

March 25, 2008

To Whom It May Concern

Name of Listed Company: Taiyo Nippon Sanso Corporation  
Name of Representative: Hirosuke Matsueda, President  
(Code No.: 4091 TSE/OSE/NSE)  
Contact: Norikazu Ishikawa, General Manager of the Public Relations Dept.  
(TEL 03 5788 8015)

### **Notice of Partial Amendment of Articles of Incorporation**

Please be informed that, at the Board meeting held today, the Company resolved to submit the proposal to partially amend the articles of incorporation to the 4<sup>th</sup> general meeting of shareholders to be held on June 27, 2008 as follows:

#### **1. Reason for amendment**

- (1) For the purpose of securing corporate value and thus shareholder value, in order to provide for a gratis issue of stock options to the extent necessary and appropriate as a countermeasure and takeover defense and to enable flexible fundraising activities in future, Article 6 of the current articles of incorporation shall be amended to increase the total number of issuable shares from 800 million to 1,600 million shares.
- (2) A company with a board of directors is entitled to conduct a gratis issue of stock options subject only to a board resolution (the body text of Article 278 Paragraph 3 of the Corporate Law). However, the Company's Board believes that, to carry out a gratis issue of stock options as a takeover defense, in order to conduct such an issue in accordance with the wishes of shareholders, it is desirable to: 1) resolve matters relating to the gratis issue of stock options at a shareholders' meeting; or 2) set certain conditions at a shareholders' meeting and then delegate the authority to determine matters relating to the gratis issue of stock options to the Board, rather than carrying out such an issue subject only to a Board resolution.  
Accordingly, pursuant to the proviso to Article 278 Paragraph 3 of the Corporate Law, a new article shall be added as Article 14 as a supporting provision so that the procedures described in 1) and 2) above can be followed to determine matters relating to a gratis issue of stock options.
- (3) In order to accommodate changes in the business environment and establish an optimal management structure in a flexible manner, in addition to further clarifying management responsibilities during the fiscal year and increasing opportunities to gain the confidence of shareholders, Article 23 shall be amended to reduce the term of office of directors from two (2) years to one (1) year.
- (4) The number of Articles shall be adjusted accordingly.

Note: Details of the takeover defenses, including specific details, have been separately disclosed as of today's date. Please refer to the "Important Notice Regarding Basic Policies for Control over the

Company and Countermeasures against Large-scale Acquisitions of the Company's Shares (Takeover Defense)".

## 2. Details of amendment

The current articles of incorporation and the proposed amendments thereto are as follows (amendments are underlined):

Existing articles of incorporation	Amended articles of incorporation
<p>Article 6 (Total Number of Issuable Shares) The total number of the Company's issuable shares shall be <u>800</u> million shares.</p> <p style="text-align: center;">(New)</p> <p>Article <u>14</u> - Article <u>21</u> (omitted)</p> <p>Article <u>22</u> (Term of Office) The term of office of a director shall end upon the close of the annual meeting of shareholders for the last fiscal year that ends within <u>2</u> years of his/her appointment. <u>2. The term of office of any alternate director shall be equal to the remaining term of office of the original director.</u></p> <p>Article <u>23</u> - Article <u>42</u> (omitted)</p>	<p>Article 6 (Total Number of Issuable Shares) The total number of the Company's issuable shares shall be <u>1,600</u> million shares.</p> <p><u>Article 14 (Decision-making Body for Gratis Issues of Stock Options)</u> <u>The Company shall determine any matters relating to a gratis issue of stock options through a Board resolution, a resolution of the shareholders' meeting or a resolution of the Board as authorized by a resolution of the shareholders' meeting.</u></p> <p>Article <u>15</u> - Article <u>22</u> (the number of each Article shall be adjusted accordingly)</p> <p>Article <u>23</u> (Term of Office) The term of office of a director shall end upon the close of the annual meeting of shareholders for the last fiscal year that ends within <u>1</u> year of his/her appointment. 2 (deleted)</p> <p>Article <u>24</u> - Article <u>43</u> (the number of each Article shall be adjusted accordingly).</p>

## 3. Schedule

Date of shareholders' meeting for amendment of the articles of incorporation: June 27 (Friday), 2008

Effective date of amendment of the articles of incorporation: June 27 (Friday), 2008

End of Document