

FOR IMMEDIATE RELEASE

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Securities Code: 4523

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**Continuation of Policy for Protection of the Company's Corporate Value and
Common Interests of Shareholders (Shareholder Rights Plan)**

The Board of Directors of Eisai Co., Ltd. (Chair: Tokuji Izumi) passed a resolution for the continuation of the "Policy for Protection of the Company's Corporate Value and Common Interests of Shareholders" ("the Policy"), which was proposed by the Independent Committee of Outside Directors (Chair: Kimitoshi Yabuki, "ICOD") at its meeting held today.

The Policy was initially adopted after being proposed by the ICOD at the Eisai Board of Directors meeting held on February 28, 2006, prior to the launch of the Company's 5th Mid-term Strategic Plan (effective April 2006 to March 2012). In order to cover the entire period of this plan, the ICOD resolved that the policy shall remain in effect until June 30, 2012.

The continuation, amendment, or abandonment of the Policy is deliberated each year by the ICOD, which is comprised entirely of independent and neutral outside directors who account for the majority of the members of Board of Directors. By listing director candidate votes on the policy in the materials sent out with the Notice of Convocation of the Ordinary General Meeting of Shareholders, the Policy ensures that the opinions of shareholders are able to be reflected.

At its meeting held on June 21, 2011, the ICOD resolved to propose the continuation of the Policy in its present form at the Board of Directors meeting, based on the fact that it incorporates the following provisions:

1. The policy precludes arbitrary actions on the part of the management
2. The continuation, amendment, or abandonment of the policy shall be deliberated each year
3. Shareholders' opinions concerning the policy may be reflected through the election of directors at the Ordinary General Meeting of Shareholders

In consideration of the fact that the Company finished its 5th Mid-term Strategic Plan one year earlier than scheduled in order to enact its new Mid-term Strategic Plan "Hayabusa" from fiscal 2011, the Independent Committee of Outside Directors determined it appropriate to propose to the Board of Directors that the Policy remain in effect until June 30, 2016 to cover the entire period of the "Hayabusa" Plan (April 2011 through March 2016), as well as to make necessary revisions to the Policy by adding additional clauses or

amending wording to reflect revisions made to relevant laws and regulations and rules of Tokyo Stock Exchange since enactment of this Policy, and recent discussions regarding anti-takeover measures.

After reviewing the proposal put forward by the IOCD at its meeting held today, the Board of Directors unanimously resolved to continue the Policy.

The status of the Company's shares, as of March 31, 2011, is listed in Appendix 3, however, as of today, there have been no concrete proposals put to the Company concerning the large-scale acquisition of its shares.

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Policy for Protection of Company's Corporate Value and Common Interests of Shareholders

1. Reasons for Adoption

As a human health care (*hhc*) company, the Company believes that its mission of first priority, securing and enhancing our corporate value and the common interests of our shareholders, will be achieved by creating value for patients. To create value for patients, it is necessary to undertake research and development of new drugs, to manufacture and distribute high quality products, and to manage and provide information to achieve the safe use of pharmaceutical products. To do this the Company must implement, long-term corporate measures. To strengthen shareholder value, it is essential that the Company grow steadily and continuously. Furthermore, to fulfill its corporate social responsibility and accomplish the mission set out above, the Company, in 2004, adopted a "Board Committee System" and established a highly transparent governance structure.

In order to realize the above mission, the Company plans to increase its corporate value and strengthen shareholder value by introducing and implementing a variety of long term measures such as the Mid-term Strategic Plan. However, considering the escalating competition surrounding the Company, and the changes, content, etc. in the Japanese legal system and corporate culture relating to M&A in Japan, we can anticipate the potential for acquisitions of the Company's shares intended to materially affect the Company's management policy. More specifically, if acquisitions of 15% or more of the outstanding shares of the Company are made, the Company may be prevented from fully carrying out our above stated mission. We believe the likelihood of a material effect as a result of such a 15% or greater acquisition of shares is made clear by the following points: First, with the standards for related companies according to the Regulations for the Terminology, Format and Method of Preparation of Financial Statements applying in the case of ownership of voting rights of 15% to less than 20%, there is an inference of an ability to exert a major influence. Also, taking into account quorum numbers, a 15% shareholding represents a large portion of the votes needed to defeat any special resolutions of the general shareholders' meeting.

The Company does not reject any and all acquisitions that are intended to obtain a large volume of shares of the Company or that permit a third party to participate in the Company's business management, if such acquisitions will greatly increase the corporate value of the Company. However, among acquisitions of large shareholding positions, there are many that are detrimental and that would, in view of their purpose and the business policy after such acquisitions, for example, cause obvious and irreparable damage to the shareholders' common interests; that are structured to coerce other shareholders to sell their shares under unfavorable conditions; that do not give sufficient time and information to the Company and shareholders for their examination of the substance of the proposed acquisition and consideration of alternatives; or that

offer terms and conditions that are insufficient or inappropriate from the perspective of protecting the Company's corporate value and the shareholders' common interests. Furthermore, in order to realize value for patients, and thereby to increase the corporate value and the common interests of the shareholders, research and development systems of new drugs, a stable supply of high quality products, and proper management and provision of information on safety and efficacy of drugs are essential. If the Company fails to secure these processes, the Company's corporate value and the common interests of the shareholders will be harmed.

Therefore, the Company has determined that the adoption of this Policy for Protection of Company's Corporate Value and Common Interests of Shareholders (the "Policy") is essential to deter acquisitions, including the above types of acquisitions, that are inconsistent with the Company's corporate value and the shareholders' common interests, and therefore the Company decided to adopt this Policy.

For any acquisition of a 15% or greater stake, this Policy will first require the acquirer or the person proposing the acquisition (hereinafter, together with a tender offer bidder (TOB) or one proposing a TOB, collectively referred to as an "Acquirer") to provide information to the Company about the intended acquisition in advance of such acquisition. By doing this, the Company will be able to secure a period to collect and review information regarding the purchase, explain the business plan to the shareholders, and, if necessary, propose alternatives and negotiate with the Acquirer. On the contrary, if an Acquirer enters into an acquisition without providing information in advance, or if the acquisition is not determined to be an acquisition that will not substantially harm the Company's corporate value and the common interests of the shareholders, as mentioned below, the Company will issue as necessary, by allocation to all shareholders at that time, new share subscription rights conditioned such that the Acquirer and certain related parties may not exercise such rights (collectively the "Rights", pertaining to any single share a "Right"). This Policy will decrease the relative percentage of voting rights held by the Acquirer by issuing the Rights and will aim to prevent any acquisition that will substantially harm the Company's corporate value and the common interests of the shareholders.

The adoption of this Policy, and the process for the evaluation of a proposed acquisition of a 15% or greater stake, any discussions and negotiations with the Acquirer, and the judgment of whether or not the issuance of the Rights is required based on the results of said discussions and negotiations are required to be objective and reasonable to prevent the possibility that management could manipulate this Policy to protect its own interests. The Board of Directors of this Company consists of eleven (11) directors, the majority of whom are outside directors. This majority consists of seven (7) outside directors who are independent from the Company Management, including a corporate manager, academic experts, a CPA, and attorneys, with abundant experience and excellent records of achievement. Of the four (4) other directors who are not outside directors only one (1) is engaged in day-to-day business operations. Therefore, the Company believes that the Board of Directors will be able to make an

objective and reasonable decision for the shareholders' interests.

In the adoption of this Policy, a "Special Committee" was established first, consisting of three (3) outside directors. The Special Committee received opinions from independent outside advisors and examined whether or not this Policy should be adopted. As a result of the examination, the Special Committee determined that the adoption of a policy was essential to prevent acquisitions which could substantially harm the Company's corporate value and the common interests of the shareholders. This Policy was proposed to the Independent Committee of Outside Directors, which consists of all seven (7) outside directors (please see Attachment No. 1, "Outline of the Independent Committee of Outside Directors" regarding requirements for resolutions and matters to be resolved), and the Independent Committee of Outside Directors examined whether or not it should be adopted. As a result of the examination, the Independent Committee of Outside Directors decided that this Policy was essential and appropriate to prevent acquisitions which could substantially harm the Company's corporate value and the common interests of the shareholders, and recommended to the Board of Directors to adopt this Policy. The Board of Directors, after examination of this Policy, resolved to adopt it. Thus, this Policy has been adopted for the common interests of the shareholders by the initiative of the Independent Committee of Outside Directors.

In addition, in order to ensure that the operation of the Policy is objective and reasonable, the Independent Committee of Outside Directors will be primarily responsible for the operation of this Policy. In case of an actual proposed acquisition of a 15% or greater shareholding, the Independent Committee of Outside Directors will, acting on their own initiative, determine whether or not all the criteria set forth in Article 4 below have been satisfied

Unless, the Independent Committee of Outside Directors determines that the acquisition satisfies all the criteria set forth in Article 4 below, in principle, it will propose that the Board of Directors issue the Rights. Then, the Board of Directors will determine ultimately whether or not the issuance of the Rights will be necessary. If the Independent Committee of Outside Directors decides that the Rights are not to be issued, the Board of Directors will make neither an examination nor a determination of the issuance of the Rights. By adopting this system, with respect to the judgment of whether the Rights should be issued, this Policy will prevent arbitrary decisions by Management and make it difficult to issue the Rights.

2. Acquisitions Subject To This Policy

Under this Policy, the Rights may be issued in accordance with the procedures stipulated in this Policy in the event of an acquisition or proposal of acquisition as set forth below in 2.1) or 2.2) below (hereinafter collectively referred to as an "Acquisition").

- 1) A purchase or other acquisition, that, if completed, would make a person's¹ shareholding percentage² of shares issued by the Company³ 15% or more; or
- 2) A TOB⁴ that, if successful, will make a TOB Acquirer's, plus its special affiliated persons'⁵ shareholding percentages⁶ of shares⁷ issued by the Company⁸, 15% or more in total.

3. Process for the Issuance of the Rights

- 1) Prior Information Submission from Acquirer to the Independent Committee of Outside Directors

The Acquirer, who proposes to make an Acquisition set forth in Article 2 above, shall prior to publicly announcing any proposed Acquisition or launching a TOB, submit in writing to the Independent Committee of Outside Directors the information set forth in Appendix 2 which is necessary to examine the content of the Acquisition (the "Necessary Information") and a declaration that the Acquirer will comply with the procedures stipulated in this Policy (together with the Necessary Information, the "Acquisition Description").

If the Independent Committee of Outside Directors determines that the content of the relevant Acquisition Description is insufficient to meet the requirements set forth for the Necessary Information, the Committee may request the Acquirer to submit additional Necessary Information, setting a specific deadline if appropriate. In this circumstance, the Acquirer will submit the remaining Necessary Information by the deadline.

If the Independent Committee of Outside Directors believes that the Acquirer started the Acquisition without complying with the procedures stipulated in this Policy, the Committee, in principle, will propose to the Board of Directors to issue the Rights in accordance with 3.3)(1) below, unless there is a special situation in which the Committee may continue to discuss and negotiate with the Acquirer who is requested to submit the Acquisition Description (including the Necessary Information).

¹ Defined in the Securities and Exchange Law, Article 27-23(3)

² Defined in the Securities and Exchange Law, Article 27-23(4)

³ Defined in the Securities and Exchange Law, Article 27-23(1)

⁴ Defined in the Securities and Exchange Law, Article 27-2(6)

⁵ Defined in the Securities and Exchange Law, Article 27-2(7), provided that the persons stipulated in the Cabinet Order regarding disclosure of TOB by a person other than the issuer, Article 3(1) will be excluded

⁶ Defined in the Securities and Exchange Law, Article 27-2(8)

⁷ Defined in the Securities and Exchange Law, Article 27-2(1)

⁸ Defined in the Securities and Exchange Law, Article 27-2(1)

2) Examination of the Acquisition Content of the Relevant Acquirer, Negotiation with Acquirer, and Presentation of an Alternative Proposal to All of the Shareholders by the Independent Committee of Outside Directors

If the Acquirer submits to the Independent Committee of Outside Directors an Acquisition Description and sufficient Necessary Information including additional Necessary Information, if necessary, which is requested by the Independent Committee of Outside Directors, the Committee may, as necessary, also request the Representative Chief Executive Officer of the Company to submit, within a period to be set by said Committee, opinions on the content of the Acquisition by the Acquirer and, within thirty (30) days, the materials which show the grounds for such opinions, alternatives and other necessary information and materials that the Independent Committee of Outside Directors appropriately regards as necessary.

The Independent Committee of Outside Directors will collect, compare, etc., the information related to the investigation and examination of the content of the Acquisition of the Acquirer, the investigation and examination of any alternative proposal submitted by the Representative Chief Executive Officer of the Company, and the business plans, etc., of the Acquirer and the Representative Chief Executive Officer of the Company for sixty (60) days in principle (however, the Independent Committee of Outside Directors can extend the period up to ninety (90) days in accordance with 3.3)(3) below) after the receipt of the Necessary Information and materials from the Acquirer and the Representative Chief Executive Officer (the "Examination Period"). The Independent Committee of Outside Directors will, if necessary, directly or indirectly, negotiate with the Acquirer, and present to all of the shareholders of the Company the alternative proposal submitted by the Representative Chief Executive Officer of the Company.

The Independent Committee of Outside Directors can, at its discretion, obtain advice from independent third parties (including financial advisers, CPAs, lawyers, consultants and other specialists) at the Company's expense in order to ensure that the Committee's decision is reasonable.

The Acquirer shall not initiate an Acquisition before the end of the Examination Period.

3) Resolution of the Independent Committee of Outside Directors

The Independent Committee of Outside Directors will take the following procedures:

- (1) In such case that an Acquirer has not complied with the procedures set forth in 3.1) and 2) above, unless the Independent Committee of Outside Directors determines that 3.3)(2) or (3) below is applicable,

the Committee will, in principle, propose to the Board of Directors to issue the Rights without regard to whether it is during or after the Examination Period.

However, if there is a change in the facts related, etc., to the premises of the decision, the Independent Committee of Outside Directors may revise its decision including the cancellation of the issuance of the Rights.

- (2) If the Committee finds, as a result of the examination and, if appropriate, negotiation with the Acquirer, that the purchase by the Acquirer will meet all of the criteria stipulated in 4.1) through 9) below, the Committee will resolve not to issue the Rights without regard to whether it is during or after the Examination Period. In connection with such resolution of non-issuance of the Rights, the Board of Directors will not examine whether or not the Rights are to be issued.

If the facts underlying the determination change, the Committee may revise its decision including proposing to issue the Rights.

- (3) If the Independent Committee of Outside Directors did not advise the Board of Directors either to issue or not to issue the Rights by the end of the original Examination Period, the Committee may resolve that the Examination Period will be extended to the extent that such extension is necessary to examine the content of the Acquisition of the Acquirer, negotiate with the Acquirer, request the submission of and examine an alternative proposal, etc. (the same procedure will apply to a subsequent extension).

If the Examination Period is extended based on the above resolution, the Independent Committee of Outside Directors will continue to examine the content of the Acquisition of the Acquirer, and, if necessary, negotiate with the Acquirer, request the submission of and examine an alternative proposal, etc., and will endeavor to propose to issue the Rights or determine not to issue them, or present to all of the shareholders of the Company an alternative proposal, etc., during the extended period.

4) Resolution of the Board of Directors

If the Board of Directors receives the above-mentioned proposal from the Independent Committee of Outside Directors to issue the Rights, it shall make such resolution without delay.

However, if the facts underlying the determination change, the Board of Directors can make another determination.

If the Independent Committee of Outside Directors resolves to not issue the Rights, as stated in 3.3)(2) above, the Board of Directors will not

examine whether or not the Rights are to be issued.

5) Disclosure of Information

The Company, upon adopting this Policy, in accordance with the laws and regulations or the financial instruments exchanges' rules, regulations, etc., appropriately considering the following items relating to the status of the progress of each of the procedures of this Policy and items of the Independent Committee of Outside Directors and the Board of Directors of the Company, shall disclose the information on a timely basis:

- (1) The relevant acquisition under the above 2.1) or 2.2).
- (2) The submission of the Acquisition Description from the Acquirer, and items that the Independent Committee of Outside Directors properly decide upon within the Necessary Information and other information.
- (3) The commencement of the examination by the Independent Committee of Outside Directors, and the extension of the examination period (including the period and the reason).
- (4) The proposal of the Independent Committee of Outside Directors to issue the Rights, the summary thereof, the reasons for the decision that the Rights should be issued, and other items properly decided upon by the Independent Committee of Outside Directors.
- (5) The Board of Directors' resolution to issue the Rights, the summary thereof, the reasons for such decision, and other items properly decided upon by the Board of Directors.
- (6) The Independent Committee of Outside Directors' resolution that the rights would not be issued, the summary thereof, the reasons for the decision that the Rights should not be issued, and other items properly decided upon by the Independent Committee of Outside Directors.
- (7) The items needed to be recognized by the Independent Committee of Outside Directors if the Independent Committee of Outside Directors revises its decision, including the cancellation of the issuance of the Rights or the proposal to issue the Rights, due to the occurrence of changes to the facts related, etc., to the premises of the decision for the resolution in the above (4) or (6).
- (8) The items needed to be recognized by the Board of Directors if the Board of Directors revises its decision due to the occurrence of changes to the facts related, etc., to the premises of the decision for the resolution in the above (5).

4. Criteria for Advice on the Issuance of the Rights

The Independent Committee of Outside Directors will, in principle, advise the

Board of Directors to issue the Rights unless the Independent Committee of Outside Directors decides that the Acquisition subject to this Policy satisfies all the criteria described below:

- 1) The Acquisition is conducted in accordance with procedures stipulated in this Policy;
- 2) The Acquisition will not cause damage to the Company's corporate value and the common interests of the shareholders by the following:
 - (1) Accumulating shares with the intent of requiring the Company to buy them back at a higher price;
 - (2) Temporarily taking control of the management of the Company and running the Company in the interests of the Acquirer at the expense of the Company, such as acquiring the Company's important assets at low prices;
 - (3) Pledging assets of the Company as collateral for debts of the Acquirer or its group companies or using the Company's funds to repay such debts; or
 - (4) Temporarily taking control of management of the Company and selling valuable assets that are currently not related to the Company's businesses and declaring temporarily high dividends with profits from the disposition, or selling the shares at a higher price after the share price rose due to temporarily high dividends;
- 3) The Acquisition would not coerce shareholders into selling their shares in situations such as two-tiered takeovers (takeovers that coerce shareholders into accepting a higher priced front-end tender offer by setting unfavorable terms or not specifically indicating terms for the back end of the transaction, without offering to buy all shares at the front end);
- 4) The Acquisition does give the Company a reasonable period of time to make proposals for alternatives to the subject Acquisition;
- 5) The Acquisition does provide, and sufficiently provides, in light of the current or future shareholding rate or other relevant information of such Acquirer, the shareholders of the Company with information to examine the substance of the Acquisition, such as summary information of the Acquirer (including the information set forth in Appendix 2, Section 1), how the price for the Acquisition was calculated (including the information set forth in Appendix 2, Section 3), evidence of the funds for the Acquisition (including the information set forth in Appendix 2, Section 4), and management policy, business plan, capital policy and dividend policy after the Acquisition (including the information set forth in Appendix 2, Section 5);

- 6) The conditions of the Acquisition (including the information set forth in Appendix 2, Sections 2 and 6) are not insufficient or inadequate, taking into consideration the intrinsic value of the Company;
- 7) The Acquisition will not violate the applicable laws and the Company's articles of incorporation;
- 8) The acts of the Acquirer as shareholder will not adversely affect the management of the Company and will not materially harm the Company's corporate value and the common interests of the shareholders; and
- 9) The Acquisition will not materially harm the Company's corporate value and the common interests of the shareholders in accordance with the applicable laws, administrative advice, court decisions or rules of the stock exchanges.

5. Effective Period of this Policy

This Policy will remain effective until June 30, 2016.

After the adoption of this Policy, the Independent Committee of Outside Directors will, after the ordinary general shareholders meeting each year, consider continuing, revising or abolishing this Policy. The Independent Committee of Outside Directors will propose the result of that consideration to the Board of Directors, who will accordingly continue, revise or abolish the Policy. The term of each Company director is one (1) year. Each director is appointed at the ordinary shareholders meeting held every June. Since the Company does not have a staggered board or restrictions on dismissing directors, any director may be appointed or dismissed at a shareholders meeting, and the Board of Directors made up of the directors appointed at such shareholders meeting will receive proposals of the Independent Committee of Outside Directors, and then it would be possible for the Board of Directors to resolve that this Policy is to be abolished or that the Rights will not be issued.

In this regard, the Company believes that this Policy can fully reflect the shareholders' intentions with regard to adopting, maintaining, continuing or abolishing this Policy.

Even during the effective period of this Policy, if necessary, the Company may review or abolish this Policy, or adopt different protection measures based on the Independent Committee of Outside Directors' examination.

6. Major Terms of the Rights

The major terms of the Rights to be issued based on this Policy are as stated below. The Company plans to register the issuance of Rights in advance to expedite the issuance.

1) Shareholders Subject to the Allocation

The Company will allocate one (1) Right per share held by the shareholders (excluding those held by the Company) who are described or recorded on the last shareholders' list as of the date that the Board of Directors designates as the allocation date (the "Allocation Date") in the issuance resolution for the Rights (the "Issuance Resolution").

2) Type and Number of Shares to be Issued by the Rights

The type of shares to be issued by the Rights will be common shares of the Company. The number of shares to be issued by one (1) Right will be one (1) share, or another number of shares that the Board of Directors designates in the Issuance Resolution.

3) Total Number of the Rights

The maximum number of the Rights will be the same as the total number of the last outstanding shares as of the Allocation Date (excluding the number of common shares held by the Company).

4) Price of Issuing the Rights

Free of Charge

5) Amount Payable upon the Exercise of Rights

The amount payable per Right will be one (1) Japanese Yen.

6) Exercise Period of the Rights

The exercise period of the Rights will start on the issuance date of the Rights as designated by the Board of Directors in the Issuance Resolution, and last for the period between one (1) month and two (2) months as designated by the Board of Directors in the Issuance Resolution.

7) Conditions to Exercise the Rights

(1) ① Specific large volume holders [i.e., excluding persons defined in items (a) through (d) below, (A) the holders (including holders under the Securities and Exchange Law, Article 27-23(3)) of shares issued by the Company (subject to the Securities and Exchange Law, Article 27-23(1), the same applies in the following paragraph unless otherwise specified) whose shareholding ratio (defined in the Securities and Exchange Law, Article 27-23(4)) exceeds 15% or more or who are approved to be the holders of 15% or more by the Company's Board of Directors; or (B) the person who purchases (defined in the Securities and Exchange Law, Article 27-2(1), the same applies in the following paragraph) the shares issued by the

Company (subject to the Securities and Exchange Law, Article 27-2(1)) by TOB (defined in the Securities and Exchange Law, Article 27-2(6)) and whose shareholding (including those stipulated in Enforcement Ordinance of the Law, Article 7(3)) ratio (defined in the Securities and Exchange Law, Article 27-2(8), the same applies in the following paragraph) after the purchase plus the shareholding ratio of his/her special interested persons (defined in the Securities and Exchange Law, Article 27-2(7), provided that the persons stipulated in the Cabinet Order regarding disclosure of TOB by a person other than the issuer, Article 3(1) will be excluded, the same applies in the following paragraph) will be 15% or more] as of the date that the Rights are exercised or the Allocation Date; ②His or her co-owner (i.e., the persons defined in the Securities and Exchange Law, Article 27-23(5), including the persons deemed to be a co-owner under Article 27-23(6) of the Law) (when stipulated in item (A) above); ③His or her special interested persons (when stipulated in item (B) above); ④Persons who succeeded to the Rights from the persons under ① through ③ above without the approval of the Company's Board of Directors; or ⑤Persons deemed by the Company's Board of Directors to be substantially the same as the persons under ① through ④ above, or controlled by such persons, or under the same control of such persons (hereinafter ① through ⑤, collectively called "Specific Large Volume Holders"); are not allowed to exercise the Rights.

- (a) The Company, the subsidiaries of the Company (defined in Article 8(3) of the Regulations for the Terminology, Format and Method of Preparation of Financial Statements) or the affiliated companies of the Company (defined in Article 8(5) of the Regulations for the Terminology, Format and Method of Preparation of Financial Statements);
- (b) A person who acquired a 15% or greater shareholding without the intent to control the business activities of the Company and is deemed by the Board of Directors to be subject to item (A) or (B) above, and who has become not subject to item (A) or (B) above by disposing of shares of the Company within ten (10) days after becoming subject to item (A) or (B) above (which period may be extended by the Board of Directors);
- (c) A person who is deemed by the Board of Directors to be subject to item (A) or (B) above for a reason not attributable to the person such as a purchase of that person's own shares by the Company (excluding such person who additionally and intentionally purchased shares afterward);

(d) A person whose position as a shareholder, according to the Board of Directors, will not be against the interests of the Company (provided that when a certain requirement that deems the person not to be against the interests of the Company is established by the Company, such requirement is fulfilled).

(2) In addition to the provisions stipulated in (1) above, the Rights may not be exercised by those who do not represent that they are not Specific Large Volume Holders or who fail to submit documents that pledge the matters designated by the Board of Directors.

8) Cancellation of the Rights

There are no provisions for causes or conditions of canceling the Rights.

9) Assignment of the Rights

The assignment of the Rights will require the approval of the Board of Directors.

Based on 6.7) above, Specific Large Volume Holders may not exercise the Rights. If Specific Large Volume Holders were able to freely assign the Rights to third parties, the Company would not be able to achieve the purpose to prevent any purchase that will harm the Company's corporate value and the common interests of the shareholders. Therefore, the transfer of the Rights under this Policy is restricted. However, Specific Large Volume Holders may assign the Rights to a third party approved by the Board of Directors.

7. Impact on Shareholders

1) Impact on Shareholders Upon the Adoption of this Policy

Since the Rights will not be issued upon the adoption of this Policy, there will be no specific impact on the shareholders' rights and interests.

2) Impact on Shareholders Upon the Issuance of the Rights

If the Rights are issued, one (1) Right per share of the Company's common stock will be allocated, free of charge, to the shareholders as of the Allocation Date that will be separately stipulated in the Board of Directors' issuance resolution. If a shareholder fails to make the relevant payment or to take other relevant procedures regarding the exercise of the Rights during the exercise period, that shareholder's percentage of shares will be diluted by other shareholders' exercise of the Rights.

Further, the issuance of the Rights will become non-cancelable as of four (4) business days prior to the Allocation Date (including the Allocation

Date). The reason for making the Rights non-cancelable as of the Allocation Date is to avoid any loss to shareholders other than the Acquirer due to confusion in the markets or loss of liquidity of the stock. By making the issuance of Rights non-cancelable there is no substantial doubt as to the amount and timing of the dilution of each share. Each share will be diluted but each shareholder will receive at least enough additional shares to offset such dilution. The shareholding percent of each individual shareholder will either not change or slightly increase.

Even after the Independent Committee of Outside Directors decide on the issuance of the Rights, as mentioned in 3.3)(1) above, if changes occur to the facts related, etc., to the premises of the decision on the offer from the Acquirer, the Independent Committee of Outside Directors may revise its decision including the cancellation of the issuance of the Rights. If the issuance of the Rights is cancelled, since there would then be no dilution of the value of each of the Company's shares, investors who purchased or sold shares on the assumption that there would be such a dilution may incur losses depending on the change of the value of the shares.

3) Necessary Procedures for Shareholders after the Issuance of the Rights

(1) Procedure for Transfer of Shares

If the Board of Directors resolves that the Rights will be issued, the Company will publish the Allocation Date of the Rights. Since the Rights will be allocated to the shareholders who are described or recorded on the last list of shareholders as of the Allocation Date, shareholders will be required to complete transfers of the registration of the shares by such Allocation Date.

(2) Procedure of Application for the Rights

The Company will send the allocation notification of the Rights and the application form for the Rights to the shareholders who are described or recorded on the last list of shareholders as of the Allocation Date. The shareholders will be required to apply for the subscription of the Rights by properly filling in the form, placing a seal and submitting the form to the application handling agent during the application period which was separately decided by the resolution of the Board of Directors. If the shareholders fail to make an application during the application period, they will lose the application rights and will not be able to subscribe for the Rights.

(3) Procedure for Exercise of the Rights

The Company will send the Rights exercise document (the form of which will be specified by the Company and which will contain the pledge by the shareholder that the shareholder is not a Specific Large

Volume Holder) and other documents which are necessary to exercise the Rights to the shareholders who applied for the Rights during the application period. After exercising the Rights, one (1) common share or another number of common shares that is separately designated by the issuance resolution per Right will be issued, on the condition that during the exercise period, the shareholders submit the Rights exercise document designated by the Company and pay one (1) Japanese Yen per Right to the payment-handling agent.

In addition to the above, the details of methods for the application, the transfer of the registration of shares, payment, etc., will be published or notified to the shareholders after the resolution to issue the Rights. Please confirm the contents of such publication or notification.

The procedures of issuance and exercise of the Rights are, in principle, as stated above. The Board of Directors may resolve upon other procedures of issuance and exercise to the extent that the laws and regulations permit at the time of issuance or exercise in order to avoid the disadvantage of shareholders who do not subscribe or exercise the Rights. In this case, the details of the necessary items will be also published or notified to the shareholders. Please confirm the contents of such publication or notification.

8. Satisfaction of the Requirements of Guidelines related to Takeover Defense Measures

This Policy is in accordance with the three (3) principles ((i) the principle of the protection and enhancement of the common interests of shareholders, (ii) the principle of prior disclosure and shareholder intent, and (iii) the principle of ensuring necessity and appropriateness) established by the “Guidelines related to Takeover Defense Measures to Protect and Enhance Corporate Value and the Common Interests of Shareholders” promulgated by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. Also, this Policy is also based on “Regarding the Existence of Takeover Defense Measures based on Various Recent Changes in the Environment” announced in the Corporate Value Conference held on June 30, 2008.

End

Outline of the Independent Committee of Outside Directors

1. Members

All outside directors of the Company

2. Resolution Requirements

Resolutions of the Independent Committee of Outside Directors shall be made, in principle, by the majority of all members, who are all required to attend the Committee. In the event that any of the members cannot attend the Committee meeting, resolutions of the Committee can be made by the majority of present members, whose number shall be a majority of all members.

3. Matters To Be Resolved, Etc.

The Independent Committee of Outside Directors, in principle, shall resolve upon the following matters and advise the Board of Directors on the content of the resolution together with its reason. However, concerning the resolution of the non-issuance of the Rights and the extension of the Examination Period, the Independent Committee of Outside Directors will not give any advice to the Board of Directors and the Independent Committee of Outside Directors will determine those matters. Each member of the Committee shall make their decision from the viewpoint of whether or not the matter will achieve the Company's corporate interests and the common interests of the shareholders, and shall not take into consideration the member's personal interests or the interests of other directors or executive officers of the Company:

- (i) Determination of whether an Acquisition is subject to this Policy;
- (ii) The information to be provided by the Acquirer and the Representative Chief Executive Officer to the Independent Committee of Outside Directors;
- (iii) Investigation and examination of the content of the Acquisition of the Acquirer;
- (iv) Negotiation with the Acquirer;
- (v) Examination, and presentation to all of the shareholders, of a proposed alternative to the Acquisition of the Acquirer submitted by the Representative Chief Executive Officer;
- (vi) Issuance or non-issuance of the Rights, or an extension of the Examination Period by the Independent Committee of Outside

Directors;

- (vii) Adoption, continuance, review, or abolition of this Policy;
- (viii) Examination and adoption of defense measures against share purchases other than under this Policy; and
- (ix) Other matters to be determined by the Board of Directors relating to this Policy or the Rights.

In making judgments regarding the above matters, the Independent Committee of Outside Directors will make efforts to sufficiently collect the necessary information in order to ensure appropriate judgments. Furthermore, the Independent Committee of Outside Directors may obtain advice from independent third parties including without limitation financial advisors, CPAs, lawyers, consultants and other experts at the Company's expense.

The Necessary Information

- (1) A profile of the Acquirer and its group (including its joint holders, its special affiliated persons, cooperators or other members of the partner if the Acquirer is a fund) including its specific name, capital relationship and financial details.

For Acquirers which are natural persons, provide such persons' principal occupation or employment for the past five years through the present, including the principal business and address of any corporation or other organization ("Entity") in which the occupation or employment is or was conducted, giving the applicable starting and ending dates for each employment, and the age and citizenship of such persons.

For Acquirers which are Entities, provide the following for such Entity and each of its significant subsidiaries: principal business of such Entity, the jurisdiction of organization, description of its capital stock and long-term debt financial statements for the past three years, description of any material pending legal proceedings to which such Entity or any of its properties is subject, a brief description of the business conducted, names of all directors and executive officers.

All Acquirers, disclose if they have been (i) charged or convicted in a criminal proceeding in the past five years (excluding traffic violations or similar misdemeanors), and if so, the crime committed, the penalty (or other disposition) imposed, and the court involved or (ii) a party to a judicial or administrative proceeding in the past five years that resulted in, or where the relief sought is, a judgment, decree or final order finding such person in violation of, or enjoining future violations or prohibiting activities related to, the securities laws or the commercial code of Japan, and shall disclose the terms of any such judgment, decree or order;

- (2) The purpose, method and terms of the Acquisition (including the type and amount of consideration to be offered, the expected timing of the Acquisition, any related transactions, legality of the Acquisition, and the Acquirer's belief as to the probability of success of the Acquisition);
- (3) The basis of the calculation for the price of the Acquisition (including the facts and assumptions that underlie the calculation, the calculation method, the numerical information which was used for the calculation, the amount of the synergy to be expected from any series of transactions relating to the Acquisition and the basis for such calculations);

- (4) The evidence of the funds for the Acquisition (including the specific name of the provider of the funds (including the substantial provider), the manner in which funds will be raised, and the terms of related transactions);
- (5) The proposed business policy, business plan, capital policy and dividend policy for the company after the Acquisition (including a share transfer, transfer of business, merger, demerger, stock-for-stock exchange or stock-for-stock transfer, a sale of assets, a reorganization or liquidation, any change in present capital, dividend rates or policy, indebtedness or capitalization, any change in the present management of the Company, any change in the Company's corporate structure, business, business policy or business plan, the acquisition or deposition of securities of the Company, any delisting from a stock exchange, or any change in the Company's constituent documents or any extraordinary transaction);
- (6) The proposed policies regarding employees, business partners, customers, local communities in which the company operates, and other stakeholders after the Acquisition;
- (7) Situation regarding necessary government approvals, business approvals, and regulatory compliance measures, consents, agreements and approvals necessary to be obtained from third parties, the potential application of anti-trust and/or other competition law and other material laws of jurisdictions in which the Company operates or sells products related to the Acquisition; and
- (8) Other information that the Independent Committee of Outside Directors reasonably deems necessary.

Status of Major Shareholders

The status of major shareholders as of March 31, 2011 is as follows:

Shareholders	Shares (1,000 Shares)	Percentage of shares (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	15,856	5.56
Nippon Life Insurance Company	15,344	5.38
The Master Trust Bank of Japan, Ltd. (Trust Account)	12,617	4.43
Saitama Resona Bank, Limited	10,000	3.51
Eisai Employee Shareholding Association	7,005	2.46
SSBT OD05 OMNIBUS ACCOUNT-TREATY CLIENTS	5,924	2.08
Mizuho Corporate Bank, Ltd.	4,680	1.64
National Mutual Insurance Federation of Agricultural Cooperatives	4,521	1.59
The Naito Foundation	4,207	1.48
Mizuho Bank, Ltd.	3,617	1.27

(Note) Eisai Co., Ltd., which owns 11,608 thousand shares of treasury stock, is not included in the above list of major shareholders. Percentage of shares is calculated based on the number of shares held excluding treasury stock.

Members of the Independent Committee of Outside Directors

The Eisai Co., Ltd. Independent Committee of Outside Directors is comprised entirely of outside directors. All outside directors of the Company satisfy the Requirements for Independence and Neutrality of Outside Directors set forth by the Nomination Committee. The following is a list of members of the Independent Committee of Outside Directors at time of policy revision.

Junji Miyahara

- Apr. 1967 Joined NGK Insulators, Ltd.
- Jun. 1970 Joined FUJIFILM Corporation
- Jul. 1975 Research Manager, Central R&D Laboratories, Ashigara R&D Center, Project Team, and Miyadai Technology Development Center of FUJIFILM Corporation
- Apr. 1996 Department Manager/Assigned to oversight of Research, Business Equipment Business Division of FUJIFILM Corporation
- Jun. 1998 Professor, Institute of Innovation Research, Hitotsubashi University
- Apr. 2001 Director, Institute of Innovation Research, Hitotsubashi University
- Apr. 2004 Professor, Management of Science and Technology, Graduate School, Tokyo University of Science
- Jun. 2008 Director of the Company (current), Member of the Nomination Committee (current), Member of the Compensation Committee (current), and Member of the Independent Committee of Outside Directors (current)
- Apr. 2010 Representative, Institute of Innovation Research (current)

Kimitoshi Yabuki

- Apr. 1987 Admitted to the Tokyo Bar Association
- Apr. 1987 Joined Nagashima Ono Law Office
- Sep. 1991 Joined Covington & Burling LLP
- Feb. 1992 Admitted to the New York State Bar Association
- Jun. 1996 Joined Yabuki Law Office (current)
- Jun. 2000 Corporate Auditor, UPS (Japan) Co., Ltd.

Sep. 2006 Adjunct Lecturer (Economics Law), University of Tokyo School of Law
 Jun. 2008 Director of the Company (current), Member of the Audit Committee (current), and Member of the Independent Committee of Outside Directors
 Apr. 2009 Vice Chairman of the Tokyo Bar Association, Adjunct Lecturer at Waseda Law School (current)
 Jun. 2009 Chair of the Independent Committee of Outside Directors (current)
 Apr. 2010 Professor, Hitotsubashi University Graduate School of International Corporate Strategy (current)

Christina Ahmadjian

Sep. 1982 Joined Mitsubishi Electric Corporation
 Sep. 1987 Joined Bain & Company
 Jan. 1995 Assistant professor at Columbia University Graduate School of Business
 Oct. 2001 Assistant professor at Hitotsubashi University Graduate School of International Corporate Strategy
 Apr. 2004 Professor at Hitotsubashi University Graduate School of International Corporate Strategy
 Sep. 2008 Associate dean and professor at Hitotsubashi University Graduate School of International Corporate Strategy
 Jun. 2009 Director of the Company (current), Member of Audit Committee (current), and Member of Independent Committee of Outside Directors (current)
 Apr. 2010 Dean of Hitotsubashi University Graduate School of International Corporate Strategy (current)

Tokuji Izumi

Apr. 1963 Assistant Judge, Tokyo District Court
 Apr. 1973 Judge, Kanazawa District Court
 Apr. 1983 Judicial Research Official, Supreme Court
 Nov. 1996 Secretary General, Supreme Court
 Mar. 2000 Chief Justice, Tokyo High Court
 Nov. 2002 Judge, Supreme Court
 Feb. 2009 Admitted to the Tokyo Bar Association
 Mar. 2009 Advisor, TMI Associates (current)
 Apr. 2009 Member of the Compliance Committee of the Company
 Jun. 2010 Director of the Company (current), Member of the Independent

Committee of Outside Directors (current), Member of the Nomination Committee, and Chair of the Compensation Committee

Koichi Masuda

Apr. 1966 Joined Yoshiji Tanaka Certified Public Accountant Office
Sep. 1978 Joined Shinwa Audit Corporation
Jul. 1992 Managing Partner, Asahi Shinwa Audit Corporation (currently KPMG AZSA LLC)
Jul. 2001 Deputy Chairman and President, The Japanese Institute of Certified Public Accountants
Jul. 2004 Chairman, Political Federation in The Japanese Institute of Certified Public Accountants
Jul. 2007 Chairman and President, The Japanese Institute of Certified Public Accountants
Oct. 2009 Outside Auditor, Enterprise Turnaround Initiative Corporation of Japan (current)
Apr. 2010 Outside Auditor, NKSJ Holdings, Inc. (current)
Jun. 2010 Director of the Company (current), Chair of the Audit Committee (current), and Member of the Independent Committee of Outside Directors (current)
Jun. 2011 Outside Auditor, The Daishi Bank, Ltd. (current), Outside Auditor, TDK Corporation (current)

Kiyochika Ota

Apr. 1970 Joined Nomura Computing Center Co., Ltd. (currently Nomura Research Institute, Ltd.)
Dec. 1987 Director, Nomura Research Institute, Ltd.
Jun. 1997 Representative Director and Deputy President, Nomura Research Institute, Ltd.
Jun. 2002 Director and Deputy Chairman, Nomura Research Institute, Ltd.
Apr. 2005 Representative Director and President, ARGO 21 Corp. (currently Canon IT Solutions Inc.)
Apr. 2008 Advisor, Canon IT Solutions Inc. (current)
Jul. 2010 Director, Canon MJ IT Group Holdings Inc. (current)
Jun. 2011 Director of the Company (current), Chair of the Nomination Committee (current), Member of the Compensation Committee (current), and

Member of the Independent Committee of Outside Directors (current)

Michikazu Aoi

Apr. 1980 Associate Professor, Graduate School of Business Administration, Keio University

Apr. 1990 Professor, Graduate School of Business Administration, Keio University

Oct. 2001 Dean of Keio Business School, Graduate School of Business Administration, Keio University

Mar. 2006 Outside Director, KFE JAPAN Co., Ltd.

Oct. 2007 Outside Director, Adat Inc. (current)

Jun. 2010 Outside Director, Tokyo Cathode Laboratory Co., Ltd. (current)

Apr. 2011 Professor, Meiji University Graduate School of Global Business (current)

Jun. 2011 Director of the Company (current), Member of the Nomination Committee (current), Chair of the Compensation Committee (current), and Member of the Independent Committee of Outside Directors (current)

Outside Director, Anritsu Corporation (current)