structure, corporate attributes, and other fundamental information regarding corporate governance

1. Basic policy (updated)

The group has established its management vision: "We observe the spirit of the law, perform business transactions through free and fair competition, and contribute to customers, clients, shareholders, employees, communities, society, and the global environment through our transparent and highly ethical management values." Under this management vision, the company has made it a basic policy to thoroughly incorporate compliance awareness, gain the trust of all stakeholders, aim to become a corporate group that grows and develops in a healthy manner, and realize fair and highly transparent management.

2. Capital structure

Shareholder ratio of foreign investors: Between 20% and 30%

[Major Shareholders]

(As of March 31, 2009)

Shareholder's Name	Number of share held (share)	Ratio of shareholder voting rights (%)
Northern Trust Company (AVFC) Sub-account American Client	2,667,600	7.25
Kenzaisha Ltd.	2,000,000	5.43
National Federation of Agricultural Co-operative Associations (ZEN-NOH)	1,797,600	4.88
Japan Trustee Services Bank, Ltd. (trust account 4G)	1,642,500	4.46

Japan Trustee Services Bank, Ltd. (trust account)	1,498,800	4.07
Keiji Uenishi	1,401,310	3.80
Nippon Life Insurance Company	1,202,616	3.26
Ruriko Uenishi	1,089,377	2.96
The Master Trust Bank of Japan, Ltd. (trust account)	1,051,800	2.85
Dai ni Kenzaisha Ltd.	1,000,000	2.71

3. Corporate attributes

The stock exchange and section in which the company is listed: First Section of the Tokyo Stock Exchange

Fiscal year end: March

Line of business: Construction

Number of employees (consolidated): More than 1,000 employees

Sales (consolidated): Between 100 billion and 1 trillion yen

Parent company: None

Number of consolidated subsidiaries: Between 10 and 50 companies

4. Other circumstances that may have a significant impact on corporate governance

II. Business management organization and other corporate governance systems related to management decision making, execution of duties, and supervision

1. Items related to organization structure, organizational operations, and other matters

Organizational structure: Company with internal auditors

[Items related to Directors]

Chairperson of the Board of Directors: President

Number of Directors: 9

Outside Directors appointed: Appointed

Number of Outside Directors: 1

Relationship with the company (1)

Name	Attribute	Relationship with the company (*1)								
		a	b	c	d	e	f	g	h	i
Takeshi Asahara	Formerly the member of another company					○			○	

*1: Selective items for relationship with the company

a: Worked for the parent company

b: Worked for another affiliate

c: Is a major shareholder of the relevant company

d: Also serves as an outside director or outside corporate auditor of another company or companies

e: Also serves as a director responsible for the execution of duties or as the corporate officer of another company or companies

f: Is a spouse or a relative within a third degree of kinship of a director responsible for the execution of duties or corporate officer of the relevant company or its specified and associated corporations, or a person equivalent to these positions

g: Receives payment or other property benefits as a director from the parent company of the relevant company or subsidiary of the relevant company

h: Concluded the Contracts for Limitation of Liability between the identical person and the relevant company

i: Others

Relationship with the company (2) (updated)

Name	Supplemental explanation to the applicable items	Reasons for appointment as Outside Director
Takeshi Asahara	Appointed as an independent director. [Other positions, including director responsible for the execution of duties at another company or companies] President of SEIWA BUSINESS SUPPORT CO., Ltd.	[Reasons for appointment as a director] The person concerned has considerable experience and extensive knowledge of management. Therefore, the company has determined that he is able to provide the company with suggestions on management decisions from an objective and comprehensive standpoint. [Reasons for appointment as an independent director] The relevant person meets the criteria regarding the independence of independent directors established by the Tokyo Stock Exchange and does not have any special stake in the company. Therefore, the company has determined that independence is virtually

		ensured, and there is unlikely to be a conflict of interest between the person and the company's general shareholders.
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Other matters regarding the main activities of the Outside Director (updated)

Since his June 27, 2008 appointment, the Outside Director has attended the Board of Directors meetings held ten times in fiscal year 2008. Besides the Board of Directors meetings, he also attends other important meetings, including Management Meetings, as and when required and presents appropriate advice and recommendations from his point of view as an experienced manager.

[Items Related to Corporate Auditors]

Board of Corporate Auditors installed: Installed

Number of Corporate Auditors: 5

Collaborative activities between Corporate Auditors and Accounting Auditors

The Board of Corporate Auditors and Accounting Auditors periodically hold question-and-answer sessions as well as exchange opinions on operational and accounting issues including accounting audit plans, audit results.

Collaborative activities between Corporate Auditors and the internal audit department (updated)

As an internal audit department, the Internal Audit Office, consisting of nine auditors, has been installed under the direct control of the president. The Internal Audit Office periodically reports internal audit plans, internal audit results, and other matters to the Board of Corporate Auditors and exchanges views with them. In addition to this, upon the Corporate Auditor's request, the Internal Audit Office improves systems to work with and support various research activities conducted by the Corporate Auditors.

Outside Corporate Auditors appointed: Appointed

Number of Outside Corporate Auditors: 3

Relationship with the company (1) (updated)

Name	Attribute	Relationship with the company (*1)								
		a	b	c	d	e	f	g	h	i
Mitsuo Kobayashi	Formerly the member of another company								○	
Shuichi Murakami	Formerly the member of another company				○				○	

		<p>established by the Tokyo Stock Exchange and does not have any special stake in the company. Therefore, the company has determined that independence is virtually ensured, and there is unlikely to be a conflict of interest between the person and the company's general shareholders.</p>
Shuichi Murakami	<p>Appointed as an independent director</p> <p>[Other positions, including outside director of another company or companies]</p> <p>Outside Corporate Auditor of Origin Electric Co., Ltd.</p>	<p>[Reasons for appointment as a Corporate Auditor]</p> <p>The person concerned has expert knowledge and experience accumulated as a person responsible for executing duties in a leading casualty insurance company. Therefore, the company has determined that he is qualified to audit the legality of directors' execution of duties from an objective standpoint.</p> <p>[Reasons for appointment as an independent director]</p> <p>The relevant person meets the criteria regarding the independence of independent directors established by the Tokyo Stock Exchange and does not have any special stake in the company. Therefore, the company has determined that independence is virtually ensured, and there is unlikely to be a conflict of interest between the person and the company's general shareholders.</p>
Yoshikatsu Nakajima	<p>Appointed as an independent director</p>	<p>[Reasons for appointment as a Corporate Auditor]</p> <p>The person concerned has expert knowledge and experience as a lawyer. Therefore, the company has determined that the person is qualified to audit the legality of directors' execution of duties from an objective standpoint.</p> <p>[Reasons for appointment as an independent director]</p>

		<p>The relevant person meets the criteria regarding the independence of independent directors established by the Tokyo Stock Exchange and does not have any special stake in the company. Therefore, the company has determined that independence is virtually ensured, and there is unlikely to be a conflict of interest between the person and the company's general shareholders.</p>
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Other matters regarding the main activities of Outside Corporate Auditors (updated)

Besides the Board of Directors and Board of Corporate Auditors meetings, Outside Corporate Auditors attend important meetings, including Management Meetings, and work on strengthening management monitoring functions. In order to understand the execution of duties in the company and in-group companies, Outside Corporate Auditors conduct on-site investigation into the company and group companies and exchange views with each division, as well as review important documents, including internal approval documents.

[Items related to incentives]

Implementation of measures regarding provision of incentives to Directors: Introducing the performance-related remuneration system

Supplemental explanation for the applicable items (updated)

The Retirement Benefits Plan for Directors was abolished upon the conclusion of the annual shareholders' meeting held in June 2008. Along with that abolishment, we reviewed the remuneration system and introduced a new performance-related remuneration system. This is intended to clarify directors' management responsibilities regarding the company's performance by tying remuneration for directors to the company's performance, as well as increase directors' motivation to execute their duties to improve performance, and thereby enhance corporate value.

Persons eligible to receive stock options

Supplemental explanation for the applicable items

Items related to director remuneration

Disclosure method: Financial reports, sales reports (business reports)

Disclosure status (updated): Total amount for each Internal Director and Outside Director disclosed separately

Supplemental explanation for the applicable items (updated)

Details of director remuneration for the fiscal year ending in March 2009

Annual remuneration total for Directors: 252 million yen (6 million yen for Outside Directors)

Annual remuneration total for Corporate Auditors: 62 million yen (41 million yen for Outside Corporate Auditors)

[Support system for Outside Directors (Outside Corporate Auditors)] (updated)

[For Outside Directors]

The General Affairs Dept., which serves as an administrative office of the Management Planning Office and the Board of Directors, provides support, including the distribution of materials used by the Board of Directors and explanation of the details of major agendas in advance, as well as presentation of information as and when required.

[For Outside Corporate Auditors]

The Corporate Auditor Office that has been established as an administrative office of the Board of Corporate Auditors provides support, including the distribution of materials used by the Board of Corporate Auditors and Board of Directors, and explanation of the details of major agendas in advance, as well as the presentation of information as and when required.

2. Items concerning functions, such as the execution of duties, audits and supervision, appointments, determination of remuneration, and other issues (updated)

In order to further improve corporate governance as a company with internal auditors, the company constantly strives for management reforms by strengthening governance within the entire group through the introduction of the operating officer system, the strengthening of the supervisory functions of the Board of Directors by appointing an outside director, and the strengthening of the audit system by increasing Corporate Auditors.

1. The Board of Directors, Directors, and Corporate Officers

The Board of Directors, which consists of nine Directors, including one Outside Director, meets once a month with additional meetings as and when required. The Board of Directors shall make decisions regarding the group's management policies, items laid down in laws and articles of incorporation, and important management matters, as well as monitor and supervise the execution of duties by each Director and Corporate Officer.

In addition to this, an Outside Director was appointed in June 2008 in order to revitalize debate and ensure

the transparency of decision-making in the Board of Directors, and strengthen the supervisory function of the Board of Directors over Directors and Corporate Officers. Furthermore, in June 2009, the company clarified the management responsibilities for the fiscal year and decided to shorten the tenure of directors to one year in order to establish an agile management framework that quickly responds to the rapidly changing business environment.

The company adopted the operating officer system in April 2007 in order to clarify the responsibilities and authority in corporate management and the execution of duties, as well as revitalize the Board of Directors and speed up the decision making process through reduction of the number of directors. Corporate Officers (tenure: one year) are appointed through a resolution of the Board of Directors and execute their duties based on management policies decided by the Board of Directors.

2. Management Meetings

Management Meetings, which consist of six Directors at the level of Managing Corporate Officer or higher and two Full-Time Corporate Auditors (including one Outside Corporate Auditor), are generally held once a month in principal with additional meetings as and when required. An Outside Director and Part-Time Outside Corporate Auditors attend the Management Meetings from time to time and present their opinions from an objective and neutral standpoint.

Management Meetings have been set up in order to streamline group management, and serve as a decision-making body that deliberates management issues for the group in a thorough and timely manner based on management policies formulated through a resolution of the Board of Directors. Important matters discussed in the Management Meetings shall be submitted to the Board of Directors for final decision.

3. The Board of Corporate Auditors, Corporate Auditors

The company adopted the Corporate Auditor system and currently has five total Corporate Auditors, including three Outside Corporate Auditors. One internal corporate auditor was added in June 2009 in order to further strengthen the audit system.

Corporate Auditors review important documents, including internal approval documents, and attend major meetings, including the Board of Directors and Management Meetings, in order to understand important decision-making processes and the execution of duties in the company and group companies, as well as to collect information about the current decision making process for important matters from each department and provide advice and recommendations for operational improvement and other issues as and when required.

As for business offices and affiliates in Japan and abroad that are considered important for consolidated management, on-site investigation shall be conducted based on the audit plan. All Corporate Auditors report all audit activities to the Board of Corporate Auditors in order to share information.

4.

The company has created the Internal Audit Office in order to review and evaluate operational accuracy and adequacy in the group and improve the management efficiency and profitability of the group. The independence of the internal audit is ensured by positioning the Internal Audit Office under the direct control of the president, and the effectiveness of internal audits is ensured by appointing the Corporate Officer level or higher to the General Manager of the Internal Audit Office and securing the necessary personnel (nine Corporate Auditors).

The Internal Audit Office shall conduct audits on the execution of duties and compliance with laws within departments based on the audit plan, report audit results to the president, make recommendations regarding those results, and conduct follow-up audits on recommended items to confirm whether the matters have been improved or not.

In addition, the Internal Audit Office shall conduct evaluations of the effectiveness of operations for internal control over the group's financial reporting based on the Financial Instruments and Exchange Act.

5. Accounting Auditors

Two certified public accountants who conduct the accounting audits for the company are Yoshimi Nakai and Hiroaki Kagami, who belong to Audit Corporation, A&A Partners. Both auditors have been conducting audits for two years.

Assistants involved in the company's accounting audit operations consist of six certified public accountants and nine other staff members.

III. Implementation of measures regarding shareholders and other stakeholders

1. Activities for revitalizing shareholders' meetings and facilitating the exercise of voting rights (updated)

	Supplemental explanation
Early mailing of invitations to shareholders' meetings	Previously, invitations to shareholders' meetings were sent three weeks prior to the date of each meeting.
Others	Invitations to shareholders' meetings and notice of resolutions are posted on the company's website (Japanese only). In addition, voting results, including the number of votes for and against, abstentions, and invalid votes for each item on the agenda at the shareholders' meetings, are published on the company's website in order to enhance the transparency of shareholders' meetings. URL (Japanese): http://www.taikisha.co.jp/ir/info/meeting/index.html

	URL (English): http://www.taikisha-group.com/ir/index.html
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2. Activities regarding investor relations (updated)

	Supplemental explanation	Whether or not explanation is provided by the president
Holding of regular briefing sessions for analysts and institutional investors	Performance briefings are held at the earnings announcements for the second quarter and at the end of the fiscal year, and provide information regarding major indexes, details of business operations, earnings projections, future business development, and other issues.	Provided
Release of IR reference materials on the company's website	Messages from the president, the Mid-Term Business Plan, highlights from financial reports, brief financial statements, performance briefing reference materials, investor newsletters, annual reports (available in English), the IR calendar, and materials that are subject to timely disclosure are released on the company's website. URL (Japanese): http://www.taikisha.co.jp/ir/index.html URL (English): http://www.taikisha-group.com/ir/index.html	Provided
Establishment of a department and employee responsible for investor relations	Department responsible: Administrative Management Headquarters, General Affairs Dept., Investor Relations Section Director responsible: Takashi Sakurai, Director and Executive Corporate Officer, and Administrative Division Manager	

3. Activities regarding respect for the stakeholders' position

	Supplemental explanation
Establishment of items regarding respect for the stakeholders' position in the company's regulations, etc.	The group has established the management vision: "We observe the spirit of the law, perform business transactions through free and fair competition, and contribute to customers, clients, shareholders, employees, communities, society, and the global environment through our transparent and highly ethical management values," demonstrating its attitude toward its stakeholders.
Implementation of environmental protection activities, CSR activities, etc.	The company established the "Taikisha Environmental Management Policy" in 1996, striving to protect the global environment while understating its mission as a company engaged in business related to the environment. Business activities are conducted based on ISO14001, and activity summaries have been published annually in environmental reports since 2005.

IV. Basic policies for internal control systems and improvement status

(Updated) (1) Basic policies for internal control systems and improvement status

The company adopted a resolution on the following basic policies for the creation of internal control systems based on Corporate Law and the Corporate Law Enforcement Regulations and is working on the operation and improvement of its internal control system (partially revised by a resolution of the Board of Directors held on March 24, 2010).

[Objectives]

The Board resolution in question recognizes that the most significant management risk at present is the risk of violating the law. This resolution, as a means to ensure the comprehensive awareness and practice of legal compliance at the Company, determines the general framework related to the respective requirements for improving the internal control systems stipulated by Article 362 Paragraph 4 Item 6 of the Corporate Law and Article 100 of the Enforcement Regulations of the Corporate Law for the construction of the internal control system at the company that should be specifically implemented under the direction of the president, based on Article 362 Paragraph 5 of the Corporate Law. The construction of the internal control system based on this resolution shall be implemented as quickly as practical, incorporating a method for

constant internal control system review for improvement, through which the company aims to create an efficient and legally compliant corporate structure.

[Specific Details]

1. System to ensure that members of the Board of Directors and/or employees exercise their work conforming to legal statutes and articles of incorporation

(1) Position the Management Vision established by the Board of Directors, based on the Company Policy and Corporate Philosophy, “Comply with the Spirit and the Letter of the law, engage in upright business transactions based on fair and free competition, and contribute to the betterment of customers, partner companies, shareholders, employees, the community, society, and the global environment as a whole through transparency and a high sense of ethics,” and the “Taikisha Ltd. Code of Conduct” as guidelines for the execution of duties by directors and employees, and promote company-wide awareness and understanding.

(2) The Management Ethics Committee, which consists of the president as committee chair, Directors holding the rank of Managing Corporate Officer or higher, and the General Manager of the Internal Audit Office, shall meet once each month to consider and respond to compliance issues relating to overall business at the Company from a management perspective. In addition, Corporate Auditors shall attend Management Ethics Committee meetings and offer an independent perspective in order to ensure management effectiveness of the management monitoring function.

(3) The Corporate Compliance Committee, which consists of the president as the committee chair and is composed mainly of members of the Management Ethics Committee, shall meet every other month to examine the status of compliance with legal statutes and articles of incorporation.

(4) The Company shall reject disreputable organizations in the “Taikisha Ltd. Code of Conduct”, oppose any requests or involvement by those organizations in its business, and prohibit employees from having any relationship with them. In addition, the Company shall conduct educational and enlightenment activities and disseminate information related to compliance to all employees to ensure their awareness and understanding and prevent problems from arising. The company shall also periodically collect information from external parties and cooperate with external experts to respond with organizational controls in the event that an unreasonable request is made.

(5) The Corporate Compliance Department shall provide continuous educational and enlightenment training related to compliance, ensuring the awareness and understanding of the Management Vision and

the “Taikisha Ltd. Code of Conduct” by all employees. The Corporate Compliance Department shall also coordinate with compliance-related departments in each division in order to prevent the violation of legal statutes, and report the overall state of company activities to the Corporate Compliance Committee.

(6) In the event of the discovery of acts conducted by officers and/or employees in violation of legal statutes/articles of incorporation, a reporting system framework comprised of an internal reporting system (reports received from company employees) and an external reporting system (reports received from business partners, etc.) shall be established. The Corporate Compliance Department shall ensure the awareness and understanding of the reporting system by all employees to effectively utilize the contact functions of internal reporting system, and external reporting systems through third-party attorney.

(7) In the event that a compliance violation occurs, the Company shall respond strictly in accordance with the employment regulations, etc.

2. System for preserving and managing information related to the execution of duties by directors

Information and documentation related to the execution of duties by directors shall be stored and managed appropriately (including disposal as appropriate), according to the Company’s “Information/Document Management Rules” and the rules of other companies. The Company shall verify the state of information and document management, and review and revise the Company’s rules as necessary.

3. Other systems and rules related to risk management

(1) With regards to risk management within the Company and the Group, the Company shall establish a Crisis Management Committee according to the Crisis Management Rules, and ensure the understanding of risks while effectively and efficiently conducting risk management activities. The Crisis Management Committee shall establish basic policies for company-wide risk management, responsibility systems, and operations, and shall ensure awareness and understanding of risk management by all employees.

(2) Each department shall endeavor to understand the risk associated with operations under their respective jurisdictions, such as quality control, safety management, compliance, etc., draft specific countermeasures to risks they deem as requiring a priority response, and report the draft to the Crisis Management Committee. Each department shall work to improve the Company’s rules, etc., to ensure awareness and understanding by all employees.

(3) The Company shall establish a Risk Management Committee, which shall prepare for events requiring that action be taken against emerging and unavoidable risks (hereinafter referred to as “Risks”), respond to such events, and manage Risks on a daily basis. In the event that a Risk is identified, the Company shall

organize a Crisis Team or establish a Risk Countermeasure Office under the Risk Management Committee according to the basic policies for risk management, and respond to the Risk.

(4) The Internal Audit Office, under the direct control of the president, shall oversee audits according to internal audit regulations. The General Manager of the Internal Audit Office shall be a Corporate Officer or higher in rank, and the Internal Audit Office shall secure the necessary personnel and ensure the effectiveness of internal audits. The Internal Audit Office shall also verify audit procedures and audit targets as necessary, revising audit methods when required.

4. A system to ensure that directors execute their duties efficiently

(1) The Company adopted the operating officer system in order to clarify the responsibilities and authority of corporate management and operation functions, to implement further management reorganization, revitalize the Board of Directors, and shorten the decision-making process.

(2) Every issue which is stipulated in, and meets the rules and the criteria of the Board of Directors shall be laid on the table. All directors shall be provided with sufficient documentation of the agenda items prior to board meetings based on management decision-making principles.

(3) Each Headquarter and Division shall draw up an appropriate plan and target of the fiscal year along the corporate policy after policy study meeting, in order to implement its activities for the achievement of the targets.

(4) The Company shall hold Management Meetings, which consist mainly of the Managing Corporate Officer or higher, and deliberate sufficiently on the issues and matters on the management of the company and the whole group stipulated in the Internal Approval Regulations, and make a decision quickly.

. The Management Meetings shall also verify progress of the annual target on a monthly basis through operating reports.

5. System to ensure the optimum operation of a corporate group consisting of a joint-stock company, parent company, and subsidiaries

(1) A supervisory department shall be charged for managing subsidiaries and affiliates (hereinafter referred to as "Subsidiaries, etc.") based on the Affiliate Company Management Regulations, ensuring the improvement of management efficiency of the overall Group.

(2) Create a system to implement periodic audits, mainly driven by the Internal Audit Office, to assess the presence of risks among Subsidiaries. By the results of the audit, a risk of occurrence of loss, etc. among Subsidiaries is figured out, such risks shall be reported to the Directors, Corporate Auditors, and other related departments immediately.

(3) With regards to a system to ensure the adequacy of materials related to the finances and accounting of the overall Group and other related information pursuant to the Financial Instruments and Exchange Law, the Company, under the instructions of the president, shall comply with the “Standards for Evaluation and Audit on Internal Control over Financial Reporting” and “Practice Standards for Evaluation and Audit on Internal Control over Financial Reporting” issued by the Financial Service Agency, establish Basic Rules for Internal Control, and improve internal financial reporting control systems. In addition, the Internal Audit Office shall evaluate the status of the improvement and operation of internal control for the overall Group.

6. System for cases in which the Corporate Auditor requests supportive employees for the audit work and the independence of those employees from the Directors

To ensure the independence of the Corporate Auditor, the Company shall establish a Corporate Auditor Office, under the Corporate Auditor, and assign an employee to assist the Corporate Auditor. Any appointment or dismissal, transfer and/or performance evaluation of this employee shall require the approval of the Corporate Auditor.

7. System for Directors and employees to report to the Corporate Auditor; system for other reports to the Corporate Auditor

Directors and employees are responsible for reporting to the Corporate Auditor in respect to the following items. In addition, Directors and employees shall comply with the rules of the Board of Corporate Auditors and the Corporate Auditor audit regulations and provide the necessary reports and information in response to each Corporate Auditor request.

- Management Meeting resolutions, reports
- Deliberations by the Management Ethics Committee, Crisis Management Committee, and Risk Management Committee
- Facts that may lead Company or Group to significant damages
- Violation of law or articles of incorporation occurred by the directors or employees, or facts may occur these acts
- Audit results of Internal Audit Office

– Delivery of meeting minutes requested by the Corporate Auditor and internal approval documents.

8. Other systems to ensure the effective performance of audits by the Corporate Auditor

(1) The President, Administrative Division Manager, and General Manager of the Internal Audit Office shall create opportunities to consult and deliberate with the Corporate Auditor regarding environmental improvement in audits by the Corporate Auditor, etc., and endeavor to ensure the effectiveness of audits by the Corporate Auditor.

(2) The Corporate Auditor may make requests related to improving the Company audit system in order to ensure the effectiveness of audits.

[2] Basic policies for rejection of disreputable organizations and the status of improvements

1. The Company shall reject disreputable organizations in the “Taikisha Ltd. Code of Conduct”, oppose any requests or involvement by those organizations in its business, and prohibit employees from having any relationship with them.

2. With regards to the rejection of disreputable organizations, the Corporate Compliance Department provides educational activities and disseminates information related to compliance continuously, ensuring awareness and understanding by all employees and preventing such involvement.

3. The company has joined associations such as the Special Violence Prevention Association, which periodically collects information regarding disreputable organizations. The related departments shall cooperate with external experts to respond with organizational controls in the event that an unreasonable request is made

V. Other

1. Matters related to Takeover Defense

At the Board of Directors meeting held on January 31, 2008, the Company adopted countermeasures (“Takeover Defense Measures”, hereinafter referred to as “the Plan”) for purchases of the Company's shares or other similar interests equivalent to 20% or more of the overall voting rights, or which turn out to be 20% or more of the overall voting rights (hereinafter referred to as “Large-Scale Purchases of the Company's Shares or Other Similar Interests” for the said purchase, and “Large-Scale Purchasers of the Company's Shares or Other Similar Interests” for the parties who conduct the Large-Scale Purchases of the

Company's Shares or Other Similar Interests) in order to ensure and enhance the Company's corporate value and its shareholders' common profit. In an attempt to further ensure and enhance the Company's corporate value and its shareholders' common profit, the Company continued deliberations, and part of the Plan was consequently revised by a resolution of the Board of Directors on May 5, 2008.

The partially revised Plan was approved at the Company's 63rd annual shareholders' meeting held in June 2008.

(1) Overview of the Plan

In order to secure all necessary information in the event of Large-Scale Purchases of the Company's Shares or Other Similar Interests, as well as provide the Company's shareholders with time to determine whether or not they accept the Large-Scale Purchases of the Company's Shares or Other Similar Interests, the Plan establishes procedures by which the Company's Board of Directors requests the Large-Scale Purchasers of the Company's Shares or Other Similar Interests to provide information about the Large-Scale Purchase of the Company's Shares or Other Similar Interests in advance, evaluates and deliberates the purchase, and then either negotiates the purchase conditions, etc., with the Purchasers or presents alternatives to the Company's shareholders, and implements countermeasures for the Large-Scale Purchases of the Company's Shares or Other Similar Interests by respecting the recommendations of the Independent Committee (hereinafter referred to as "Rules for Large-Scale Purchases of the Company's Shares or Other Similar Interests").

If the Large-Scale Purchasers of the Company's Shares or Other Similar Interests do not comply with the Rules for Large-Scale Purchases of the Company's Shares or Other Similar Interests, or if it is considered obvious that Large-Scale Purchases of the Company's Shares or Other Similar Interests will cause damage and that the Company may be unable to recover even if the Purchasers comply with the Rules for Large-Scale Purchases of the Company's Shares or Other Similar Interests, the Company shall implement countermeasures with full respect given to the recommendations of the Independent Committee, which consists of third parties independent from the Board of Directors.

The Company's Board of Directors shall choose appropriate countermeasures based on the circumstances, such as granting a share warrant without compensation or other options authorized in the legal statutes and the articles of incorporation.

(2) Rationality of the Plan

The Plan fully satisfies three basic principles stipulated in the "Guidelines for Takeover Defense to Ensure and Enhance Corporate Value and Common Shareholder Profit" issued by the Ministry of Economy, Trade, and Industry and the Ministry of Justice on May 27, 2005.

In addition, in the event of Large-Scale Purchases of the Company's Shares or Other Similar Interests, the Independent Committee shall deliberate and consider the implementation of countermeasures, and make recommendations to the Company's Board of Directors. Consequently, the Company's Board of Directors shall make their decision by fully respecting the recommendations of the Independent Committee. Therefore, a system is secured where implementation of the countermeasures based on arbitrary judgment by the Board of Directors can be quickly eliminated.

For details regarding this information, please refer to the company's website at the following URL:
http://www.taikisha.co.jp/company/release/2008/PDF/080515_02.pdf

2. Matters related to other corporate governance systems, etc.

N/A