

December 7, 2007

To all the members

Name of the Company: Daiwabo Information System Co., Ltd.

Representative: Hirokazu Matsumoto, President and CEO

(Code: 9912 First Section of Tokyo Stock Exchange/Osaka Securities Exchange)

Contact person: Yoshio Koyama, Managing Director

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Notice of Introduction of a Procedure for Requesting Information Disclosure on Stock Purchases

Daiwabo Information System announce that we decided, at the board of directors meeting held on December 7, 2007, with the aim of securing and improving our corporate value and the common interests of our shareholders, to enact a basic policy on the status of those controlling our financial and business policy decisions (hereafter referred to as basic policy) and to introduce a procedure for requesting the disclosure of appropriate information to our shareholders (hereafter referred to as the policy See 2 Content of the policy for the detailed procedure) if any actions are to be taken that could seriously affect the status of those controlling our financial and business policies.

The policy is designed to ask any person attempting to take such action to provide specific important information so that our shareholders can make appropriate decisions on the action if actions such as the acquisition of our stocks in massive quantities are to be undertaken (hereafter referred to as actions subject to the policy, See 2. (1)). Any person planning to undertake actions subject to the policy is requested to respect the policy in order to secure and improve our corporate value and the common interests of our shareholders. The policy is neither designed to define specific anti-takeover measures nor to provide a basis for immediate counteractions providing equity warrants free of charge, because the policy has been violated. However, the board of directors of Daiwabo Information System is determined to take appropriate actions to secure and improve our corporate value and the common interests of our shareholders based on the rights legally granted to trustees who are obliged to provide good management.

Unless otherwise specified, if any revisions (including changes to names of laws and the enactment of new laws replacing previous laws) to the Corporate Law, Financial Instruments and Exchange Law and any orders, etc. based on these laws (hereafter referred to collectively as Laws) have been made and become effective, each article of

the Laws affected by such revisions and referred to in the policy shall, unless otherwise specified by the board of directors of Daiwabo Information System, automatically be replaced by each corresponding article of the Laws replacing the previous Laws.

1. Basic policy on the status of those controlling our financial and business policy decisions

(1) Efforts to secure and improve our corporate value and the common interests of our shareholders

1) Sources of our corporate value

We are a distributor of a broad range of IT-related products and we are making every effort to offer high added-value to customers across the country by proposing optimal products customized to meet customer demands and by establishing a system to deliver products on the day following the order under the corporate mission of “By offering reliable products and services through a nationwide network, we are committed to contributing to the development of a modern, information-oriented society in harmony with the rest of the world.”

The driving forces behind such corporate activities include 87 business offices closely-linked to communities across the country and 14 dedicated logistics centers in 11 regions as well as internal information infrastructures such as unique sales and inventory control systems developed by Daiwabo Information System. Through such locally oriented sales activities, we have created close relationships with a network of over 15,000 sales stores, enabling us to use the seminars and exhibitions that we organize and our daily sales activities to offer customers both products and up-to-date information obtained continuously from hundreds of our suppliers.

We also provide our suppliers with feedback from customers including market data such as customer needs and demands, to establish better and more reliable relationships with our suppliers through our support for their marketing operations and product development, which helps us procure products under better terms.

Our human resource is at the heart of our corporate value as we, as a distributor, play a bridging role between customers and suppliers. We have established, under the company creed of “Customer service is our number one priority”, reliable relationships with our customers by investing in human resources and internal information infrastructures from a long-term perspective on a stable financial base, by raising awareness of our customer-oriented policy among our employees, by learning advanced and professional skills and by promoting the acquisition of certifications/qualifications. The sources of our corporate value lie in the synergy of such human resources, facilities and information infrastructures established over a long period of time and know-how as to their use, and reliable relationships with customers, suppliers and local communities.

We believe we have to further enhance these sources of our corporate value based on a consistent management principle with mid- and long-term perspectives to improve our corporate value further.

We will continue to make every effort to secure and improve our corporate value and the common interests of our shareholders by taking the actions described below as well as by enhancing the sources of our corporate value.

2) Mid- and long-term efforts to improve our corporate value

We are continuously making efforts to improve our business performance and our corporate value in a stable manner, to maintain our good name as a reliable distributor and to meet the expectations of all of our stakeholders under the heading “Challenge to further growth – Quality and Quantity – <<Shifting a gear for acceleration>>” in order to celebrate our 30th anniversary in 2012.

We have set a basic goal of achieving “No. 1 customer satisfaction and No. 1 market share” in Japan by promoting well-balanced business strategies of “growth”, “profitability”, “efficiency” and “safety” based on the sources of our corporate value developed over a long period of time as mentioned above.

Specifically, we will work on developing business models for new products and new business fields to focus our sales efforts on high value-added products because PCs are being increasingly commoditized and their prices are falling. In particular, the “Cisco Systems” products, for which we have become the only certified distributor in Japan, require our regional sales staff to have highly professional skills that will enable us to develop unique sales strategies by taking advantage of our regional sales offices. We will continue to support our staff by encouraging them to develop highly-professional skills and certifications/qualifications to meet the daunting challenges of cultivating new fields and new markets, which require such skills when selling system construction projects including Cisco Systems products.

Amid diversifying sales models, we will expand our sales opportunities by reducing operational costs by taking advantage of our unique sales and inventory control systems and by enhancing/expanding our efforts in the network business market, which is expected to grow. We will also continue with our system investments to maintain/expand the sources of our corporate value and to respond to the rapidly changing markets.

As part of our financial strategy, we will make efforts to attain the above goal by using funds efficiently, maintaining inventory at appropriate levels and without leverage based on the belief that it is important for us to establish a stable financial basis to stay

competitive in the rapidly-changing markets and to receive products from suppliers on a continuous and stable basis. In addition, we will also consider and implement investments to establish new grounds for further growth through strategic business investments and business alliances including M&A.

Believing that improving our corporate value in a sustainable manner and from mid- and long-term perspectives is crucial for the true benefit of our shareholders, we are in the process of developing a new mid-term management plan scheduled to start in April 2008 based on the idea of pursuing the aforementioned mid- and long-term efforts and further enhancing/expanding our current competitiveness. Once the plan is complete, we will seek approval for it from our shareholders/investors without delay.

3) Efforts to enhance corporate governance and improve transparency

We have worked hard to achieve an efficient decision-making process and a clear definition of the responsibility of our executive directors based on the belief that efforts to enhance corporate governance and to improve transparency as well as to focus on compliance are indispensable for securing and improving our corporate value and the common interests of our shareholders.

Specifically, we have reduced the tenure of all directors from 2 years to 1 year by revising the articles of incorporation in order to clearly define directors' responsibilities to shareholders. In addition, we also plan to consider and propose an enhancement of the supervisory function by increasing the number of external independent directors as well as to review the directors' compensation package as a whole as part of efforts to realize highly transparent and streamlined personnel and compensation systems.

At the same time, we will work energetically to establish long-term and reliable relationships with our shareholders by enhancing our IR activities. This will include sponsoring briefings for institutional investors and securities analysts and participation in exhibitions for individual investors.

(2) Basic policy on the status of people controlling our financial and business policy decisions

Our efforts to secure and improve our corporate value and the common interests of our shareholders are described in (1) above. Some of those purchasing our stocks in massive quantities lack an understanding of the sources of our corporate value and, depending on their purchasing behavior, may impair our corporate value and the common interests of our shareholders.

Some examples of acquisitions that we think may impair our corporate value and the

common interests of our shareholders include the following: an acquisition intended to transfer know-how, trade secrets, intellectual property, suppliers and customers, all of which are required for our long-term and sustainable development, to the acquirer or its group company, etc. by temporarily controlling our management; an acquisition intended to use our assets, etc. for the repayment of or as collateral for the acquirer's own debts after gaining control over our management; an acquisition intended to seek one-time high returns through the sacrifice of our long-term and sustainable growth by depleting assets and funds reserved for the future expansion of our business and/or development of products, etc. through temporary control of our management; or an acquisition with the intention to sell our stocks at extravagant prices to us or our affiliates with no intention of participating in our management (so-called "green-mailer" activity), etc. Other examples include an acquisition where the purchaser initially acquires up to 51% of our stocks but does not offer to acquire the remaining stocks and does not disclose any conditions or alternatively discloses conditions that make additional acquisitions disadvantageous, the result being that our shareholders are virtually forced to sell their stocks, or impairing the interests of our shareholders who own our stocks as minority shareholders.

We believe that it is preferable for those controlling the financial and business policy decisions of Daiwabo Information System to fully understand the sources of our corporate value and to contribute to securing and improving our corporate value and the common interests of our shareholders.

We believe that our shareholders should have the final say over the acceptance or rejection of offers to acquire our stocks as we are a publicly traded company.

On the other hand, to allow our shareholders to make decisions about the status of those controlling our financial and business policy decisions, we believe it is important for an acquirer to provide sufficient time and information for us to consider the management policies and business plans intended by the acquirer, and the impact of the acquisition proposal on our shareholders, our management and any other parties concerned, etc.

For these reasons, the policy defined by the board of directors of Daiwabo Information System asks an acquirer to provide information about its purchase of our stocks so that our shareholders can appropriately determine, with sufficient time and information for consideration, whether or not the acquirer and its purchase of our stocks would secure and improve our corporate value and the common interests of our shareholders. The policy is also designed to secure opportunities for the board of directors of Daiwabo Information System to express its formal opinions on the acquisition attempt and present any alternative proposals for the benefit of our shareholders.

2. Content of the policy

The policy describes procedures for asking an acquirer to provide relevant information and for securing opportunities for the board of directors of Daiwabo Information System to consider and express its formal opinions on the acquisition attempt and present any alternative proposals for the benefit of our shareholders so that our shareholders can appropriately determine, with sufficient time and information for consideration, whether or not the acquirer and its purchase of our stocks would secure and improve our corporate value and the common interests of our shareholders in the event that any actions are to be taken that could seriously affect the status of those controlling the financial and business policy decisions of Daiwabo Information System including the acquisition of our stocks in massive quantities.

We request that no acquirer initiate the “actions subject to the policy (See 2. (1) below) until the end of the policy consideration period (See (4) (a) below).

(1) Actions subject to the procedures of the policy (actions subject to the policy”)

Actions subject to the policy shall be any of the following 1) to 3) (except for actions approved in advance by the board of directors of Daiwabo Information System) (hereafter referred to as actions subject to the policy):

1) A TOB¹ aimed at achieving 20% or more of our total stocks² owned by a TOB Group (Note 1) after tender offers, etc.³ of certificates of stocks that we have issued⁴. This includes a TOB made by any acquirer who already owns 20% or more our stocks on the effective date of the policy.

(Note 1) A “TOB Group” shall be a group⁵ comprising the takeover bidder him/herself

¹ The TOB defined in Article 27.2.6 of the Financial Instruments and Exchange Law. The same definition applies unless otherwise specified in this document.

² Percentage calculated by including any persons belonging to a TOB Group (excluding the takeover bidder him/herself and his/her special affiliate) as special affiliates defined in Article 27.2.8 of the Financial Instruments and Exchange Law and based on the percentage of stocks owned by a party defined in said Article. The same applies unless otherwise specified in this document. A special affiliate shall be as defined in Footnote 6.

³ Tender offers defined in Article 27.2.1 of the Financial Instruments and Exchange Law. The same definition applies unless otherwise specified in this document.

⁴ Certificates of stocks, convertible bonds or any other certificates of stocks defined in Article 27.2.1 of the Financial Instruments and Exchange Law.

⁵ The scope of a “TOB Group” shall be reasonably determined by the board of directors of Daiwabo Information System (by taking the opinions of the independent committee into consideration as necessary) in order to prevent any acquisitions deviating from the intentions defined in the policy.

and his/her special affiliate⁶, any person who virtually stocks interest with the takeover bidder or the special affiliate and any person virtually controlling, controlled by or enjoying joint control with these persons or any person who takes actions jointly or in collaboration with these persons. In the event that the takeover bidder is a union or some other fund, the nature of the fund manager and any other factors shall be taken into consideration.

2) Tender offers or any other actions (agreement with another shareholder and any other actions including actions in which the other shareholder is a joint holder) which are performed by a holder group (Note 2) of certificates of stocks that we have issued⁷ and which will increase the percentage⁸ of our stocks owned by the holder group to 20% or more after the tender offers or the actions. For any holder group that already owns 20% or more of our stocks on the effective date of the policy, any actions designed to increase the percentage of our stocks owned by the Group by 1% or more shall be included.

(Note 2) A “holder group” shall be a group⁹ comprising a holder¹⁰ of certificates of stocks that we have issued and his/her joint holders, any person who virtually stocks interest with the holder or the joint holders and any person virtually controlling, controlled by or enjoying joint control with these persons or any person who takes actions jointly or in collaboration with these persons. In the event the holder is a union or any other fund, the nature of the fund manager and any other factors shall be taken into consideration.

3) Actions taken by a holder group owning 20% or more of our stocks solely with the intension reducing the total number of our outstanding stocks or the voting rights through our actions such as acquisition through share buyback and any other actions,

⁶ A special affiliate defined in Article 27.2.7 of the Financial Instruments and Exchange Law.

⁷ Certificates of stocks, convertible bonds or any other certificates of stocks defined in Article 27.23.1 of the Financial Instruments and Exchange Law. The same definition applies unless otherwise specified in this document.

⁸ Percentage calculated by including any persons belonging to a holder group (excluding a holder of certificates of stocks and any joint holders) as joint holders defined in Article 27.23.4 of the Financial Instruments and Exchange Law and based on the percentage of stocks owned by a party defined in the said Article. The same definition applies unless otherwise specified in this document.

⁹ The scope of a “holder group” shall be reasonably determined by the board of directors of Daiwabo (by taking the opinions of the independent committee into consideration as necessary) in order to prevent any acquisitions deviating from the intentions defined in the policy.

¹⁰ A holder defined in Article 27.23.1 of the Financial Instruments and Exchange Law, including any person perceived as a holder under Article 27.23.3 of said Law.

and any actions designed to increase the percentage of our stocks owned by the Group by 1% or more.

(2) Independent committee

(a) Establishment of independent committee

We shall establish an independent committee upon implementation of the policy.

The independent committee shall consider, with a view to achieving objectivity, the rationality and transparency of the procedures described in the policy, information furnished by any person attempting to take the actions subject to the policy, the content of the actions subject to the policy, the opinions we should express on the actions subject to the policy and any other matters stipulated by the board of directors of Daiwabo Information System that are necessary for us to move forward with the procedures in accordance with the policy and shall inform the board of directors of Daiwabo Information System of the results of the consideration. The board of directors of Daiwabo Information System shall take full account of the results of the independent committee in moving forward with the procedures described in the policy.

(b) Members of independent committee

The independent committee shall consist of 3 or more committee members.

The committee members shall be selected by the board of directors of Daiwabo Information System from among our external directors, external auditors and external specialists who are independent of our executive management in order for the independent committee to make fair and neutral decisions.

The committee members shall include at least one external director of Daiwabo Information System, and external specialists who are to become committee members shall sign an agreement with us containing provisions regarding the obligations of a good manger defined separately by the board of directors of Daiwabo Information System.

The initial members of the independent committee established upon the implementation of the policy shall be Yasuo Waki, our external director, and Akitaka Nakata and Hirokazu Yamamoto, external specialists (See "Exhibit 1" for the personal history of each member).

(c) Operation of independent committee

Resolutions of the independent committee shall, in principle, be approved by a majority at meetings attended by all the members of the independent committee.

(3) Information to be furnished by a person attempting to take the Actions Subject to the policy

(a) Presentation of outline of actions related to the purchase of our stock

We request that any person attempting to take the actions subject to the policy provide our president, prior to initiating the actions, with an outline of actions related the purchase of our stock document of stock purchase in our predefined format describing the name and the address of the group to which the person attempting to take the actions belongs (TOB Group and holder group (including other shareholders who become joint holders described in (1) 2))), the law under which the group is established, the name of the representative and the group's contact in Japan and a general description of the actions the group plans to initiate.

(b) Request for a list required information

i The board of directors of Daiwabo Information System shall decide, after taking full account of the opinions of the independent committee, the content of information on the group of the person attempting to take the actions and on the actions (hereafter referred to as required information) to be initially requested from the person, and shall provide the group with a list of the required information within 10 business days upon receipt of the outline of actions related the purchase of our stock.

When requesting sufficient required information for the board of directors of Daiwabo Information System to establish its formal opinions and for our shareholders to make appropriate decisions with respect to the actions subject to the policy, the independent committee shall consider the required information based on the outline of actions related the purchase of our stock presented according to 2 (3) (a) above and shall inform the board of directors of Daiwabo Information System of the results. See Exhibit 2) for the general items included in the required information. The details of the information to be included in a list of the required information may vary depending on the profile of the group, the purpose and the content of the actions subject to the policy.

A person attempting to take the actions subject to the policy shall be requested to present us with the required information based on the list without delay upon receipt of the list of the required information.

ii In the event that the board of directors of Daiwabo Information System deems it necessary for (4) described below to be considered and the other procedures described in the policy, it may request, based on the opinions of the independent committee, the group of the person attempting to take the actions to present additional information.

iii The board of directors of Daiwabo Information System shall disclose, in an

appropriate manner based on the relevant laws as well as the rules and regulations of stock exchanges etc., information received from the group of the person attempting to take the actions (including the outline of actions related the purchase of our stock, the required information, additional information and any information received for any other reasons). In the event such information includes information that we consider to be highly confidential with respect to the group, we shall discuss the handling of such information with the group in a sincere manner.

(4) Consideration of the actions subject to the policy by board of directors of Daiwabo Information System and independent committee

(a) Consideration of the actions subject to the policy by board of directors of Daiwabo Information System

i The board of directors of Daiwabo Information System shall consider its formal opinions about the group of the person attempting to take the actions and the actions subject to the policy within 60 business days of the completion of a list of the required information (hereafter referred to as policy consideration period). The policy consideration period may be extended for acceptable reasons based on the opinions of the independent committee (The reasons for such an extension shall be disclosed as necessary).

ii The board of directors of Daiwabo Information System may, as necessary, consider alternative plans for the actions subject to the policy and/or discuss and negotiate with the group of the person attempting to take the actions with regard to the actions subject to the policy during the policy consideration period.

(b) Consideration of the actions subject to the policy by independent committee

i The independent committee shall hold any necessary discussions based on the content of the actions subject to the policy, the content of the alternative plans proposed by the board of directors of Daiwabo Information System and discussions and negotiations between Daiwabo Information System and the group to decide its formal opinions (including the opinions described in 1) and 2) below, hereafter independent committee opinions) on the group of the person attempting to take the actions and the actions subject to the policy within the policy consideration period, and shall inform the board of directors of Daiwabo Information System of the results.

1) Opinions on whether or not the actions subject to the policy are applicable to the “actions subject to inappropriate acquisitions, etc.” described in Exhibit 3).

2) Opinions on information necessary for our shareholders to make appropriate decisions on the group of the person attempting to take the actions and the actions subject to the policy.

ii The independent committee may request the board of directors of Daiwabo Information System to present the progress status of the consideration on actions subject to the policy by the board of directors of Daiwabo Information System, alternative plans (if any) and any other information the independent committee deems necessary to make decisions on its opinions. The independent committee may also request our suppliers, customers and any other interested parties to provide information.

(5) Expression of opinions on actions subject to the policy by board of directors of Daiwabo Information System

The board of directors of Daiwabo Information System shall take full account of the opinions of the independent committee when reaching its formal opinions about the group of the person attempting to take the actions and the actions subject to the policy and to decide on information (including the information described in 1) through 5) below) that is beneficial to our shareholders when reaching their appropriate decisions and the content of information we should disclose.

1) Our opinions on whether or not the actions subject to the policy are applicable to the “Actions subject to inappropriate acquisitions, etc.” described in Exhibit 3).

2) In addition to 1) above, our opinions on the group of the person attempting to take the actions and the actions subject to the policy

3) Content of alternative plans on the actions subject to the policy, if any, proposed by the board of directors of Daiwabo Information System

4) Content and progress of discussions and negotiations between us and the group on the actions subject to the policy

5) Information we should disclose to our shareholders to allow them to reach appropriate decisions on the group of the person attempting to take the actions and the actions subject to the policy

3. Other

The policy shall become effective on this day, and the renewal of the policy shall be considered at the first meeting of the board of directors of Daiwabo Information System to be held following the annual general meeting of the shareholders.

We will disclose information on the progress of the procedures of the policy in a timely and appropriate manner. We ask our shareholders to pay close attention if any of our stocks are acquired or any other actions are taken.

Exhibit 1)

Independent committee members: Personal History

Akitaka Nakata

[Brief history] April 1967: Legal apprentice

April 1969: Assistant judge at Wakayama District Court

January 2001: Chief Justice at Kyoto District Court

September 2004: Chief Justice at Osaka Family Court

April 2007: Mandatory retirement from Osaka Family Court

April 2007 to present: Legal Professor at Kyoto University Law School

October 2007 to present: Lawyer at "Kusunoki Lawyers Office"

Hirokazu Yamamoto

[Brief history] April 1967: Joined National Police Agency

September 1990: Tochigi Police Commissioner

August 1993: Senior Councilor of Commissioner General's Secretariat of National Police Agency

March 1997: Traffic Bureau Director of National Police Agency

January 1998: Osaka Police Commissioner

June 1999: Managing Director of Kansai International Airport, Co., Ltd.

June 2004 to present: Chief Executive Director of Universal Traffic Management Society of Japan

Yasuo Waki

[Brief history] April 1964: Daiwabo Co., Ltd.

June 1993: Director of Daiwabo Co., Ltd.

April 1999: President of Daiwa Shizai Co., Ltd.

June 1999: Retirement as Director of Daiwabo Co., Ltd.

May 2003: Retirement as President of Daiwa Shizai Co., Ltd.

June 2004 to present: Auditor of Daiwabo Information System Co., Ltd.

Exhibit 2)

Outline of required information

Note: The following items are constitute an outline of the generally perceived items of the Necessary Information:

- 1) Items related to the group of the person attempting to take the action
- 2) Items related to the purposes, methods and content of the actions subject to the policy
- 3) Items related to the calculation of the acquisition prices of the actions subject to the policy
- 4) Items related to the acquisition funds for the actions subject to the policy
- 5) Items related to management policies and business plans, etc. of Daiwabo Information System and our group companies after the completion of the actions subject to the policy
- 6) Items related to the third party if any third party is available for contact on the actions subject to the policy
- 7) Items related to the transfer and the third party if any transfer of certificates of our stocks to any third party is planned in relation to the actions subject to the policy
- 8) Items related to the compliance of the actions subject to the policy and the relevant prior actions with Financial Instruments and Exchange Law and other laws
- 9) Items related to any relations with any antisocial or terrorist organizations
- 10) Any other items the board of directors of Daiwabo Information System or the independent committee deem necessary with regard to the actions subject to the policy

Exhibit 3)

Actions subject to inappropriate acquisitions, etc.

1) Any actions similar to any of the following:

(a) Actions to purchase our stocks and demand that we or any relevant parties buy the stocks at extravagant prices

(b) Actions to seek gains for the group of the person attempting to take the actions and the relevant parties to the detriment of Daiwabo Information System by, for example, transferring our important assets, etc. through temporary control of our management

(c) Actions to use our assets for the repayment of or as collateral for the group of the person attempting to take the actions and the relevant parties' own debts

(d) Actions to seek one-time high returns to the detriment of our long-term and sustainable growth by reducing the assets and funds reserved for the future expansion of our business, development of products, etc. through temporary control of our management

(e) Any other actions to seek gains for the group of the person attempting to take the actions and the relevant parties by unreasonably impairing the interests of concerned parties including our shareholders, suppliers, customers and employees.

2) Actions subject to the policy whose trading mechanism and content do not comply partially or wholly with relevant laws and regulations

3) Actions subject to the policy whose trading mechanism and content are likely to effectively force our shareholders to accept the acquisitions based on the actions subject to the policy

4) Actions subject to the policy in which non-falsified information necessary for us to consider the Actions subject to the policy is not provided in a timely manner at our request and no sincere response is made in accordance with the procedures of the policy

5) Actions proposing conditions that we deem insufficient or inappropriate in terms of our basic and underlying standards

6) Actions that are reasonably considered to be not detrimental as regards securing and improving our corporate value and the common interests of our shareholders.