

## Translation

[**Disclaimer:** The following is meant to be an accurate translation from the original Notice of Shareholders Meeting of Santen Pharmaceutical Co., Ltd. 2003, written in Japanese, and is prepared for the convenience of shareholders outside Japan who have voting rights. However, in the case of any discrepancy between the English translation and the Japanese original, the latter shall prevail. Please be advised that certain expressions for domestic voting procedures that are not applicable to the aforesaid shareholders are omitted or modified to avoid confusion.]

June 4, 2003

### NOTICE OF THE 91<sup>ST</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS OF SANTEN PHARMACEUTICAL CO., LTD.

Dear Shareholder:

We invite you to attend the 91st Annual General Meeting of Shareholders of Santen Pharmaceutical Co., Ltd on June 26, 2003. If you are unable to attend the Meeting, we ask you to exercise your voting rights using one of the following methods, after examining the attached "Reference Materials for Exercise of Voting Rights".

#### (VOTING PROCEDURE FOR REGISTERED SHAREHOLDERS IN JAPAN)<sup>1</sup>

##### **Voting by Mail**

Please fill in the Voting Card<sup>2</sup>, indicating your consent or dissent to the items on the agenda, affix your seal or signature, and return the card to us by mail.

##### **Voting via the Internet**

Please access the Website (<http://www.koushi.ufjtrustbank.co.jp/>) for voting from your personal computer, using the "voting code" and "temporary password" shown on the Voting Card. Please follow the instructions on the screen and indicate your consent or dissent to the items on the agenda.

Yours very truly,

SANTEN PHARMACEUTICAL CO., LTD.

Takakazu Morita  
President & CEO  
9-19, Shimoshinjo 3-chome,  
Higashiyodogawa-ku, Osaka

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Notes:

1 Shareholders outside Japan are not entitled to use these voting procedures.

2 The Voting Card is not included in the English translation.

*Translation*

**AGENDA**

1. **Date and Time:** **Thursday, June 26, 2003** at 10:00 a.m.
2. **Place:** Century Hall on the 5th Floor of the Headquarters Bldg. of Santen Pharmaceutical Co., Ltd.  
9-19, Shimoshinjo 3-chome, Higashiyodogawa-ku, Osaka
3. **Agenda:**

**Reports:**

The Non-Consolidated Balance Sheet as of March 31, 2003; and  
The Non-Consolidated Income Statement and Business Report for the 91st Business Term (April 1, 2002 to March 31, 2003)

**Items of Business:**

- Item No. 1 Approval of the Proposed Appropriation of Retained Earnings for the 91st Business Term**
- Item No. 2 Purchase of Treasury Stock**
- Item No. 3 Partial Amendments to the Articles of Incorporation**
- Item No. 4 Election of Five (5) Directors**
- Item No. 5 Election of Two (2) Corporate Auditors**
- Item No. 6 Grant of Retirement Allowances to Retiring Director**
- Item No. 7 Issuance of Stock Acquisition Rights as Stock Options**
- Item No. 8 Election of Certified Public Accountants**

For details of each item, please see the “Reference Materials for the Exercise of Voting Rights” attached to this notice.

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## REFERENCE MATERIALS FOR THE EXERCISE OF VOTING RIGHTS

1. Total number of voting rights held by shareholders: 877,982
2. Items of Business and Information for Reference:

### Item No.1

#### Approval of the Proposed Appropriation of Retained Earnings for the 91st Business Term

The proposed appropriation of retained earnings is as stated on page 11 of the reference materials.

The Company regards a return of profits to shareholders as a highly important management task. To this end, the Company has been strengthening its profitability based on the continued and stable distribution of dividends, and at the same time, striving to establish the management foundation necessary for future growth. Considering the enhancement of the Company's research and development and the preparation for future operations, which are essential to the Company's future growth, the Board of Directors proposes that term-end dividends be JPY10 per share, the same amount as the previous term (the total dividends for the business term being JPY20 per share including the interim dividend).

### Item No. 2

#### Purchase of Treasury Stock

The Board of Directors proposes that the Company purchases shares of common stock of the Company, limited to 4,000,000 shares with a maximum purchase price of JPY5 billion, during the period from the close of the annual general meeting of shareholders in 2003 to the next ordinary general meeting of shareholders in 2004, pursuant to the provisions of Article 210 of the Commercial Code of Japan, enabling the Company to flexibly implement capital policies in response to changes in economic trends.

### Item No. 3

#### Partial Amendments to the Articles of Incorporation

1. Reason for amendments:
  - (1) The Board of Directors proposes to shorten the office terms of Directors from two years to one year. This requires a change to the current Article 17 (Term of Directors).
  - (2) A change to the provisions of the current Article 24 (Term of Corporate Auditors) is needed to reflect an amendment of a law concerning the extension of office terms of Corporate Auditors: "Law regarding the Partial Amendments to the Commercial Code of Japan and the Commercial Code Special Measures Law concerning Audit, etc. of *Kabushiki Kaisha*" (Law No. 149, 2001) in force on May 1, 2002.
  - (3) "Law regarding the Partial Amendments to the Commercial Code, etc. of Japan" (Law No. 44, 2002), a law which took effect on May 1, 2003, provides new articles such as: making a request for the Company to sell shares constituting less than one unit; establishment of invalidation of share certificates; and a reduction in the quorum required for special resolutions at the general meeting of shareholders. To respond to the amendments, the Company will establish Article 7 (Request for sale of shares constituting less than one unit), and necessary changes will be made to the relevant provisions of the current Article 7 (Transfer agent), Article 8 (Share Handling Regulations) and Article 12 (Resolutions).
  - (4) Due to the establishment of proposed Article 7, Articles thereafter will be renumbered.

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2. Details of amendments

Details of the proposed amendments are as follows.

(Parts proposed to be amended are underlined.)

| Current Articles of Incorporation   | Proposed amendment  |
|---|---|
| Chapter II Shares   | Chapter II Shares   |
| [To be newly established]   | <u>(Request for sale of shares consisting less than one unit (1 tan-i))</u>   |
|   | Article <u>7</u>  |
|   | <u>A shareholder holding shares constituting less than one unit of the Company (including the beneficial shareholders; same shall apply hereinafter) may request the Company to sell specified numbers of shares which shall become one unit of shares if combined with the shares constituting less than one unit already held by such shareholder, pursuant to the Share Handling Regulations.</u>  |
| (Transfer Agent)  | (Transfer Agent)  |
| Article <u>7</u>  | Article <u>8</u>  |
| The Company shall have a transfer agent with respect to its shares.   | The Company shall have a transfer agent with respect to its shares.   |
| The transfer agent and its place of business shall be chosen by resolution of the Board of Directors, and public notice thereof shall be made.  | The transfer agent and its place of business shall be chosen by resolution of the Board of Directors, and public notice thereof shall be made.  |
| The shareholders' register and the beneficial shareholders' register of the Company shall be kept at the place of business of the transfer agent, and registration of transfer of shares, purchase of shares constituting less than one unit and other matters relating to shares shall be handled by the transfer agent, not by the Company.   | The shareholders' register and the beneficial shareholders' register, <u>and the register of lost share certificates</u> of the Company shall be kept at the place of business of the transfer agent, and registration of transfer of shares, <u>registration of lost share certificates</u> , purchase <u>and sale</u> of shares constituting less than one unit <u>by the Company</u> , and other matters relating to shares shall be handled by the transfer agent, not by the Company.  |
| (Share Handling Regulations)  | (Share Handling Regulations)  |
| Article <u>8</u>  | Article <u>9</u>  |
| Denominations of share certificates, registration of transfer of shares of the Company, purchase of shares constituting less than one unit and other matters concerning the handling of shares shall be governed by the Articles of Incorporation as well as the Share Handling Regulations established by the Board of Directors.  | Denominations of share certificates, registration of transfer of shares of the Company, <u>registration of lost share certificates</u> , purchase <u>and sale</u> of shares constituting less than one unit <u>by the Company</u> , and other matters concerning the handling of shares shall be governed by the Articles of Incorporation as well as the Share Handling Regulations established by the Board of Directors.   |
| (Record Date)   | (Record Date)   |
| Article <u>9</u>  | Article <u>10</u>   |
| The Company shall deem those shareholders <u>(including the beneficial shareholders; same shall apply hereinafter)</u> whose names have been entered or recorded in the last shareholders' register and the beneficial shareholders' register as of March 31 of each year as the shareholders who may exercise shareholders' rights at the ordinary general meeting of shareholders held with respect to the business term concerned. In addition to the foregoing and in other case provided by the provisions of Articles of Incorporation, if it is necessary, upon giving prior notice, the shareholders or registered pledgees whose names have been entered or recorded in the last shareholders' register and the beneficial | The Company shall deem those shareholders whose names have been entered or recorded in the last shareholders' register and the beneficial shareholders' register as of March 31 of each year as the shareholders who may exercise shareholders' rights at the ordinary general meeting of shareholders held with respect to the business term concerned. In addition to the foregoing and in other case provided by the provisions of Articles of Incorporation, if it is necessary, upon giving prior notice, the shareholders or registered pledgees whose names have been entered or recorded in the last shareholders' register and the beneficial shareholders' register as of a specified date shall be |

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shareholders' register as of a specified date shall be the shareholders or registered pledgees entitled to exercise shareholders' rights, pursuant to the resolution of the Board of Directors.

### Chapter III General Meeting of Shareholders

Article 10 (Convocation) ~ Article 11 (Person Convening the Meeting and Chairperson)  
(Provisions intentionally omitted)

(Resolution)

Article 12

(Provisions intentionally omitted)

[To be newly established]

Article 13 (Exercise of Voting Rights by Proxy) ~ Article 14 (Minutes)

(Provisions intentionally omitted)

### Chapter IV Directors and the Board of Directors

Article 15 (Number of Directors) ~ Article 16 (Election of Directors)

(Provisions intentionally omitted)

Article 17 (Term of Office of Directors)

The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders held with respect to the last closing of accounts within two years after their assumption of office.

Article 18 (Representative Director and Directors with executive power) ~ Article 21 (Remuneration)

(Provisions intentionally omitted)

Chapter V Corporate Auditors and the Board of Corporate Auditors

Article 22 (Number of Corporate Auditors) ~ Article 23 (Election of Corporate Auditors)

(Provisions intentionally omitted)

(Term of Office of Corporate Auditors)

Article 24

The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders held with respect to the last closing of accounts within three years after their assumption of office.

The term of office of Corporate Auditors elected to fill a vacancy shall be coterminous with the remainder of the term of office of the predecessor who has resigned.

the shareholders or registered pledgees entitled to exercise shareholders' rights, pursuant to the resolution of the Board of Directors.

### Chapter III General Meeting of Shareholders

Article 11 (Convocation) ~ Article 12 (Person Convening the Meeting and Chairperson)

(Same as the current Article 10 ~ Article 11)

(Resolution)

Article 13

(Same as the present Section 1, Article 12)

(2) Resolutions provided for in Article 343 of the Commercial Code of Japan shall be adopted by an affirmative vote of two-thirds or more of the voting rights of shareholders present at the general meeting of shareholders, of which the quorum shall be one-third or more of the voting rights owned by all shareholders.

Article 14 (Exercise of Voting Rights by Proxy) ~ Article 15 (Minutes)

(Same as the current Article 13 ~ Article 14)

### Chapter IV Directors and the Board of Directors

Article 16 (Number of Directors) ~ Article 17 (Election of Directors)

(Same as the current Article 15 ~ Article 16)

Article 18 (Term of Office of Directors)

The term of office of Directors shall expire at the close of the ordinary general meeting of shareholders held with respect to the last closing of accounts within one year after their assumption of office.

Article 19 (Representative Director and Directors with executive power) ~ Article 22 (Remuneration)

(Same as the current Article 18 ~ Article 21)

Chapter V Corporate Auditors and the Board of Corporate Auditors

Article 23 (Number of Corporate Auditors) ~ Article 24 (Election of Corporate Auditors)

(Same as the current Article 22 ~ Article 23)

(Term of Office of Corporate Auditors)

Article 25

The term of office of Corporate Auditors shall expire at the close of the ordinary general meeting of shareholders held with respect to the last closing of accounts within four years after their assumption of office.

The term of office of Corporate Auditors elected to fill a vacancy shall be coterminous with the remainder of the term of office of the predecessor who has resigned.

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|  |  |
|--|--|
| <p>Article <u>25</u> (Full-time Corporate Auditors and Standing Corporate Auditors) ~ Article <u>28</u> (Remuneration)<br/>(Provisions intentionally omitted)</p> <p style="text-align: center;">Chapter VI Accounts</p> <p>Article <u>29</u> (Business year and settlement of accounts)<br/>~ Article <u>33</u> (Period of limitation)<br/>(Provisions intentionally omitted)</p> | <p>Article <u>26</u> (Full-time Corporate Auditors and Standing Corporate Auditors) ~ Article <u>29</u> (Remuneration)<br/>(Same as the current Article 25 ~ Article 28)</p> <p style="text-align: center;">Chapter VI Accounts</p> <p>Article <u>30</u> (Business year and settlement of accounts)<br/>~ Article <u>34</u> (Period of limitation)<br/>(Same as the current Article 29 ~ Article 33)</p> |
|--|--|

**Item No. 4**  
**Election of Five (5) Directors**

The office terms of all Directors expire at the close of this Annual General Meeting of Shareholders. The Board of Directors proposes an election of the following five (5) Directors.

| Candidate No. | Name<br>(Date of birth)                | Career summary<br>(If the candidate holds a position of representative of any other company, a description of the position)  | Number of shares of the Company owned |
|---------------|--|--|---------------------------------------|
| 1             | Takakazu Morita<br>(February 10, 1945) | <p>April 1980 entered the Company</p> <p>November 1980 Head of Office of the President</p> <p>July 1981 Director</p> <p>July 1983 Managing Director</p> <p>July 1987 Senior Managing Director</p> <p>October 1990 President &amp; CEO (incumbent)</p> <p>January 1997 Head of Ophthalmic Research Division</p> <p>May 2002 President &amp; CEO of Santen Holdings US, Inc. (incumbent)</p> <p>Acting as other company's representative:<br/>President &amp; CEO of Santen Holdings US, Inc.</p>            | 133,400 shares                        |
| 2             | Masahiro Mita<br>(November 13, 1949)   | <p>April 1980 entered the Company</p> <p>April 1981 Head of Marketing Department</p> <p>July 1983 Director</p> <p>June 1993 President &amp; Director of Goyo Kigyo Co., Ltd. (incumbent)</p> <p>June 1995 Managing Director (incumbent)</p> <p>June 1998 In charge of Public Relations and Regulatory Affairs</p> <p>May 2001 In charge of Corporate Management and Regulatory Affairs (incumbent)</p> <p>Acting as other company's representative:<br/>President and Director of Goyo Kigyo Co., Ltd.</p> | 234,000 shares                        |
| 3             | Katsuhiro Waga<br>(April 2, 1950)      | <p>April 1987 entered Procter &amp; Gamble Far East, Inc.<br/>Beauty Care Technical Support Manager of Product Supply Operations Division</p> <p>April 1994 resigned from Procter &amp; Gamble Far East, Inc.</p> <p>April 1994 entered the Company</p> <p>October 1995 Deputy Head of Manufacturing Division</p> <p>June 1997 Director (incumbent)</p> <p>June 1997 Head of Manufacturing Division</p>  | 1,000 shares                          |

*Translation*

|   |  |  |  |              |
|---|--|--|--|--------------|
|   |  | April 2000   | Head of Product Supply Division (incumbent)  |              |
| 4 | Akira Kurokawa<br>(September 5, 1952)  | April 1977<br>April 1997<br><br>June 1997<br>June 1998<br><br>May 2001 | entered the Company<br>General Manager, Office of the Head of Sales & Marketing Division Prescription Pharmaceuticals<br>Director (incumbent)<br>Deputy Head of Sales & Marketing Division Prescription Pharmaceuticals<br>Head of Sales & Marketing Division Prescription Pharmaceuticals (incumbent) | 3,000 shares |
| 5 | Kosei Furukawa<br>(September 23, 1935) | April 1986<br><br>June 1998<br>April 1999<br><br>April 1999            | Professor, Graduate School of Business Administration, Keio University<br>Corporate Auditor (incumbent)<br>Honorary Professor, Graduate School of Business Administration, Keio University (to present)<br>Professor, Nakamura Gakuen University (to present)  | 2,000 shares |

(Note 1) None of the above candidates has any special conflict of interest with the Company.

(Note 2) Kosei Furukawa, a candidate for Director, will retire as Corporate Auditor at the close of this Annual General Meeting of Shareholders.

(Note 3) Kosei Furukawa, a candidate for Director, fulfils the requirement for the external Director prescribed in Paragraph 7-2, Section 2, Article 188 of the Commercial Code.

## Item No. 5

### Election of Two (2) Corporate Auditors

The office term of Koji Hori as Corporate Auditor expires at the close of this Annual General Meeting of Shareholders. Another current Corporate Auditor, Kosei Furukawa, is nominated to Director. Therefore, the Board of Directors proposes an election of the following two (2) Corporate Auditors. (The Board of Corporate Auditors has approved the proposal of this Item.)

| Candidate No. | Name<br>(Date of birth)              | Career summary<br>(If the candidate holds a position of representative of any other company, a description thereof is provided.) | Number of shares of the Company owned |
|---------------|--------------------------------------|--|---------------------------------------|
| 1             | Koji Hori<br>(June 16, 1933)         | April 1962 registered as lawyer<br>Established law firm (to present)<br>June 1994 Corporate Auditor (to present)                 | 3,000 shares                          |
| 2             | Tadao Kagono*<br>(November 12, 1947) | April 1988 Professor of Graduate School of Business Administration, Kobe University (to present)                                 | 0 shares                              |

(Note 1) None of above candidates has any special conflict of interest with the Company.

(Note 2) Koji Hori and Tadao Kagono are candidates for external Corporate Auditors prescribed in Section 1, Article 18 of the Law for Special Exceptions to the Commercial Code concerning Audit, etc. of Joint-Stock Companies (*Kabushiki Kaisha*).

Asterisk (\*) shows new election.

**Item No. 6  
Grant of Retirement Allowances to Retiring Director**

The Board of Directors proposes to grant, within reasonable amounts based on the regulations of the Company, a retirement allowance to Kunihiko Shimotsu as compensation for his invaluable service to the Company during the term of his office. Kunihiko Shimotsu retires as Director due to the expiration of his office term at the close of this Annual General Meeting of Shareholders.

It is proposed that the amount, the date and the procedure of the grant be entrusted to the Board of Directors' determination.

The following is a summary of Kunihiko Shimotsu:

| Name              | Career summary |                               |
|-------------------|----------------|-------------------------------|
| Kunihiko Shimotsu | June 1995      | Director                      |
|                   | June 1997      | Managing Director (incumbent) |

**Item No. 7  
Issuance of Stock Acquisition Rights as Stock Options**

The Board of Directors proposes to issue stock acquisition rights under specially favorable conditions to persons other than shareholders of the Company in accordance with the following terms and conditions, pursuant to Article 280-20 and Article 280-21 of the Commercial Code of Japan.

1. Purpose of the issuance of stock acquisition rights under specially favorable conditions to persons other than shareholders: The Company plans to issue stock acquisition rights free of charge to tie directly the compensation of Directors and Corporate Officers of the Company, as well as Directors of the Company's important overseas subsidiaries, to the creation of medium- and long-term shareholder value; to raise the motivation and morale of Directors and Corporate Officers of the Company, as well as Directors of the Company's important overseas subsidiaries, for the improvement of the Company's business results; and to further promote shareholder value and customer satisfaction. As stock acquisition rights shall be issued as stock options, such rights shall be issued free of charge as stated below, and the amount to be paid upon exercise of stock acquisition rights shall be based on the current market price as stated in 2. (5) below.
2. Summary of the issuance of stock acquisition rights:
  - (1) Grantees of stock acquisition rights: Directors and Corporate Executive Officers of the Company, and Directors of the Company's important overseas subsidiaries
  - (2) Class and number of shares to be issued for stock acquisition rights: Maximum of 145,200 shares of common stock of the Company. In case the Company makes a stock split or stock consolidation of its outstanding shares, the number of shares to be issued for stock acquisition rights shall be adjusted in accordance with the following formula. Provided, however, that such adjustment shall be made solely to the number of shares to be issued for stock acquisition rights which have not yet been issued upon the exercise of stock acquisition rights at the time of such stock split or consolidation and any number of share less than one share arising out of such adjustment shall be disregarded:

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Percentages of stock split (or consolidation)}$$

Also, in case stock acquisition rights are succeeded upon merger or consolidation between the Company and other companies or the Company becomes the parent company by share exchange with other companies or the Company enters into a corporate split, the number of shares to be issued for stock acquisition rights shall be appropriately adjusted if deemed necessary.

- (3) Aggregate number of stock acquisition rights: Maximum 1,452 (The number of shares to be issued for one stock acquisition right shall be 100 shares. Provided, however, that in case any adjustment was made to the number of shares to be issued for stock acquisition rights as stated in 2. (2) above,



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the number of shares to be issued for one stock acquisition right shall be adjusted in the same way as stated in 2. (2) above.)

- (4) Issue price of stock acquisition rights: Free of charge
- (5) Amount to be paid upon the exercise of each stock acquisition right: The amount to be paid per share allotted for stock acquisition rights shall be an amount which is the average of the closing price (regular way) of the Company's shares of common stock on the Osaka Securities Exchange on each day (other than any day on which no sale is reported) of the month immediately preceding the date of the issuance of stock acquisition rights. Any amount less than one yen arising out of such adjustment shall be rounded upward to the nearest yen. Provided, however, that if such price is less than the closing price as of the date stock acquisition rights are granted, then such closing price reported on the date stock acquisition rights are granted shall be the amount to be paid. In case the Company issues new shares at a price less than the current market price (excluding the case in which new shares are issued upon exercise of stock acquisition rights), the amount to be paid shall be adjusted in accordance with the following formula and any amount less than one yen arising out of such adjustment shall be rounded upward to the nearest yen:

$$\begin{array}{rcl}
 \text{Amounts to be} & & \text{Number of} \\
 \text{paid after} & & \text{shares issued} \\
 \text{adjustment} & = & + \frac{\text{Number of shares} \\
 & & \text{newly issued} \times \text{Amount paid} \\
 & & \text{per share}}{\text{Market price before stock split or} \\
 & & \text{issuance of new shares}} \\
 & & + \frac{\text{Number of shares} \\
 & & \text{after stock} \\
 & & \text{split or newly issued}}{\text{Number of shares issued}}
 \end{array}$$

- (6) Exercise period of stock acquisition rights: From June 27, 2005 to June 25, 2013
- (7) Conditions of exercise of stock acquisition rights:  
 Directors or Corporate Executive Officers of the Company or Directors of important overseas subsidiaries of the Company who were granted such stock acquisition rights are required to stay in their positions during the exercise period of stock acquisition rights. Provided, however, that such person may exercise such stock acquisition rights which were granted in case such person resigns due to reasonable reasons such as expiration of the term of office, etc. or retires due to any reasonable reason.  
 Partial exercise of stock acquisition rights is only exercisable so long as the number of shares to be issued for stock acquisition rights is an integral multiple of a unit of shares (1 *tan-gen*) of the Company.  
 A successor may exercise stock acquisition rights during the exercise period thereof.  
 Details relating to the exercise of such rights shall be determined in accordance with the agreement with respect to the granting of stock acquisition rights which shall be concluded between the Company and the grantees, pursuant to resolutions to be made at this Ordinary General Meeting of Shareholders and the meeting of the Board of Directors regarding the issuance of stock acquisition rights.
- (8) Events and conditions of cancellation of stock acquisition rights:  
 If a merger agreement, under which the Company shall become the dissolving company, is approved, or if a proposal for approval of a share exchange agreement under which the Company shall become a wholly-owned subsidiary or a proposal for share transfer is approved at a meeting of shareholders of the Company, the Company may cancel stock acquisition rights free of charge.  
 If a grantee is not able to exercise his/her stock acquisition rights as he or she no longer falls under the conditions stated in 2.(7) above before exercising his/her rights, such stock acquisition rights may be cancelled free of charge.
- (9) Transfer restrictions on stock acquisition rights: Transfer of stock acquisition rights shall require approval from the Board of Directors of the Company.

*Translation*

**Item No. 8  
Election of Certified Public Accountants**

The office term of the Company's certified public accountants, Shin Nihon & Co., expires at the close of this Annual General Meeting of Shareholders. The proposal is to elect new certified public accountants. The following is information on the candidate.

The Board of Corporate Auditors has approved the proposal of this Item.

|   |  |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
|---|--|----------|---------------|-----------|--|----------------|--------------------------------------|-----------------|----|------------------------|-----|----------|-----------|-------|-----|
| Name  | AZSA & Co.   |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| Office  | <Principal office><br>Hibiya Kokusai Building, 2-3, Uchisaiwai-cho 2-chome<br>Chiyoda-ku, Tokyo<br><Secondary office><br>Ginsen Bingocho Building, 6-5, Kawara-machi, Chuo-ku, Osaka-shi   |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| History   | Established on February 26, 2003   |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| Outline<br>(As of June 26,<br>2003)<br>(forecast) | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;">&lt;Equity&gt;</td> <td style="text-align: right;">JPY45,000,000</td> </tr> <tr> <td colspan="2" style="text-align: left;">&lt;Members&gt;</td> </tr> <tr> <td style="text-align: left;">Partners (CPA)</td> <td style="text-align: right;">10 (incl. 7 representative partners)</td> </tr> <tr> <td style="text-align: left;">Employees (CPA)</td> <td style="text-align: right;">89</td> </tr> <tr> <td style="text-align: left;">(Assistant Accountant)</td> <td style="text-align: right;">110</td> </tr> <tr> <td style="text-align: left;">(Others)</td> <td style="text-align: right;"><u>71</u></td> </tr> <tr> <td style="text-align: left;">Total</td> <td style="text-align: right;">280</td> </tr> </table> | <Equity> | JPY45,000,000 | <Members> |  | Partners (CPA) | 10 (incl. 7 representative partners) | Employees (CPA) | 89 | (Assistant Accountant) | 110 | (Others) | <u>71</u> | Total | 280 |
| <Equity>  | JPY45,000,000  |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| <Members>   |  |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| Partners (CPA)                                    | 10 (incl. 7 representative partners)   |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| Employees (CPA)                                   | 89   |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| (Assistant Accountant)                            | 110  |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| (Others)  | <u>71</u>  |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| Total   | 280  |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |
| International<br>business                         | Affiliated with KPMG as a member firm  |          |               |           |  |                |                                      |                 |    |                        |     |          |           |       |     |

*Translation*

[Attachment]

Details of the Proposed Appropriation of Retained Earnings for the 91st Business Term

| (JPY)  |                   |
|--|-------------------|
| Unappropriated retained earnings for the Term            | 3,930,409,559     |
| Reversal of special depreciation reserve                 | <u>69,719,036</u> |
| Total  | 4,000,128,595     |
| Proposed appropriation of the above:                     |                   |
| Cash dividend (JPY10 per share)                          | 879,327,380       |
| Bonus to Directors and Corporate Auditors                | 29,800,000        |
| ( Bonus to Directors            JPY21,000,000 )          |                   |
| ( Bonus to Corporate Auditors    JPY8,800,000 )          |                   |
| Special depreciation reserve                             | 215,025,847       |
| Retained earnings to be carried forward to the next Term | 2,875,975,368     |

- (Note 1) An interim dividend totaling JPY906,859,080 (JPY10 per share) was declared on November 29, 2002.
- (Note 2) The amount of reversal and reserve of special depreciation reserve has been determined by deducting the amounts of tax effects from those amounts calculated in accordance with the Special Taxation Measurement Law.