

February 27, 2009

To whom it may concern:

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Notice Regarding Commencement of Tender Offer for Share Certificates of  
NISSHO ELECTRONICS CORPORATION, Listed Subsidiary of the Company

Sojitz Corporation (the "Company") resolved, at a meeting of its Board of Directors held on February 27, 2009, to acquire the share certificates and other securities (collectively, the "Share Certificates") of NISSHO ELECTRONICS CORPORATION (Securities Code: 9865; the "Target Company") through a tender offer (the "Tender Offer") as follows.

1. Purpose of Tender Offer

(1) Summary of Tender Offer

The Company currently owns 11,464,600 shares of common stock issued by the Target Company (the percentage of shares owned by the Company to the total number of shares issued by the Target Company, excluding treasury shares owned by the Target Company (the "Shareholding Percentage") is equal to 43.48%), and the Target Company is a consolidated subsidiary of the Company. The Company will conduct the Tender Offer for the purpose of acquiring all of the shares that have been issued by the Target Company (excluding shares of the Target Company owned by the Company and treasury shares owned by the Target Company) other than those that are owned by Sumitomo Corporation, a major shareholder of the Target Company (having a Shareholding Percentage of 21.85%). The Target Company resolved at its meeting of the Board of Directors held on February 27, 2009 that the Target Company consent to the Tender Offer.

(2) Purpose and Background of Tender Offer

As a general trading company, the Company is engaged in a diverse range of activities, including the manufacturing and sale of a variety of products in Japan and overseas, with a primary focus on the purchase, sale and trading of goods and commodities. The Company also provides comprehensive services to a variety of industries on a global scale. In addition, it plans, arranges, and performs functions as a coordinator of projects, invests in a variety of business areas and engages in financial activities. The Company's corporate group consists of a total of 608 affiliated companies engaged in those businesses (among these companies, 568 companies are accounted for on a consolidated

basis), of which 399 are subsidiaries and 209 are affiliates as of December 31, 2008. The Company organizes its business into five segments: "Machinery & Aerospace," "Energy & Mineral Resources," "Chemicals & Plastics," "Real Estate Development & Forest Products," and "Consumer Lifestyle Business." Among these segments, the Information and Industrial Machinery Unit in the "Machinery & Aerospace" segment is engaged in the ICT (Information and Communication Technology) solution business in the IT services field mainly in the domestic market, including the network integration business, the Internet data center (IDC) business and the corporate IT solution business.

The Company believes that to further enhance the ICT solution business more effectively that it has promoted, it is vital to share a business strategy with the Target Company and to conduct such business in an integrated manner with the Target Company. In addition, the Company considers that the network (information communication facilities)-related businesses of the Target Company can be promoted in the Asia market, which has a high growth potential, by combining the Company's know-how in overseas business, which the Company has accumulated to date as a general trading company, with the basis of the performance of the network-related business attained by the Target Company.

At the same time, in recent years there has been a trend in the IT services industry towards large reorganizations, including corporate mergers and consolidations, aiming to both increase sales volume and enhance functions, in order to survive under increasingly severe business conditions. It is vital for the Company to catch up with such change.

The Target Company is one of the core operating subsidiaries in the Information and Industrial Machinery Unit of the Company and is mainly engaged in ICT solution-related businesses, including the sale of electronics-related devices, the designs of communication networks, and the provision of IT products and services for corporate customers.

The Company has extended its assistance to the operations of the business of the Target Company as a consolidated subsidiary of the Company. However, currently, it is apparent that the domestic ICT solution-related markets, in which the Target Company is mainly conducting its business, have increasingly matured. The domestic business environment for marketing ICT products is anticipated to become more severe in the future due to a shortened life cycle of those products and the decline of unit prices for products, as well as other factors, such as a decrease in the investments in the ICT field by customer companies due to the recent drastic changes in the economic environment. Because of such anticipated domestic business market, overseas expansion, especially into the high growth-potential Asia market is a key challenge. In addition, demands for IT-related services, including the offering of IT functions as a service, resulting from the change in demands of customers, are expected to extend to various industrial fields in the future. In the context of these changes in business conditions, the Target Company's most significant challenge is to continue to drive its growth by providing high added-value ICT solution services while concurrently shifting its primary emphasis on its business from the sale of products to the provision of services and carrying out the enhancement of the function and the expansion of size of its business.

Under these circumstances, in order for both the Target Company and the Company to

overcome the challenges described above, the Company believes it would be most beneficial for both the Target Company and the Company to promptly make appropriate decisions with respect to their business strategies and utilize the customer networks, the know-how of the business operation and the resources of the Company's group more efficiently. While the future organizational structure to promote this business strategy is yet to be decided at this stage, the Company will carry out deliberations together with the Target Company in order to realize the best form of organizational structure.

Furthermore, as a result of the discussions with Sumitomo Corporation, a major shareholder of the Target Company, the Company, the Target Company and Sumitomo Corporation have reached an agreement that the expansion of the Target Company's ICT solution business may be accelerated by forming a strategic alliance between the ICT solution business promoted by the Company and the Target Company and the ICT-related business promoted by the Sumitomo Corporation group. The Company and Sumitomo Corporation entered into a shareholders' agreement concerning the cooperative ownership of the shares of the Target Company as of February 27, 2009.

In light of the above, the Company has decided to conduct the Tender Offer. The Company will, together with the Target Company on a consolidated basis, focus on enhancing its distribution of ICT solution products and services, utilizing the marketing channels cultivated by the Target Company in the course of business with many customers and utilizing the marketing channels of Sumitomo Corporation to pioneer new products inside and outside of Japan.

### (3) Prospects for Delisting

The common stock of the Target Company is currently listed on the First Section of the Tokyo Stock Exchange. However, since the Company has not set a maximum number of Share Certificates to be purchased through the Tender Offer, such common stock may, depending on the result of Tender Offer, be delisted upon the completion of the Tender Offer after the prescribed procedures are taken in accordance with the criteria for delisting (the "Criteria for Delisting") in the Securities Listing Regulations prescribed by Tokyo Stock Exchange, Inc. In addition, even if the Criteria for Delisting are not applicable as a result of the Tender Offer, it is anticipated that all issued shares of the Target Company (excluding treasury shares) will be owned by the Company and Sumitomo Corporation as a result of the procedures stated in "(5) Planned Organizational Restructuring after Tender Offer (Matters Concerning the Squeeze-Out Process)" below to be conducted after the completion of the Tender Offer. In this case, the Criteria for Delisting will be applicable and the common stock of the Target Company will be delisted. If the common stock of the Target Company is delisted, shares of the common stock of the Target Company may no longer be traded on the Tokyo Stock Exchange.

### (4) Matters Concerning Material Agreement between Company and Shareholder of Target Company With Respect to the Application to Tender Offer

The Company has entered into a shareholders' agreement and an agreement with respect to the Tender Offer with Sumitomo Corporation, a major shareholder (having the second

largest Shareholding Percentage), whereby Sumitomo Corporation has acknowledged that it has no intent to tender its shares of the Target Company in the Tender Offer and that it intends to participate in the management of the Target Company in cooperation with the Company after the stock of the Target Company is delisted. Moreover, subject to the successful completion of the Tender Offer, the Company and Sumitomo Corporation have agreed to jointly exercise the voting rights and other rights represented by the shares of the Target Company as described in “(5) Planned Organizational Restructuring after Tender Offer (Matters Concerning the Squeeze-Out Process)” below.

(5) Planned Organizational Restructuring after Tender Offer (Matters Concerning the Squeeze-Out Process)

If the Company is unable to acquire all issued shares of the Target Company (excluding treasury shares) other than the shares held by Sumitomo Corporation through the Tender Offer, the Company intends to undertake, after the completion of the Tender Offer, the procedures whereby the Company and Sumitomo Corporation will, in the aggregate, be able to acquire all issued shares of the Target Company (excluding treasury shares) while offering opportunities to the shareholders of the Target Company, other than the Company and Sumitomo Corporation, to sell their shares.

Specifically, after the completion of the Tender Offer, the Company will request the Target Company to hold an extraordinary general meeting of shareholders with an agenda pursuant to which the Target Company will (a) partially amend the Articles of Incorporation of the Target Company so that the Target Company becomes a Corporation Issuing Class Shares (*shurui kabushiki hakko kaisha*), as defined in the Companies Act; (b) partially amend the Articles of Incorporation of the Target Company after the amendment set forth in (a) above to make all shares of common stock issued by the Target Company redeemable upon the resolution of a shareholders meeting (*zenbu shutoku joko*; a provision concerning the matter set forth in Article 108, Paragraph 1, Item 7 of the Companies Act); and (c) deliver a separate class of shares of the Target Company to shareholders in exchange for the redemption of all such shares of common stock. The Company will also request the Target Company to hold a general meeting of the shareholders as a class to approve the proposal (b) above. The Company and Sumitomo Corporation will cast affirmative votes for each of the proposals above.

If each of the above procedures is implemented, all shares of common stock of the Target Company will be subject to the above redemption provision and will be acquired by the Target Company, except for the treasury shares owned by the Target Company, and a separate class of shares of the Target Company will be delivered to the shareholders of the Target Company in consideration for the redemption. The shareholders of the Target Company who are entitled to receive fractional shares consisting of less than one share in consideration for such redemption will, however, receive cash obtained through the sale of the aggregate number of such fractions (if the aggregate number has a fraction of less than one whole share, such fraction will be rounded off; the same shall apply hereinafter) in accordance with the provisions of Article 234 of the Companies Act and other related laws and regulations. The selling price of the total number of such fractions (and the

amount of cash to be delivered to the shareholders as a result of such sale) will be calculated based on the purchase price of the Share Certificates of the Target Company in the Tender Offer (the "Tender Offer Price"); however, the selling price may differ from the Tender Offer Price due to a difference in the point of time of the calculation. Although the class and the number of shares to be delivered in consideration for such acquisition of shares of common stock, which are subject to the redemption provision, are not yet determined as of the date hereof, the Company intends to request the Target Company to cause the numbers of shares that are to be allocated to the shareholders of the Target Company, other than the Company and Sumitomo Corporation, to be fractions less than one share so that the Company and Sumitomo Corporation will, in the aggregate, be able to own all issued and outstanding shares of the Target Company (excluding treasury shares).

For the purpose of protecting the rights of minority shareholders in the procedures stated in (a) through (c) above, the Companies Act provides that (i) upon the amendment of the Articles of Incorporation to make all shares of common stock issued by the Target Company redeemable, a dissenting shareholder may demand that the Company purchase his or her shares in accordance with the provisions of Articles 116 and 117 of the Companies Act and related laws and regulations and (ii) if the acquisition of all shares that are subject to the redemption provision stated in (c) above is resolved at the above general meeting of shareholders, a dissenting shareholder may file a claim to determine the redemption price of such shares in accordance with Article 172 of the Companies Act and other related laws and regulations. As the decision on the purchase price and the redemption price per share under (i) and (ii) above will be ultimately rendered by the court, the price shareholders will obtain through (i) or (ii) above may be different from the Tender Offer Price. In making a demand or petition under these measures, it is the responsibility of each shareholder to confirm the required procedures and to make the relevant determination of whether to proceed. The Company may implement other measures which have an effect equivalent to that obtained through the procedures stated in (a) through (c) above depending on factors including interpretations of the relevant laws and regulations by the relevant governmental authorities, the status of ownership of Share Certificates by the Company and Sumitomo Corporation after the completion of the Tender Offer and the status of the ownership of Share Certificates of the Target Company by the shareholders of the Target Company other than the Company and Sumitomo Corporation. However, even then the Company will adopt a measure under which the Company will eventually deliver cash to the shareholders of the Target Company, other than the Company and Sumitomo Corporation, so that the Company and Sumitomo Corporation will, in the aggregate, be able to own all shares issued by the Target Company (excluding treasury shares). In this case, the amount of cash to be delivered to such shareholders of the Target Company will be calculated based on the Tender Offer Price, and such amount may be different from the Tender Offer Price.

The Tender Offer is not intended to solicit shareholders' approval in the general meeting of shareholders and the general meeting of the shareholders as a class mentioned above. The shareholders are requested to consult their tax advisors at their own responsibility with respect to the tax consequences of each of the above procedures.

(6) Measures to Secure the Fairness

In order to secure the fairness of the purchase price of the Share Certificates of the Target Company in the Tender Offer, the Company obtained a share valuation report (the "Share Valuation Report") from Nomura Securities Co., Ltd. ("Nomura Securities"), a financial advisor acting as a third party appraiser independent from the Company and the Target Company, and referred to it in determining the purchase price (the Company has not obtained any fairness opinion from Nomura Securities). The purchase price of 1,000 yen per share is a result of the determination that it is proper for the Company to offer an appropriate premium to the market price of the shares of the Target Company held by the existing shareholders. The Company took into consideration the Share Valuation Report, premiums paid in the past by tender offerors other than issuers, the likelihood of obtaining an acceptance of the Tender Offer by the Target Company, the trends in the market price of the shares of the Target Company, the prospects of the applications to the Tender Offer and other factors including the outcome of the discussions and negotiations with the Target Company. The Tender Offer Price of 1,000 yen is a 93.05% (rounded to the nearest hundredth of a percent) premium to 518 yen (rounded to the nearest whole number), the average closing price of the shares of the Target Company for the three months ending on February 26, 2009; 96.85% (rounded to the nearest hundredth of a percent) premium to 508 yen (rounded to the nearest whole number), the average closing price of the shares of the Target Company for the one month ending on February 26, 2009; and 95.31% (rounded to the nearest hundredth of a percent) premium to 512 yen, the closing price of the shares of the Target Company on February 26, 2009, each closing price being the quote on the First Section of the Tokyo Stock Exchange.

In addition, based on the discussions and negotiations with the Target Company, the Target Company carefully examined the conditions concerning the Tender Offer at the meeting of the Board of Directors held on February 27, 2009, taking into consideration the "Preliminary Valuation" obtained from Mitsubishi UFJ Securities Co., Ltd., a third party appraiser independent from the Company and the Target Company. In so doing, the Target Company obtained legal advice from Nishimura & Asahi, a legal advisor to the Target Company to the extent it deemed necessary.

As a result, the Target Company resolved to announce its consent to the implementation of the Tender Offer and the procedures described in (a) through (c) of "(5) Planned Organizational Restructuring after Tender Offer (Matters Concerning the Squeeze-Out Process)" above which are scheduled to be implemented after the completion of the Tender Offer. The Company has been informed that such resolution of the Board of Directors of the Target Company was adopted unanimously by all directors who participated in the resolution. In addition, all of the corporate auditors of the Target Company, including the outside corporate auditors, endorsed the decision of the Board of Directors of the Target Company to announce its consent to the Tender Offer. As mentioned below, in order to prevent conflicts of interest between the Company and the Target Company, two directors of the Target Company, who are also either an executive officer or an employee of the Company, did not participate in the deliberations and the

resolution at the above meeting of the Board of Directors.

In addition, by setting 30 business days as the Tender Offer Period for the Tender Offer, the Company has provided the opportunity for other tender offerors to purchase or otherwise acquire the Share Certificates of the Target Company, further securing the fairness of the Tender Offer.

(7) Preventive Measures against Conflicts of Interest

As the Target Company is a subsidiary (as set forth in Article 2, Item 3 of the Companies Act) of the Company, the Company and the Target Company have not obtained fairness opinions but each obtained advice concerning the share value of the Target Company from third party appraisers independent from the Company and the Target Company, as described above, and have referred to such advice in determining the purchase price or deciding whether to accept the Tender Offer, in order to prevent conflicts of interest. There is no director or corporate auditor of the Company who serves concurrently as an officer of the Target Company.

In addition, the Target Company consulted its legal advisor Nishimura & Asahi with respect to the current business judgment of the Board of Directors and received its advice. Taking that advice into consideration, the Board of Directors of the Target Company deliberated the various terms of the Tender Offer on February 27, 2009. As a result, it determined that the Tender Offer strengthens the business platform of the Target Company, contributes to the reconstruction of the operations and development of the Target Company and that the various terms are appropriate, giving the shareholders of the Target Company an opportunity to sell their Share Certificates at a reasonable price. It resolved that it accepts the Tender Offer and recommends that the shareholders tender their Share Certificates in the Tender Offer.

The Company has been informed that such resolution of the Board of Directors of the Target Company was adopted by the approval of all 4 directors. In addition, all of the corporate auditors of the Target Company, including the outside corporate auditors, endorsed the decision of the Board of Directors of the Target Company to announce its consent to the Tender Offer. In order to prevent conflicts of interest between the Company and the Target Company, Shinichi Kawaratani and Yoshihisa Suzuki, directors of the Target Company who are also an executive officer or an employee of the Company, did not participate in the deliberations and resolution at the above meeting of the Board of Directors of the Target Company.

2. Description of Tender Offer

(1) Description of Target Company

a. Trade Name	NISSHO ELECTRONICS CORPORATION
b. Business Description	Providing IT solutions and related services related
c. Date of Incorporation	February 24, 1969

d. Address of Head Office	3-1, Tsukiji 7-chome, Chuo-ku, Tokyo	
e. Name and Title of Representative	President and CEO, Takao Tsuji	
f. Paid-in Capital	14,336,000,000 yen (as of January 31, 2009)	
g. Major Shareholders and Shareholding Ratio (Note)	Sojitz Corporation	42.19%
	Sumitomo Corporation	21.20%
	The Master Trust Bank of Japan, Ltd.	3.45%
	Japan Trustee Services Bank, Ltd.	3.37%
	UBS AG London Account IPB Segregated Client Account (Standing Proxy: Citibank Japan Ltd.)	1.97%
	Anritsu Corporation	1.84%
g. Major Shareholders and Shareholding Ratio (Note)	CBNYDFA International Cap Value Portfolio (Standing Proxy: Citibank Japan Ltd.)	1.11%

	NISSHO ELECTRONICS CORPORATION 0.87% Employees' Shareholding Association  Hitachi Software Engineering Co., Ltd. 0.73%  SGSS/SGBT LUX 0.70% (Standing Proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)  (as of September 30, 2008)	
h. Relationship between the Company and the Target Company	Capital Relationship	The Company currently owns 43.48% of all issued shares of the Target Company (excluding treasury shares) and the Target Company is a consolidated subsidiary of the Company.
	Personnel Relationship	Two (2) directors out of six (6) directors of the Target Company are either an executive officer or an employee of the Company.
	Transactional Relationship	The Company has mainly delegated system introduction and maintenance services to the Target Company.
	Related Party Relationship	The Target Company is a consolidated subsidiary of the Company.

(Note) The shareholding ratio is the ratio of shares held by each shareholder to all issued shares (including treasury shares) of the Target Company.

(2) Tender Offer Period

- a. Period for Tender Offer Planned at the time of the Filing of the Registration Statement  
From Monday, March 2, 2009 through Monday, April 13, 2009 (30 business days in Japan) (the "Tender Offer Period")
- b. Possible Extension of Tender Offer Period Based on Target Company's Request  
N/A

(3) Tender Offer Purchase Price

1,000 yen per share of common stock

(4) Basis of Calculation of Purchase Price for Tender Offer

a. Basis of Calculation

In determining the Tender Offer Price, the Company referred to the Share Valuation Report submitted on February 27, 2009 by Nomura Securities, the financial advisor to the Company and also a third party appraiser. After reviewing the valuation methods to be used for the Tender Offer, Nomura Securities conducted the share valuation of the Target Company by using the average market price method, the comparable company

method and the discounted cash flow method (the “DCF method”).

According to the Share Valuation Report, the ranges of the value per share of common stock of the Target Company calculated in accordance with the respective methods are as follows:

(i) Average market price method: between 507 yen and 512 yen

Reference Period or Date for the Share Price		Value per Share
Closing Price on the Reference Date for Valuation	February 26, 2009	512 yen
Average for 19 Business Days after Announcement of the Latest Material Event (Note)	from January 30, 2009 through February 26, 2009	507 yen
Valuation Result		between 507 yen and 512 yen

(Note) The latest material event means “Results for the Third Quarter of Fiscal Year Ending March 2009” and “Revision of Forecasts of Financial Results” announced by the Target Company on January 29, 2009.

(ii) Comparable company method: between 380 yen and 916 yen

(iii) DCF method: between 803 yen and 1,475 yen

- (i) In calculating in accordance with the average market price method, the share value was analyzed based on the average share price for 19 business days after the announcement of the latest material event and the closing price on the reference date, setting February 26, 2009 as the reference date and monitoring the share price and trading volume. Share value per share was calculated to be in the range between 507 yen and 512 yen.
- (ii) In calculating in accordance with the comparable company method, the share value of the Target Company was analyzed by comparing the market prices of shares and financial indicators that show profitability of the Target Company with those of other listed companies that operate businesses relatively comparable to those of the Target Company. Share value per share was calculated to be in the range between 380 yen and 916 yen.
- (iii) In calculating in accordance with the DCF method, corporate value and share value were analyzed on the basis of the free cash flow expected to be generated by the Target Company based on the earnings forecast that takes into consideration such factors as the business plan, recent trends in business results and public information of the Target Company. Such free cash flow was discounted at a certain discount rate. Share value per share was calculated to be in the range between 803 yen and 1,475 yen.

In addition to the above, the Tender Offer took into consideration past cases in which a premium was added to the market price in tender offers for shares by non-issuers, the

likelihood of obtaining the Target Company's consent to the Tender Offer, the trends in the market price of the shares of the Target Company, the prospects of applications to the Tender Offer and other factors including the outcome of discussions and negotiations with the Target Company, and concluded and determined that it was appropriate to propose to the existing shareholders a purchase price which was calculated by adding an appropriate premium to the market value of the shares of the Target Company.

The Tender Offer Price of 1,000 yen is a 93.05% (rounded to the nearest hundredth of a percent) premium to 518 yen (rounded to the nearest whole number), the average closing price of the shares of the Target Company for the three months ending on February 26, 2009; 96.85% (rounded to the nearest hundredth of a percent) premium to 508 yen (rounded to the nearest whole number), the average closing price of the shares of the Target Company for the one month ending on February 26, 2009; and 95.31% (rounded to the nearest hundredth of a percent) premium to 512 yen, the closing price of the shares of the Target Company on February 26, 2009, each closing price being the quote on the First Section of the Tokyo Stock Exchange.

b. Background of Calculation

(i) Background of Examination

Since December 2008, the Company and the Target Company began an examination of the growth strategy of the Company's group and have carried out discussions and examinations.

In order for both the Target Company and the Company to overcome the challenges described above, the Company concluded that it would be most beneficial for both the Target Company and the Company to promptly make appropriate decisions with respect to their business strategies and utilize the customer networks, the know-how of the business operation and the resources of the Company's group more efficiently. Furthermore, as a result of the discussions with Sumitomo Corporation, a major shareholder of the Target Company, the Company, the Target Company and Sumitomo Corporation have reached an agreement that the expansion of the Target Company's ICT solution business may be accelerated by forming a strategic alliance between the ICT solution business promoted by the Company and the Target Company and the ICT-related business promoted by the Sumitomo Corporation group, and the Company reached a decision to implement the Tender Offer.

(ii) Name of Third Party that Provided Advice With Respect to the Calculation

In determining the Tender Offer Price, the Company obtained the Share Valuation Report on the share value of the Target Company from Nomura Securities on February 27, 2009. The Company has not obtained any fairness opinion for the Tender Offer Price from Nomura Securities. Nomura Securities is an appraiser independent from the Company and is not a related party of the Company.

(iii) Summary of Advice

In calculating the share value of the Target Company, Nomura Securities conducted a

share valuation of the Target Company by using the average market price method, the comparable company method and the DCF method after examining the financial condition of the Target Company and trends in the market price of the Target Company's common stock. According to the Share Valuation Report, the ranges of share values were evaluated to be:

between 507 yen and 512 yen by using the average market price method,  
between 380 yen and 916 yen by using the comparable company method, and  
between 803 yen and 1,475 yen by using the DCF method.

(iv) Background of the Determination of Purchase Price Based on the Advice

The Company carefully compared the calculated results of each of the methods in the Share Valuation Report, took into consideration past cases in which a premium was added to the market price in tender offers for shares by non-issuers, the likelihood of obtaining the Target Company's acceptance of the Tender Offer, the trends in the market price of the shares of the Target Company, the prospects of applications to the Tender Offer and other factors including the outcome of discussions and negotiations with the Target Company, and determined that it was appropriate to propose to the existing shareholders a purchase price which was calculated by adding an appropriate premium to the market value of the shares of the Target Company. The Company determined the definitive purchase price of the common stock in the Tender Offer to be 1,000 yen per share at the meeting of the Board of Directors of the Company held on February 27, 2009.

(v) Other Measures to Secure the Fairness of the Purchase Price

As described in "1. Purpose of Tender Offer, (6) Measures for to Secure the Fairness" above.

(vi) Preventive Measures against Conflicts of Interest

As described in "1. Purpose of Tender Offer, (7) Preventive Measures against Conflicts of Interest" above.

c. Relationship with Appraiser

The appraiser is not a related party of the Company or the Target Company.

(5) Number of Share Certificates Planned to Be Purchased in the Tender Offer

Class of Share Certificates	a. Number Planned to Be Purchased	b. Minimum Number Planned to Be Purchased	c. Maximum Number Planned to Be Purchased
Share Certificates	9,143,280 shares	— shares	— shares
Certificate of Stock Acquisition Rights	— shares	— shares	— shares
Certificate of Bond with Stock Acquisition Rights	— shares	— shares	— shares
Trust Beneficiary Certificates for Share Certificates ( )	— shares	— shares	— shares
Depository Receipt for Share Certificates ( )	— shares	— shares	— shares
Total	9,143,280 shares	— shares	— shares

(Note 1) The Company will purchase all the tendered Share Certificates without subjecting the Tender Offer to any conditions listed in Article 27-13, Paragraph 4 of the Financial Instruments and Exchange Act (Act No. 25 of 1948 as amended, the “Act”). The maximum number of shares that the Company shall acquire through the Tender Offer (the “Maximum Number of Share Certificates Subject to Purchase”) is the number of shares (14,905,880 shares) calculated by deducting the number of shares owned by the Company (11,464,600 shares) and the treasury shares held by the Target Company (800,432 shares as of December 31, 2008) from the total number of issued shares of the Target Company as of December 31, 2008 (27,170,912 shares), as stated in the Third Quarterly Report for the 41st fiscal year filed by the Target Company. However, as Sumitomo Corporation and the Company have agreed that Sumitomo Corporation shall not participate in the Tender Offer with respect to all the shares owned by Sumitomo Corporation, the number of shares to be purchased through the Tender Offer is 9,143,280 shares, deducting the number of all the shares owned by Sumitomo Corporation (5,762,600 shares) from the Maximum Number of Share Certificates Subject to Purchase.

(Note 2) The Company does not intend to acquire treasury shares held by the Target Company through the Tender Offer.

(Note 3) Shares constituting less than a whole unit shall also be subject to purchase through the Tender Offer. The Target Company may purchase its own shares in accordance with legal procedures during the Tender Offer Period from any shareholder who exercises the right under the Companies Act to require the Target Company to purchase shares constituting less than a whole unit.

## (6) Changes in Ownership Percentage of Share Certificates due to the Tender Offer

Number of Voting Rights Represented by Share Certificates Owned by the Company Prior to the Tender Offer	114,646 units	(Ownership Percentage of Share Certificates Prior to the Tender Offer: 42.59%)
Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties Prior to the Tender Offer	58,000 units	(Ownership Percentage of Share Certificates Prior to the Tender Offer: 21.55%)
Number of Voting Rights Represented by Share Certificates to be Purchased	91,432 units	(Ownership Percentage of Share Certificates After the Tender Offer: 100.00%)
Total Number of Voting Rights of Shareholders and Holders of Other Securities of the Target Company	269,161 units	

(Note 1) The “Number of Voting Rights Represented by Share Certificates Owned by Specially Related Parties Prior to the Tender Offer” is the total number of voting rights represented by Share Certificates owned by each specially related party (excluding the treasury shares held by the Target Company).

(Note 2) The “Total Number of Voting Rights of Shareholders and Holders of Other Securities of the Target Company” is the number of voting rights of all of the shareholders as of September 30, 2008 as described in the Third Quarterly Report for the 41st fiscal year filed by the Target Company on February 10, 2009.

(Note 3) The “Ownership Percentage of Share Certificates prior to the Tender Offer” and “Ownership Percentage of Share Certificates After the Tender Offer” are rounded to the nearest hundredth of a percent.

**(7) Aggregate Tender Offer Price**

9,143 million yen

(Note) The “aggregate tender offer price” is the amount calculated by multiplying the number of the Share Certificates planned to be purchased (9,143,280 shares) by the purchase price per share.

**(8) Method of Settlement**

a. Name and Address of Head Offices of Financial Instruments Business Operators, Banks or Other Institutions in Charge of Settlement

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

JOINVEST Securities Co., Ltd. (Sub-Agent)

15-1, Konan 2-chome, Minato-ku, Tokyo

b. Commencement Date of Settlement

Monday, April 20, 2009

c. Method of Settlement

With respect to those who participated in the Tender Offer through the Tender Offer Agent, a notice of purchase will be mailed to the address of the tendering shareholder or holder of other securities (or the standing proxy in the case of shareholders and holders of other securities (including corporate entities) who reside outside Japan and do not hold an account for the trading of Share Certificates with the Tender Offer Agent) (the “Tendering Shareholders”) promptly after the completion of the Tender Offer Period. With respect to those participating through JOINVEST Securities Co., Ltd., the Sub-Agent, the notice will be delivered in accordance with the method described on the Sub-Agent’s website (<https://www.joinvest.jp/>).

Payment of the purchase price will be made in cash. Tendering Shareholders may receive the purchase price for the Tender Offer in the manner that they instructed, including the method of transfer of funds. (The Tendering Shareholders may be required to pay remittance fees.)

d. Method of Returning Share Certificates

In the event that all of the tendered Share Certificates are not purchased by the Company under the terms set forth in “b. Conditions of Withdrawal of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal” of “(9) Other Conditions and Methods of the Tender Offer” below, the tendered Share Certificates will be returned to the Tendering Shareholders promptly on and after the commencement date of settlement (in the case of withdrawal of the Tender Offer, the date on which the Tender Offer was withdrawn) by restoring the record of the Share Certificates to be returned to its state immediately prior to such application. (If the Tendering Shareholders wish that such Share Certificates be transferred to the account of the Tendering Shareholders opened with other financial instruments business operators, please so instruct.)

(9) Other Conditions and Methods of Tender Offer

a. Conditions Set Forth in Each Item of Article 27-13, Paragraph 4 of the Act  
N/A

The Company shall purchase all the tendered Share Certificates.

b. Conditions of Withdrawal of Tender Offer, Details Thereof and Method of Disclosure of Withdrawal

Upon the occurrence of any event listed in Article 14, Paragraph 1, Items 1.1 through 1.9 and Items 1.12 through 1.18, Items 3.1 through 3.8, as well as Article 14, Paragraph 2, Items 3 through 6 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965 as amended, the “Enforcement Order”), the Company may withdraw the Tender Offer. Should the Company intend to withdraw the Tender Offer, it will give electronic public notice and give notice of such electronic public notice in *The Nihon Keizai Shimbun*; provided, however, if it is deemed difficult to give such public notice on or prior to the last day of the Tender Offer Period, the Company will make a public announcement in such manner as provided for in Article 20 of the Cabinet Office Ordinance Regarding Disclosure of Tender Offer for Shares and Other Securities by Non-issuers (MOF Ordinance No. 38 of 1990 as amended, the

“TOB Ordinance”) and forthwith give public notice.

c. Conditions of Reduction of Purchase Price, Details Thereof and Method of Disclosure of Reduction

Pursuant to Article 27-6, Paragraph 1, Item 1 of the Act, if the Target Company takes any action enumerated in Article 13, Paragraph 1 of the Enforcement Order during the Tender Offer Period, the Company may reduce the purchase price of the Tender Offer pursuant to standards set forth in Article 19, Paragraph 1 of the TOB Ordinance. Should the Company intend to reduce the purchase price for the Tender Offer, it will give electronic public notice and give notice of such electronic public notice in *The Nihon Keizai Shimbun*; provided, however, that if it is deemed difficult to give such public notice within the Tender Offer Period, the Company will make a public announcement in such manner as provided for in Article 20 of the TOB Ordinance and forthwith give public notice. If the purchase price is reduced, the Company will purchase any Share Certificates tendered prior to the date of such public notice at the reduced purchase price.

d. Matters Concerning Tendering Shareholders' Right of Cancellation of Agreement

Tendering Shareholders may, at any time during the Tender Offer Period, cancel any agreement concerning the Tender Offer. In order to cancel any such agreement made through the Tender Offer Agent, the Tendering Shareholders must deliver or mail a written request for the cancellation of the application for the Tender Offer (“Written Request for Cancellation”), enclosing the receipt for the submission of an application for the Tender Offer to the head office or any branch office in Japan of the entities who accepted the application by 15:30 on the last day of the Tender Offer Period. If by mail, the cancellation of the acceptance of the Tender Offer will not be effective unless the Written Request for Cancellation is delivered by 15:30 on the last day of the Tender Offer Period. In order to cancel any such agreement made through JOINVEST Securities Co., Ltd., the Sub-Agent, the Tendering Shareholders must complete the cancellation procedures by 15:30 on the last day of the Tender Offer Period in accordance with the instructions on the Sub-Agent’s website (<https://www.joinvest.jp/>). No compensation for damages or penalty payment will be demanded of any Tendering Shareholders by the Company even if the agreement is canceled by the Tendering Shareholders. The cost of returning the tendered Share Certificates will be borne by the Company.

e. Method of Disclosure if the Conditions or Other Terms of Tender Offer Are Changed

Should any terms or conditions of the Tender Offer be changed, the Company will give electronic public notice and give notice of such electronic public notice in *The Nihon Keizai Shimbun*; provided, however, that if it is deemed difficult to make such public notice on or prior to the last day of the Tender Offer Period, the Company will make a public announcement in such manner as provided for in Article 20 of the TOB Ordinance, and forthwith give public notice. If any terms or conditions of the Tender Offer are changed, the Share Certificates tendered prior to such public notice will also be purchased in accordance with the terms and conditions as changed.

f. Method of Disclosure if Amendment Statement Is Filed

If an amendment statement is filed with the Director-General of the Kanto Local Finance Bureau, the Company will promptly make a public announcement of the contents of such amended statement to the extent such amendments relate to matters included in the public notice of the commencement of the Tender Offer in accordance with the manner set forth in Article 20 of the TOB Ordinance. The Company will also promptly amend the Tender Offer Explanatory Statement and provide the amended Tender Offer Explanatory Statement to the Tendering Shareholders who have received the original Tender Offer Explanatory Statement. If the amendments are limited in extent, however, the Company may, instead of providing an amended Tender Offer Explanatory Statement, prepare and deliver a document stating the reason for the amendments, the matters amended and the details thereof to the Tendering Shareholders.

g. Method of Disclosure of Results of Tender Offer

The Company will announce the results of the Tender Offer in such manner as provided for in Article 9-4 of the Enforcement Order and Article 30-2 of the TOB Ordinance on the day following the last day of the Tender Offer Period.

(10) Date of Public Notice

Monday, March 2, 2009

(11) Tender Offer Agent

Nomura Securities Co., Ltd.

9-1, Nihonbashi 1-chome, Chuo-ku, Tokyo

To delegate a part of its duties, the Tender Offer Agent has appointed the following company as a Sub-Agent:

JOINVEST Securities Co., Ltd. (Sub-Agent)

15-1, Konan 2-chome, Minato-ku, Tokyo

3. Policies Subsequent to the Tender Offer and Outlook

(1) Policies Subsequent to the Tender Offer

Please refer to "1. Purpose of Tender Offer" for the policies subsequent to the Tender Offer.

(2) Outlook of the Impact on Future Business Results

The Company expects that the impact of the Tender Offer on the Company's consolidated business results and non-consolidated business results would be immaterial.

4. Other Matters

(1) Agreements between the Company and Target Company or its Officers

The Board of Directors of the Target Company has consented to the Tender Offer.

(2) Other Relevant Information which Investors May Need in Evaluating the Tender Offer

a. The Target Company filed the Third Quarterly Report of the 41st fiscal year with the

Director-General of the Kanto Local Finance Bureau on February 10, 2009. The summary of consolidated income statement information and other benchmarks included in the quarterly consolidated financial statements in such Quarterly Report is as follows.

(i) Income Statement Information

(in thousand yen)

Term	3rd Quarter of 41st Fiscal Year (Consolidated Cumulative Period) (from April 1, 2008 to December 31, 2008)
Net Sales	34,732,592
Cost of Sales	26,170,058
Selling, General and Administrative Expenses	7,900,237
Non-operating Income	296,033
Non-operating Expenses	31,763
Net Quarterly Loss	(365,960)

(ii) Per Share Information

(in yen)

Term	3rd Quarter of 41st Fiscal Year (Consolidated Cumulative Period) (from April 1, 2008 to December 31, 2008) / End of 3rd Quarter of 41st Fiscal Year (December 31, 2008)
Net Quarterly Loss per Share	(13.61)
Dividend per Share	—
Net Assets per Share	1,264.44

- b. The Target Company published the press release “Revision of Forecasts of Financial Results” on January 29, 2009. A summary of the revision of forecasts of financial results for the full year included in such press release is set forth below:

Revision of the Forecasts of Consolidated Financial Results for the Full Year Ending March 2009 (from April 1, 2008 to March 31, 2009)

	Sales (in million yen)	Operating Income (in million yen)	Ordinary Income (in million yen)	Net Income (in million yen)	Net Income per Share (in yen)
Forecasts Announced in Previous Release (Dated October 29, 2008) (A)	53,000	2,600	2,740	1,200	44.56
Revised Forecasts (B)	50,000	1,700	2,100	400	15.17
Amount of Increase (Decrease) (B-A)	(3,000)	(900)	(640)	(800)	—
Rate of Increase (Decrease) (%)	(5.7)	(34.6)	(23.4)	(66.7)	—
(Reference) Results in Previous Fiscal Year (Fiscal Year Ended March 2008)	54,406	2,324	2,468	(1,753)	(63.53)

Revision of the Forecasts of Non-consolidated Financial Results for the Full Year Ending March 31, 2009 (from April 1, 2008 to March 31, 2009)

	Sales (in million yen)	Operating Income (in million yen)	Ordinary Income (in million yen)	Net Income (in million yen)	Net Income per Share (in yen)
Forecasts Announced in Previous Release (Dated October 29, 2008) (A)	48,000	2,600	2,700	1,200	44.56
Revised Forecasts (B)	45,000	2,100	2,300	500	18.96
Amount of Increase (Decrease) (B-A)	(3,000)	(500)	(400)	(700)	—
Rate of Increase (Decrease) (%)	(6.3)	(19.2)	(14.8)	(58.3)	—
(Reference) Results in Previous Fiscal Year (Fiscal Year Ended March 2008)	49,028	2,533	2,648	(1,920)	(69.59)

Please be advised that pursuant to Article 167, Paragraph 3 of the Financial Instruments and Exchange Act and Article 30 of the Financial Instruments and Exchange Act Enforcement Order, any person who has accessed the information concerning the Tender Offer contained in this press release may be restricted from purchasing or otherwise trading the Share Certificates of NISSHO ELECTRONICS CORPORATION, as a first-hand recipient of information under the regulations on insider trading, for 12 hours from the publication of this press release (i.e., from the afternoon of February 27, 2009, the time this press release was published on the Tokyo Stock Exchange’s Timely

Disclosure Information Access Service. Also, please note that the Company shall not be held responsible for any criminal, civil or administrative changes brought against any person for his/her purchase or other trade.

This press release has been prepared only for the purpose of informing the public of the Tender Offer for the Shares Certificates of NISSHO ELECTRONICS CORPORATION and other issues. This has not been prepared for soliciting sales or purchases. When conducting any sales, shareholders should make appropriate judgments after reviewing the tender offer explanatory statement for the Tender Offer prepared by the Company.

This press release includes business forecasts by the management in the event that the Company acquires NISSHO ELECTRONICS CORPORATION. However, the business results may differ from the forecasts based on various factors.

Neither this press release nor any part hereof constitutes document to subscribe for, solicit the sales of, or solicit applications for the purchase of, securities. Neither this press release (nor any part hereof) nor its distribution shall be interpreted to be the basis of any agreement in relation to the Tender Offer, nor may it be relied on at the time of concluding any agreement.

Certain countries, regions and other jurisdictions may impose certain restrictions on the release, issue or distribution of press releases of this nature under their laws and regulations. In such cases, you are required to comply with such laws and regulations in such countries, regions and other jurisdictions in light of such restrictions. In jurisdictions where the implementation of the Tender Offer is illegal, even if you receive this press release, such receipt shall not constitute any solicitation for the application for the purchase or sale of Share Certificates in relation to this Tender Offer, and this press release shall be deemed as the distribution of information for reference only.