

To Our Shareholders:

2-30-1 Namiki, Kawaguchi-shi, Saitama

## **Enplas Corporation**

Daisuke Yokota, President

# Notice of the 54th Annual Meeting of Shareholders

Enplas Corporation (Company) hereby requests shareholders to attend the Company's 54th Annual Meeting of Shareholders as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights in writing or through the Internet. We kindly request you to read the following Reference Document for the Annual Meeting of Shareholders, and exercise your voting rights in accordance with the guidance on page 3 by 5:00 p.m., June 25, 2015 (Thursday).

Sincerely yours,

1. **Date:** 10:00 a.m., June 26 (Friday), 2015
2. **Venue:** 3-1-1 Kawaguchi, Kawaguchi-shi, Saitama  
1F, Exhibition Hall, Public Interest Incorporated Foundation  
Kawaguchi Cultural Center (Lilia)
3. **Purposes:**  
**Items to be reported:**
  1. The business report, the consolidated financial statements, and the results of consolidated financial statement audits by the Accounting Auditor and the Board of Corporate Auditors for the 54th business period (April 1, 2014 to March 31, 2015)
  2. The non-consolidated financial statements for the 54th business period (April 1, 2014 to March 31, 2015)

**Items to be resolved:**

- Agenda Item No. 1:** Partial Amendments to the "Articles of Incorporation"
- Agenda Item No. 2:** Election of Three (3) Directors (excluding Audit Committee members)
- Agenda Item No. 3:** Election of Three (3) Directors who are Audit Committee members
- Agenda Item No. 4:** Election of One (1) Director who is a Substituting Audit Committee member
- Agenda Item No. 5:** Amount of Compensation for Directors (excluding Audit Committee members)
- Agenda Item No. 6:** Amount of Compensation for Directors who are Audit Committee members
- Agenda Item No. 7:** Payment of Bonuses to Directors
- Agenda Item No. 8:** Renewal of Countermeasure to Large-scale Acquisition of the Company's Shares

#### **4. Information on Exercise of Voting Rights.**

- (1) If your voting rights are exercised through a voting rights exercise form, and you submit a voting rights exercise form without indicating your vote for or against each of the proposals, your vote will be counted as “in favor” for all proposals.
- (2) If your voting rights are exercised both by a voting rights exercise form and through the Internet, voting through the Internet shall prevail.
- (3) If your voting rights are exercised more than once through the Internet, your final vote shall prevail.
- (4) Please return your complete voting rights exercise form so that it will arrive by 5:00 p.m., Thursday, June 25, 2015.
- (5) Please complete exercising your voting rights through the Internet by 5:00 p.m., Thursday, June 25, 2015.
- (6) If you do not attend the Annual Meeting of Shareholders, you may attend through another shareholder holding voting rights of the Company as your proxy; provided, however, that a document verifying the proxy must be submitted.

#### **5. Information on Exercise of Voting Rights through the Internet**

- (1) For exercising your voting rights, please access the Website for Voting Rights Exercise below from a PC, cellular phone or smartphone, read the “Notes” on the voting rights exercise form, enter the voting rights exercise code and password, and follow the instructions on the screen.  
Website for Voting Rights Exercise <http://www.tosyodai54.net>
- (2) Please note that for the access to the “Website for Voting Rights Exercise,” communication charges for telephone, etc. and access charges for providers will be borne by each shareholder.

For Inquiries about exercise of voting rights through the Internet Administrator of Shareholder Registry: Tokyo Securities Transfer Agent Co., Ltd. Phone: 0120-88-0768 ( Toll free ) Business Hours: 9:00 – 21:00
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#### **6. Information on Disclosure on the Internet**

- (1) Among the documents that should be attached to the Notice of the Annual Meeting of Shareholders, the following matters are listed on the Company’s website; therefore, they are not included among the documents attached to this Notice of the Annual Meeting of the Shareholders, pursuant to applicable laws and regulations, and the “Articles of Incorporation” of the Company:
  - (a) System to Ensure Appropriateness of Operations of the Company
  - (b) Basic Policy for Controlling the Company
  - (c) Notes to the Consolidated Financial Statements
  - (d) Notes to Specific Items of the Non-consolidated Financial Statements
- (2) If there are any revisions to the Reference Document for the Annual Meeting of Shareholders, the business report, and/or the consolidated and the non-consolidated financial statements, such revisions will be listed on the Company’s website.
- (3) The voting results will be posted on the Company’s website in lieu of sending written notice of voting results to shareholders.

The Company’s website: <http://www.enplas.co.jp>

( When attending the meeting, we kindly request that you submit the enclosed voting rights exercise form to the receptionist at the venue. )

## Reference Document for Annual Meeting of Shareholders

### Meeting Agenda and Reference Matters

#### Agenda Item No. 1: Partial Amendments to “Articles of Incorporation”

1. Reason for amendments

The Company, to enhance the Company’s audit and supervision function and further improve its corporate governance, wishes to make a transition to a Company with Audit Committee that can appoint Directors who have the authority to exercise voting rights at a Board of Directors Meeting (including more than one Outside Directors) to Audit Committee members who have the authority to audit and supervise.

In addition, the Company wishes to establish a provision that allows the Company to exempt Directors from their liabilities within the extent set forth in the “Companies Act” and a provision that allows the Company to enter into a liability limitation agreement with Directors who do not directly engage in the Company’s operations, so that the Company may easily bring on board appropriate personnel as Directors, and all Directors may fully play their expected roles. The said provisions have been approved by each of the Corporate Auditors.

Further, the numbers of articles of the “Articles of Incorporation” will be changed in accordance with the said amendments.

2. Details of Amendment

Details of the amendments are as follows.

The resolution of the amendments to the “Articles of Incorporation” shall take effect at the conclusion of this Annual Meeting of Shareholders.

( Underlined portions are amended )

Pre-Amended Articles of Incorporation	Post-Amended Articles of Incorporation
Chapter 1. General Provisions	Chapter 1. General Provisions
Article1. ~ Article3.(Omitted)	Article1. ~ Article3. ( Same as existing one )
(Organizational Bodies)	(Organizational Bodies)
Article 4. The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors.	Article 4. The Company shall have the following organizational bodies in addition to the general meeting of shareholders and Directors.
1. Board of Directors.	1. Board of Directors.
2. <u>Corporate Auditors.</u>	2. <u>Adult Committee.</u>
3. <u>Board of Corporate Auditors.</u>	(Deleted)
4. Independent Auditors.	3. Independent Auditors.
Article5. ~ Article19. ( Omitted )	Article5. ~ Article19. ( Same as existing one )
Chapter 4. Directors and the Board of Directors	Chapter 4. Directors and the Board of Directors, <u>and Audit Committee</u>
(Number of Directors)	(Number of Directors)
Article 20. The number of directors of the Company shall be not more than <u>fifteen (15)</u> .	Article 20. The number of directors of the Company ( <u>excluding those appointed as members of Audit Committee</u> ) shall be not more than <u>ten (10)</u> .
	<u>The number of directors of the Company appointed as members of Audit Committee shall be not more than four (4).</u>
(Election of Directors)	(Election of Directors)
Article 21. Directors shall be elected by resolution of	Article 21. Directors shall be elected by resolution of

<p>a general meeting of shareholders.</p> <p>( Omitted )</p> <p>( Omitted )</p> <p>(Term of Office)</p> <p>Article 22. The term of office of a director shall continue until the conclusion of the ordinary general meeting of shareholders held in respect of the last business year ending within one (1) year after the time of his/her election.</p> <p>(Representative Directors and Directors with Titles)</p> <p>Article 23. The Board of Directors shall by resolution select representative directors.</p> <p>( Omitted )</p> <p>Article24. ( Omitted )</p> <p>(Notice of Convening a Meeting of the Board of Directors)</p> <p>Article 25. Notice of the convening of a meeting of the Board of Directors shall be sent to each of the directors <u>and corporate auditors</u> no later than five (5) days prior to the date of the meeting, provided that, in the case of emergency, such notice period may be shortened.</p> <p>If the consent of all the directors <u>and corporate auditors</u> is obtained, meetings of the Board of Directors may be held without procedures of convening.</p> <p>( Newly established )</p> <p>Article26. ( Omitted )</p> <p>Article27. ( Omitted )</p> <p>( Newly established )</p>	<p>a general meeting of shareholders, <u>while making a distinction between directors to be appointed as members of Audit Committee and other directors.</u></p> <p>( Same as existing one )</p> <p>( Same as existing one )</p> <p>(Term of Office)</p> <p>Article 22. The term of office of a director shall continue until the conclusion of the ordinary general meeting of shareholders held in respect of the last business year ending within <u>two (2) years (directors appointed as members of Audit Committee) or one (1) year (other directors)</u> after the time of his/her election.</p> <p><u>The term of office of a director who is elected as substitute for a director who left the office before his/her term of office expires shall continue until the time the term of office of the predecessor director expires.</u></p> <p>(Representative Directors and Directors with Titles)</p> <p>Article 23. The Board of Directors shall by resolution select representative directors <u>among directors excluding members of Audit Committee.</u></p> <p>( Same as existing one )</p> <p>Article24. ( Same as existing one )</p> <p>(Notice of Convening a Meeting of the Board of Directors)</p> <p>Article 25. Notice of the convening of a meeting of the Board of Directors shall be sent to each of the directors no later than five (5) days prior to the date of the meeting, provided that, in the case of emergency, such notice period may be shortened.</p> <p>If the consent of all the directors is obtained, meetings of the Board of Directors may be held without procedures of convening.</p> <p><u>(Convening Meetings and Resolutions of Audit Committee)</u></p> <p><u>Article 26. Notice of the convening of a meeting of Audit Committee shall be sent to each of the members of Audit Committee no later than five (5) days prior to the date of the meeting, provided that, in the case of emergency, such notice period may be shortened.</u></p> <p><u>If the consent of all the members of Audit Committee is obtained, meetings of Audit Committee may be held without procedures of convening.</u></p> <p>Article27. ( Same as existing one )</p> <p>Article28. ( Same as existing one )</p> <p><u>(Rules of Audit Committee)</u></p> <p><u>Article 29. In addition to those provided by the laws and ordinances or by the Articles of Incorporation, any matters in respect of Audit Committee shall be governed by the Rules of Audit Committee to be</u></p>
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<p><u>the office before his/ her term of office expires shall continue until the time the term of office of the predecessor corporate auditor expires.</u></p>	
<p><u>(Full-Time Corporate Auditors)</u>  <u>Article 33. The Board of Corporate Auditors shall by resolution select a full-time corporate auditor.</u></p>	( Deleted )
<p><u>(Convening Meetings and Resolutions of the Board of Corporate Auditors)</u>  <u>Article 34. Notice of the convening of a meeting of the Board of Corporate Auditors shall be sent to each of the corporate auditors no later than five (5) days prior to the date of the meeting, provided that, in the case of emergency, such notice period may be shortened.</u>  <u>If the consent of all the corporate auditors is obtained, meetings of the Board of Corporate Auditors may be held without procedures of convening.</u></p>	( Deleted )
<p><u>(Rules of the Board of Corporate Auditors)</u>  <u>Article 35. In addition to those provided by the laws and ordinances or by the Articles of Incorporation, any matters in respect of the Board of Corporate Auditors shall be governed by the Rules of the Board of Corporate Auditors to be established by the Board of Corporate Auditors.</u></p>	( Deleted )
<p><u>(Remuneration, etc.)</u>  <u>Article 36. The Remuneration, etc. of a corporate auditor shall be decided by resolution of a general meeting of shareholders.</u></p>	( Deleted )
<p><u>(Exemption of Outside Auditors from Liability)</u>  <u>Article 37. The Company may make a contract with each outside corporate auditor to limit the outside corporate auditor's liability for damages arising out of his/her failure to perform his/her duties to the amount that is stipulated by the laws and ordinances, in accordance with the provision of paragraph 1 of Article 427 of the Companies Act.</u></p>	( Deleted )
<p>Chapter <u>6.</u> Accounting</p>	Chapter <u>5.</u> Accounting
<p>Article<u>38.</u> ~ Article<u>42.</u> ( Omitted )</p>	Article <u>33.</u> ~ Article <u>37.</u> ( Same as existing one )

**Agenda Item No. 2:** Election of Three (3) Directors (excluding Audit Committee members)

The Company will make the transition to a Company with Audit Committee upon approval of Agenda Item No. 1 Partial Amendments to the “Articles of Incorporation,” and, at the same time, the terms of office for all current seven (7) Directors will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company requests the election of three (3) Directors (excluding Audit Committee members. Hereinafter the same shall apply in this agenda item.)

The resolution of this agenda item shall take effect provided the amendments to the “Articles of Incorporation” in Agenda Item No. 1 come into effect.

The candidates for Directors are as follows.

Candidate No.	Name (Date of birth)	Brief profile, position, and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
1	Daisuke Yokota (November 4, 1967)	Aug. 1993    Joined the Company Apr. 2000    President, ENPLAS (U.S.A.), INC. Jun. 2003    Director, the Company Apr. 2004    Director, General Manger, Engineering Plastic Business Department Apr. 2006    Managing Director, Chief General Manager, General Manager, Plastic Optics Department Apr. 2007    Managing Director, Chief General Manager, Apr. 2008    President, the Company (incumbent)	1,502,417 shares
2	Takashi Sakai (June 6, 1955)	Jan. 1999    Joined the Company Jul. 2010    Director, Managing Officer, Chief General Manager, Business Strategy Department, In charge of Finance and Accounting Department Apr. 2012    Director, Managing Officer, Chief General Manager, Corporate Planning & Administration Department, In charge of Finance and Accounting Department Jun. 2012    Director, Managing Officer, Corporate Planning & Administration Department, In charge of PR & IR Department and Finance and Accounting Department Apr. 2013    Director, Managing Officer, Chief General Manager, Corporate Planning & Administration Department Jun. 2013    Director, Senior Managing Officer, Chief General Manager, Corporate Planning & Administration Department (incumbent) Apr. 2015    Head, Corporate Center (incumbent)	19,900 shares



Candidate No.	Name (Date of birth)	Brief profile, position, and responsibility at the Company (Significant concurrent positions)		Number of the Company's shares owned
3	Craig Naylor (November 24, 1948)  <Candidate for Outside Director>	Jun. 1970	Joined E.I. du Pont de Nemours and Company (DuPont)	—
		Jul. 1987	Director, Asia Pacific Region (Tokyo), DuPont	
		Jan. 2004	Vice President, Asia Pacific Region Group (Shanghai), DuPont	
		May 2006	(Part-time) Chairperson, Compensation and Nomination Committee, Delphi Corporation	
		Nov. 2008	Outside Director, Delphi Corporation	
		Jun. 2010	President and CEO, Nippon Sheet Glass, Co., Ltd (NSG)	
		Apr. 2012	Retired from President and CEO, NSG	
		Jun. 2014	Outside Director, the Company (incumbent)	

- (Notes)
1. There are no special conflicts of interest between any of the candidates and the Company.
  2. The Company nominated Mr. Craig Naylor as a candidate for Outside Director because he accumulated wide management and international experience in the manufacturing industry at DuPont and Delphi Corporation, and the Company believes that he will be able to provide valuable opinions and advice regarding the management of the Group.
  3. The term of office of Mr. Craig Naylor as Outside Director will have been one year at the conclusion of this Annual Meeting of Shareholders.
  4. When Mr. Craig Naylor assumes office as Outside Director upon approval of this agenda item, the Company will conclude an agreement to limit liability for damages with Mr. Naylor for the purpose of limiting such liability, as provided for in Paragraph 1 of Article 427 of the "Companies Act." The maximum liability under the said agreement is the provided for by laws and regulations.
  5. Mr. Craig Naylor is registered as Independent Officer with the Tokyo Stock Exchange.

**Agenda Item No. 3:** Election of Three (3) Directors who are Audit Committee members

The Company will make the transition to a Company with Audit Committee upon approval of Agenda Item No. 1 Partial Amendments to the “Articles of Incorporation.” Accordingly, the Company requests the election of three (3) Directors who are Audit Committee members.

The resolution of this agenda item shall take effect provided the amendments to the “Articles of Incorporation” in Agenda Item No. 1 come into effect.

The candidates for Directors who are Audit Committee members are as follows.

Candidate No.	Name (Date of birth)	Brief profile, position, and responsibility at the Company (Significant concurrent positions)		Number of the Company's shares owned
1	Ichiro Hasegawa (December 24, 1955)	Jul. 2003	Joined the Company	3,200 shares
		Apr. 2006	Chief General Manager, Enplas Semiconductor Peripheral Corporation Business Department	
		Jun. 2006	Director and Officer, Chief General Manager, Enplas Semiconductor Peripheral Corporation Business Department	
		Jun. 2012	Director and Officer in charge of General Affairs Department	
		Apr. 2013	Director and Officer Head, Corporate & Administration Local Service Center	
		Apr. 2015	Director and Officer in charge of Internal Audit Office (incumbent)	
2	Masanori Kazamaki (March 8, 1949)  <Candidate for Outside Director>	Apr. 1971	Joined Nissei Sangyo (current Hitachi High-Technologies Corporation)	—
		Oct. 2001	General Manager, Electronic Material Department, Hitachi High-Technologies	
		Apr. 2003	Vice General Manager, Sales Department of Industrial Materials	
		Apr. 2005	Chief General Manager, Sales Department of Industrial Materials	
		Jun. 2005	Board Member, Chief General Manager, Sales Department of Industrial Materials	
		Apr. 2008	Managing Officer	
		Apr. 2010	Managing Officer, President, West Japan Branch, Branch Manager, Kansai Branch	
		Apr. 2011	Managing Officer, Vice General Manager, Sales Headquarters, Branch Manager, Kansai Branch	
		Apr. 2012	Special Assignment Advisor, the Company	
		Mar. 2013	Retired from Special Assignment Advisor	

Candidate No.	Name (Date of birth)	Brief profile, position, and responsibility at the Company (Significant concurrent positions)	Number of the Company's shares owned
3	Yoong Yoon Liong (March 21, 1951)  <Candidate for Outside Director>	<p>Jun. 1978      Joined Texas Instruments Incorporated</p> <p>Mar. 1981      President, Faber Young International Inc.</p> <p>Oct. 2001      Vice President, Asia Central, AMP Manufacturing Singapore Pte Ltd., AMP Singapore Pte. Ltd. (AMP: current Tyco Electronics)</p> <p>May 2009      CEO, Carmel Manufacturing Singapore</p> <p>Apr. 2010      President, Golden Bridge Electech Inc.</p> <p>Feb. 2011      Managing Director, ML Tech Solutions (incumbent) Business Consultant (incumbent)</p> <p>Jun. 2014      Outside Director, the Company (incumbent)</p>	—

- (Notes)
1. The Group is engaged in raw material-related business transactions with Hitachi High-Technologies Corporation for which Mr. Masanori Kazamaki worked until March, 2013. However, since the amount of the transactions is less than 1% of the consolidated sales of each side, they have no significant impact on his independence.
  2. There are no special conflicts of interest between any of the other candidates and the Company.
  3. The Company nominated Mr. Masanori Kazamaki as a candidate for Outside Director because he had assumed important positions at Hitachi High-Technologies Corporation and has wide knowledge and experience in the resin material industry. The Company believes that he will be able to leverage his knowledge and experience to supervise the management of the Group.
  4. The Company nominated Yoong Yoon Liong as a candidate for Outside Director because he has held important positions at electronic components manufacturers and has wide experience and knowledge of business management in the Asia region. The Company believes that he will be able to provide valuable opinions and advice regarding the management of the Group.
  5. The term of office of Mr. Yoong Yoon Liong as Outside Director will have been one year at the conclusion of this Annual Meeting of Shareholders.
  6. When Mr. Ichiro Hasegawa, Mr. Masanori Kazamaki, and Mr. Yoong Yoon Liong assume office as Outside Auditors upon approval of this agenda item, the Company will conclude an agreement to limit liability for damages with each of them for the purpose of limiting their such liabilities, as provided for in Paragraph 1 of Article 427 of the "Companies Act." The maximum liability under the said agreements is the amount provided for by laws and regulations.
  7. Mr. Yoong Yoon Liong is registered as Independent Officer with the Tokyo Stock Exchange.

**Agenda Item No. 4:** Election of One (1) Director who is a Substituting Audit Committee member

The Company will make the transition to a Company with Audit Committee upon approval of Agenda No. 1 Partial Amendments to the “Articles of Incorporation.” Accordingly, to prepare for a case in which the number of Audit Committee members falls short of the number stipulated by applicable laws and regulations, the Company requests the election of one (1) Director who is a substituting Audit Committee member.

The resolution of this agenda item shall take effect provided the amendments to the “Articles of Incorporation” in Agenda Item No. 1 come into effect.

The candidate for Director who is a substituting Audit Committee member is as follows.

Name (Date of birth)	Brief profile, position, and responsibility at the Company (Significant concurrent positions)		Number of the Company’s shares owned
Sakae Ochiai (November 23, 1955) <Candidate for Outside Director>	Apr. 1980	Joined Kantoshinetsu Regional Taxation Bureau	100 shares
	Jul. 1999	Coordination Officer, First Division, Urawa Tax Office	
	Jul. 2001	Chief Officer, Third Division, MitoTax Office	
	Jul. 2002	Chief Officer, Fifth Division, Nagano Tax Office	
	Jul. 2004	Chief Officer, Second Division, Omiya Tax Office	
	Sep. 2006	Registered as Certified Tax Accountant (incumbent)	
	Jun. 2007	Outside Corporate Auditor, the Company (incumbent)	

- (Notes)
1. There are no special conflicts of interest between the candidate and the Company.
  2. Mr. Sakae Ochiai is a candidate for Outside Director who is a substituting Audit Committee member.
  3. The Company nominated Mr. Sakae Ochiai as a candidate for a substituting Outside Director because he is a Certified Tax Accountant and has wide expertise and experience of finance and accounting. The Company believes that he will be able to contribute to enhancing the Company’s audit function leveraging his expertise and experience. Also, because he is independent from the management of the Company, the Company nominated him as a candidate for a substituting Outside Director.
  4. When Mr. Sakae Ochiai assumes office as Non-executive Director, the Company will conclude an agreement to limit liability for damages with Mr. Ochiai for the purpose of limiting his such liability, as provided for in Paragraph 1 of Article 427 of the “Companies Act.” The maximum amount of liability under the said agreement is the amount provided for by laws and regulations.

**Agenda Item No. 5:** Amount of Compensation for Directors (excluding Audit Committee members)

The amount of compensation for Directors of the Company was approved at an annual total of 200 million yen or less (excluding employee salaries) by a resolution of the 46th Annual Meeting of Shareholders held on June 28, 2007, and remains the same to date. However, the Company will make the transition to a Company with Audit Committee upon approval of Agenda Item No. 1 Partial Amendments to the “Articles of Incorporation.” Accordingly, in accordance with the provisions of Paragraph 1 and 2 of Article 361 of the “Companies Act,” the Company proposes to request abolition of the current compensation amount and, taking into account various factors such as current economic conditions, establish a new amount of compensation for Directors (excluding Directors who are Audit Committee members) as an annual total of 300 million yen or less (annual total of 50 million yen or less for Outside Directors).

The amount of compensation for Directors (excluding Directors who are Audit Committee members) does not include salaries for services as an employee for Directors who are also employees.

There are currently seven (7) Directors, (including two (2) Outside Directors) of the Company. When Agenda Items No. 1 and 2 are approved as proposed, there will be three (3) Directors including one (1) Outside Director (excluding Directors who are Audit Committee members).

The resolution of this agenda item shall take effect provided the amendments to the “Articles of Incorporation” in Agenda Item No. 1 come into effect.

**Agenda Item No. 6:** Amount of Compensation for Directors who are Audit Committee members

The Company will make the transition to a Company with Audit Committee upon approval of Agenda Item No. 1 Partial Amendments to the “Articles of Incorporation.” Accordingly, in accordance with the provisions of Paragraph 1 and 2 of Article 361 of the “Companies Act,” the Company proposes to establish the amount of compensation to Directors who are Audit Committee members at an annual total of 100 million yen or less, taking into account various factors such as current economic conditions.

When Agenda Items No. 1 and 3 are approved as proposed, there will be three (3) Directors who are Audit Committee members (including two (2) Outside Directors).

The resolution of this agenda item shall take effect provided the amendments to the “Articles of Incorporation” in Agenda Item No. 1 come into effect.

**Agenda Item No. 7:** Payment of Bonuses to Directors

With business performance and other factors taken into account, the Company proposes that bonuses in an aggregated amount of 123,490,934 yen be paid to six Directors excluding two Outside Directors as of the end of the fiscal year under review.

The Company also requests delegation of determining the amount of bonus to be paid to each Director to a resolution of the Board of Directors.

The amount of compensation for Directors of the Company was approved at the annual total of 200 million yen or less (excluding employee salaries) by a resolution of the 46th Annual Meeting of shareholders held on June 28, 2007 and remains the same to date. However, the Company requests approval for this agenda item separately from the amount of compensation.

**Agenda Item No. 8:** Renewal of Countermeasure to Large-scale Acquisition of the Company's Shares

As the Company resolved to renew Countermeasures to Large-scale Acquisition of the Company's Shares (the Countermeasures after the renewal is hereinafter referred to as "Countermeasures") at the Board of Directors' meeting held on April 30, 2015, the Company requests approval for the Countermeasures. At the said Board of Directors' meeting, all of the Corporate Auditors including Outside Corporate Auditors of the Company stated that they endorse the Countermeasures on the premise that the Countermeasures are specifically implemented in an appropriate manner.

**1. Purpose of Introducing New Plan**

The purpose of introducing the New Plan is to achieve maintenance and improvement of Return on Equity Ratio (ROE) of the Company, and to much more protect and enhance the Company's corporate value and common interests of the shareholders.

The Board of Directors of the Company believes, as set out in the basic policy with regard to person who controls decisions over company's financial and business policies, that any person who makes a proposal for an inappropriate Large-scale Purchase or commits any similar actions thereto, which may significantly damage the Company's corporate value and common interests of the shareholders, is inappropriate as a person who controls decisions over the Company's financial and business policies. In order to prevent decisions over the Company's financial and business policies from being controlled by such inappropriate person, the New Plan will be introduced so that, if there is any proposal for a Large-scale Purchase of the shares, etc. of the Company, the shareholders have necessary and adequate information and time to judge whether or not to accept such proposal and the Board of Directors of the Company may evaluate and consider the contents of the proposal for a Large-scale Purchase with regards to whether it is likely to significantly damage the Company's corporate value and common interests of the shareholders and provide an alternative proposal to the shareholders or negotiate with a proposer.

**2. Contents of New Plan**

**(1) Procedures for New Plan**

**(1-1) Large-scale Purchase Subject to New Plan**

Any actions falling under Item (i) or (ii) below or any similar actions thereto, excluding those approved by the Board of Directors of the Company, (hereinafter called the "Large-scale Purchase") will be subject to the New Plan. Any person who does or intends to make the Large-scale Purchase (hereinafter called the "Large-scale Share Purchaser") shall follow the procedures set forth in the New Plan (hereinafter called the "Large-scale Purchase Rules").

- (i) Any purchase of share certificates, etc.<sup>1</sup> issued by the Company by a holder<sup>2</sup>, which causes such holder's holding ratio of such share certificates, etc.<sup>3</sup> to be twenty (20) percent or more.
- (ii) Any tender offer<sup>5</sup> of share certificates, etc. issued by the Company<sup>4</sup>, which causes the total of the ownership ratio of share certificates, etc.<sup>6</sup> in respect of the tender offer and the holding ratio of share certificates of a person in a special relationship<sup>7</sup> to be twenty (20) percent or more.

<sup>1</sup> Hereinafter, the term refers to "share certificates, etc." as defined in Article 27-23(1) of the Financial Instruments and Exchange Act unless otherwise provided. If any law or regulation referred to in the New Plan is revised (including a change of the name thereof and the enactment of a new law or regulation which succeeds to the old law or regulation), each of the provisions thereof referred to in the New Plan shall be replaced by each of the provisions of the practically succeeding law or regulation thereto after such revision unless otherwise decided by the Board of Directors of the Company.

<sup>2</sup> The term refers to "holder" as defined in Article 27-23(1) of the Financial Instruments and Exchange Act and includes a person who is included in a holder under Paragraph (3) of the same Article.

<sup>3</sup> Hereinafter, the term refers to "holding ratio of share certificates, etc." as defined in Article 27-23(4) of the Financial Instruments and Exchange Act.

<sup>4</sup> Hereinafter in Paragraph (ii), the term refers to "share certificates, etc." as defined in Article 27-2(1) of the Financial Instruments and Exchange Act.

<sup>5</sup> Hereinafter, the term refers to "tender offer" as defined in Article 27-2(6) of the Financial Instruments and Exchange Act.

<sup>6</sup> Hereinafter, the term refers to "ownership ratio of share certificates, etc." as defined in Article 27-2(8) of the Financial

Instruments and Exchange Act.

<sup>7</sup>

Hereinafter, the term refers to “person in a special relationship” as defined in Article 27-2(7) of the Financial Instruments and Exchange Act, except for those prescribed in Article 3(2) of the Cabinet Office Ordinance concerning Disclosure of Tender Offer of Share Certificates, etc. by Non-Issuer for those listed in Item 1 of the same Paragraph.

### **(1-2) Submission of Statement of Intention**

Prior to initiating the Large-scale Purchase, the Large-scale Share Purchaser will be required to submit to the President of the Company a document, in such form as otherwise stipulated by the Company, which contains pledges, etc. of complying with the Large-scale Purchase Rules (hereinafter called the “Statement of Intention”) as well as a transcript of the commercial registry, a copy of articles of incorporation and other documents which objectively certify the existence of the Large-scale Share Purchaser. In particular, the Statement of Intention should contain matters set out in each of the following Items from (i) to (iii).

The Statement of Intention and all other documents to be submitted by the Large-scale Share Purchaser to the Company shall be in Japanese.

- (i) Summary of Large-scale Share Purchaser
  - a. name and address or location,
  - b. governing law of establishment,
  - c. purposes and contents of business,
  - d. name and title of a representative,
  - e. domestic contact, and
  - f. pledges of complying with the Large-scale Purchase Rules
- (ii) Number of the shares, etc. of the Company currently held by the Large-scale Share Purchaser and the status of trading of the shares, etc. of the Company by the Large-scale Share Purchaser within sixty (60) days prior to the submission of the Statement of Intention, and
- (iii) Summary of the Large-scale Purchase proposed by the Large-scale Share Purchaser, including the class and number of the shares, etc. of the Company to be acquired by the Large-scale Share Purchaser by means of the Large-scale Purchase and the purpose(s) of the Large-scale Purchase (with details thereof for any purposes relating to the acquisition of control or participation in the management, net investment or political investment, assignment of the shares, etc. of the Company to a third party after the Large-scale Purchase, act of making an important suggestion, etc.<sup>8</sup> or others). If there are multiple purposes, all of the purposes should be stated.

<sup>8</sup>

Hereinafter, the term refers to “act of making important suggestion, etc.” as defined in Article 27-26(1) of the Financial Instruments and Exchange Act, Article 14-8-2(1) of the Order for Enforcement of the Financial Instruments Act and Article 16 of the Cabinet Office Ordinance concerning Disclosure of Large Holding of Share Certificates, Etc. unless otherwise provided.

### **(1-3) Provision of Required Information**

The Large-scale Share Purchaser who has submitted to the President of the Company the Statement of Intention will be required to submit necessary and adequate information for the shareholders to make decisions over the Large-scale Purchase as follows:

First, within ten (10) business days<sup>9</sup> from the day on which the Statement of Intention is received from the Large-scale Share Purchaser, the Company sends to the Large-scale Share Purchaser a list of information to be initially provided by the Large-scale Share Purchaser (hereinafter called the “Required Information List”). Then, the Large-scale Share Purchaser provides the President of the Company with the adequate information in accordance with the Required Information List.

If it is reasonably judged by the Board of Directors of the Company after consulting with and obtaining advice from a third party who is independent from the Board of Directors of the Company, including a lawyer, certified public accountant, certified public tax accountant, financial advisor, consultant and other professionals, (hereinafter called the “External Professional”) that such information provided by the Large-scale Share Purchaser pursuant to the Required Information List is inadequate for the shareholders to make decisions and for the Board of Directors of the Company to implement evaluation and consideration with regards to the purchase in light of the contents and manner of the Large-scale Purchase, the Large-scale Share Purchaser will be required to provide such additional information as otherwise requested by the Board of Directors of the Company within

a specified response period. The response period shall be up to sixty (60) days calculating from the date of the Required Information List.

Regardless of the contents or manner of the Large-scale Purchase, those pieces of information with regards to each of the following items shall be included in the Required Information List in principle. However, the specific contents of those pieces of information included in the Required Information List will be reasonably decided by the Board of Directors of the Company, after consulting with and obtaining advice from the External Professionals, in light of the contents and manner of the relevant Large-scale Purchase. Unless the Large-scale Share Purchaser is able to provide any of those pieces of information with regard to items set out in the Required Information List, the Large-scale Share Purchaser will be required by the Company to provide a specific reason why the Large-scale Share Purchaser is unable to provide such information.

- (i) Particulars of the Large-scale Share Purchaser and its group, including a joint holder<sup>10</sup> and person in a special relationship, and each partner and other member in case of any fund. This includes the history, specific name, capital structure, business description, financial information, names and professional career of officers and so on.
- (ii) Purpose(s) of the Large-scale Purchase (details of the purpose(s) disclosed in the Statement of Intention), method and contents. This includes existence or non-existence of the intention to participate in the management, kind and amount of consideration of the Large-scale Purchase, time of the Large-scale Purchase, related trading structure, number of shares, etc. to be purchased, ownership ratio of share certificates, etc. after the purchase and legality of the method of the Large-scale Purchase.
- (iii) Calculation base of the consideration of the Large-scale Purchase. This includes the assumed fact of calculation, calculation method, numerical information used in the calculation, contents of synergy expected to arise out of a sequence of trading in respect of the Large-scale Purchase and name and summary of opinion of any third party that is listened to in the calculation and the course of determining the amount based on such third party's opinion.
- (iv) Corroboration of funding for the Large-scale Purchase. This includes the specific names of persons who provide funds, including an actual provider, funding method and contents of related trading.
- (v) Existence or non-existence of communication with a third party in implementing the Large-scale Purchase, and its contents and a summary of the third party, if any.
- (vi) Type of the Security Agreement, Etc., counterparties and the specific contents of agreement, such as the number of subject shares, etc., for any lease agreement, security agreement, sell-back agreement, agreement to complete a reserved sale or other important agreements or arrangements with regard to the shares, etc. of the Company already held by the Large-scale Share Purchaser (hereinafter called the "Security Agreement, Etc.").
- (vii) Type of the agreement to be executed, counterparty and the specific contents of the agreement, such as the number of subject shares, etc. for any Security Agreement or other agreement to be executed with a third party with regard to the Company's shares to be acquired by the Large-scale Share Purchaser through the Large-scale Purchase.
- (viii) Summary of management policies, business plans, capital policies and allotment policies of the Company and its group after the Large-scale Purchase.
- (ix) Handling policy of the Company's employees, business partners, customers, local community and other stakeholders in respect of the Company after the Large-scale Purchase.
- (x) Specific measures to prevent a conflict of interest with other shareholders of the Company.

The Board of Directors of the Company promptly discloses such fact if it receives the Statement of Intention from the Large-scale Share Purchaser and if it sends the Required Information List to the Large-scale Share Purchaser. The Board of Directors also discloses, at the time it judges appropriate, any or all of the information provided by the Large-scale Share Purchaser and, for any information not provided by the Large-scale Share Purchaser, the description of such information and the reason for the non-provision (hereinafter called the "Information Provided by the Large-scale Share Purchaser"), which is admitted as being necessary for the shareholders to make decisions.

The Company promptly notifies the Large-scale Share Purchaser of and discloses such fact if the Board of Directors of the Company reasonably judges that the Information Provided by the



Large-scale Share Purchaser is adequate as the Large-scale Purchase information and the provision thereof has been completed, (hereinafter called the “Notice of Completion of Information Provision”).

<sup>9</sup> Hereinafter, a “business day” means any day other than those listed in each item of Article 1(1) of the Act on Holidays of Administrative Organs.

<sup>10</sup> Hereinafter, the term refers to the “joint holder” as defined in Article 27-23(5) of the Financial Instruments and Exchange Act and includes a person admitted by Board of Directors of the Company to be deemed as the “joint holder” under Paragraph 6 of the same Article.

#### **(1-4) Evaluation Period by Board of Directors**

After giving the Notice of Completion of Information Provision, the Board of Directors of the Company sets a period, during which the Board of Directors of the Company will evaluate, consider, negotiate, formulate an opinion and establish alternative proposals, depending on the difficulty of the Large-scale Purchase evaluation, of (i) sixty (60) days from the date of the Notice of Completion of Information Provision in the case of a tender offer subject to all of the shares, etc. of the Company for which the consideration is limited to cash (Japanese yen) or (ii) ninety (90) days from the date of the Notice of Completion of Information Provision in the other cases of the Large-scale Purchase after consulting with and obtaining advice from the External Professionals (hereinafter called the “Board of Directors Evaluation Period”).

During the Board of Directors Evaluation Period, the Board of Directors of the Company shall fully evaluate and consider the Information Provided by the Large-scale Share Purchaser by consulting with and obtaining advice from the External Professionals, as necessary, and evaluate and consider the contents of the Large-scale Purchase to be implemented by the Large-scale Share Purchaser in terms of protecting and enhancing the Company’s corporate value and common interests of the shareholders. Through this evaluation and consideration, the Board of Directors of the Company shall sincerely summarize an opinion of the Board of Directors of the Company with regard to the Large-scale Purchase and shall notify the Large-scale Share Purchaser thereof and disclose it to the shareholders at an appropriate time and in an appropriate manner. The Board of Directors may also negotiate with the Large-scale Share Purchaser concerning the conditions and method of the Large-scale Purchase, as necessary, and provide an alternative proposal of the Board of Directors of the Company to the shareholders.

If there is any unavoidable reason for the Board of Directors of the Company not being able to summarize its opinion during the Board of Directors Evaluation Period, the Board of Directors of the Company may extend the Board of Directors Evaluation Period up to thirty (30) days (only for once) to the extent admitted reasonably necessary after consulting with and obtaining advice from the External Professionals, as necessary, and explaining the necessity and the reason for extending the Board of Directors Evaluation Period and consulting on the propriety thereof to and with the Special Committee and respecting the Committee’s recommendation to the greatest extent possible. If the Board of Directors of the Company decides to extend the Board of Directors Evaluation Period, the extended term and the reason therefor will be promptly notified to the Large-scale Share Purchaser and disclosed.

Until the end of the Board of Directors Evaluation Period, the Large-scale Share Purchaser may not initiate the Large-scale Purchase.

A summary of the Special Committee is as set out in Exhibit 1. The Special Committee at the time of the introduction of the New Plan will consist of three (3) committee members of Mr. Koji Ogasawara, Mr. Sakae Ochiai and Mr. Masanori Kazamaki in total. Their respective brief histories are as set out in Exhibit 2. Mr. Koji Ogasawara has extensive experience and expertise in legal affairs, Mr. Sakae Ochiai has extensive experience and expertise in accounting and tax affairs, and Mr. Masanori Kazamaki has extensive experience and expertise in business. Mr. Koji Ogasawara, a Japanese attorney, does not enter into the advisory contract with the Company. Mr. Sakae Ochiai is an independent outside auditor of the Company (however, he will retire from an outside auditor of the Company at the closure of the Ordinary Shareholders’ Meeting.). Mr. Masanori Kazamaki will be appointed as a member of Audit Committee (an independent outside director) of the Company at the Ordinary Shareholders’ Meeting. Therefore, all of them are independent from the Company.

**(1-5) Requirements to Trigger Countermeasures**

**(i) Cases where the Large-scale Share Purchaser fails to comply with the Large-scale Purchase Rules.**

**(i-1) A case where the countermeasures are triggered upon the Special Committee's recommendation.**

If the Large-scale Share Purchaser fails to comply with the Large-scale Purchase Rules, the Board of Directors of the Company shall deem the relevant Large-scale Purchase to be a hostile takeover which may significantly damage the Company's corporate value and common interests of the shareholders and shall pass a resolution to trigger the countermeasures in principle. In judging the compliance by the Large-scale Share Purchaser with the Large-scale Purchase Rules, the circumstances relating to the Large-scale Share Purchaser, such as the case where the Large-scale Share Purchaser may not necessarily have detailed information with regard to the Company, will be taken into consideration to a reasonable extent. Thus it will not be recognized that such Large-scale Share Purchaser has failed to comply with the Large-scale Purchase Rules only because the Large-scale Share Purchaser has not provided any part of the Large-scale Purchase information required by the Board of Directors of the Company.

In such case, prior to triggering the countermeasures, the Board of Directors of the Company shall promptly consult with the Special Committee on the propriety of triggering the countermeasures, and, upon such consultation, the Special Committee shall make a recommendation to the Board of Directors of the Company on the propriety of triggering the countermeasures after consulting with and obtaining advice from the External Professionals, as necessary. In judging whether or not to trigger the countermeasures, the Board of Directors of the Company shall respect the Special Committee's recommendation to the greatest extent possible. In such case, in triggering the countermeasures, no shareholders' meeting to confirm the shareholders' opinion (hereinafter called the "Shareholders' Meeting to Confirm the Shareholders' Opinion") on the propriety thereof shall be required to be held.

**(i-2) A case where the countermeasures are triggered upon the resolution of the Shareholders' Meeting to Confirm the Shareholders' Opinion.**

Notwithstanding Paragraph (i-1) above, if (a) the Special Committee recommends calling the Shareholders' Meeting to Confirm the Shareholders' Opinion or (b) it is practically possible to confirm the opinion of the shareholders by taking into consideration various conditions, such as the contents of the Large-scale Purchase and the existence of enough time to confirm matters and the Board of Directors of the Company judges that it is appropriate to confirm the opinion of the shareholders on the propriety of triggering the countermeasures in light of the laws and regulations, due care of a good manager of the directors of the Company and so on, the Board of Directors of the Company shall promptly call the Shareholders' Meeting to Confirm the Shareholders' Opinion (instead of consultation with the Special Committee in the case of above (b)) and refer the judgment on whether or not to trigger the countermeasures to the shareholders.

**(ii) Cases where the Large-scale Share Purchaser complies with the Large-scale Purchase Rules.**

When the Large-scale Share Purchaser complies with the Large-scale Purchase Rules, the possibility of declaring an objection, providing an alternative proposal or giving an explanation to the shareholders will not be excluded if the Board of Directors of the Company disagrees on the relevant Large-scale Purchase; however, in principle, no countermeasures will be triggered against such Large-scale Purchase. The shareholders of the Company will be asked to judge whether or not to accept the proposal of the Large-scale Purchase after taking into consideration the Information Provided by the Large-scale Share Purchaser with regard to such Large-scale Purchase and the opinion thereon, an alternative proposal and so on of the Board of Directors of the Company.

However, even if the Large-scale Share Purchaser complies with the Large-scale Purchase Rules, the Board of Directors of the Company will promptly call the Shareholders' Meeting to Confirm the Shareholders' Opinion and refer the judgment on whether or not to trigger the countermeasures to the shareholders if the Board of Directors of the Company admits that it is clear that the Large-scale Purchase significantly damages the Company's corporate value and common interests of the shareholders and judges that it is necessary and appropriate to trigger the countermeasures. In

particular, each of the cases from (a) to (e) below will be deemed as a case where it is admitted that it is clear that the Large-scale Purchase significantly damages the Company's corporate value and common interests of the shareholders in principle:

- (a) if the Large-scale Share Purchaser is a person, a so-called greenmailer, who has no intention of actually participating in the management of the Company, but acquires or intends to acquire the shares, etc. of the Company solely for the purpose of boosting the share price and causing the Company or the relevant persons of the Company to purchase such shares, etc. at a high price,
- (b) if the Large-scale Share Purchaser acquires the shares, etc. of the Company for the purpose of transferring intellectual property rights, know-how, corporate secrets, key business partners or customers, etc. of the Company or any of its group companies which are necessary for its business and management to the Large-scale Share Purchaser or any of its group companies, etc. by temporarily controlling the Company's management,
- (c) if the Large-scale Share Purchaser acquires the shares, etc. of the Company for the purpose of appropriating the assets of the Company or any of its group companies for security or repayment resources for the liabilities of the Large-scale Share Purchaser or any of its group companies, etc. after acquiring control over the management of the Company,
- (d) if the Large-scale Share Purchaser acquires the shares, etc. of the Company for the purpose of causing a disposal of highly valued assets, such as real estate property and securities, not being currently related to the business of the Company or any of its group companies, by the sale, etc. thereof and then causing temporary high dividends to be paid with the gains of such disposal or to sell the shares, etc. of the Company at a boosted price by watching for a time of a sudden rise in the share price due to the temporary high dividends by temporarily controlling the management of the Company, or
- (e) if the proposed purchase is a purchase which is likely to actually force the shareholders to sell the shares, etc. of the Company, such as a coercive two-tier purchase, meaning the purchase of shares, including a tender offer, in which the purchase is not offered for all shares, etc. of the Company in the first stage of the purchase, and the purchase is offered for the other shares, etc. of the Company under unfavorable conditions for the shareholders or no clear conditions in the second stage of the purchase.

#### **(1-6) Shareholders' Meeting to Confirm the Shareholders' Opinion**

As set out in Paragraph (1-5) above, the Board of Directors of the Company shall call the Shareholders' Meeting to Confirm the Shareholders' Opinion in certain cases and refer the judgment on whether or not to trigger the countermeasures to the shareholders. In such case, the Company shall promptly disclose the fact that the Shareholders' Meeting to Confirm the Shareholders' Opinion is called and other matters for which the Board of Directors of the Company judges it is appropriate to disclose.

If the Shareholders' Meeting to Confirm the Shareholders' Opinion is to be held, the Board of Directors of the Company shall promptly set the record date to determine the shareholders entitled to vote at such Shareholders' Meeting to Confirm the Shareholders' Opinion and make a public notice at least two (2) weeks prior to the said record date in accordance with the provisions of the Companies Act. The shareholders entitled to vote at such Shareholders' Meeting to Confirm the Shareholders' Opinion shall be those shareholders recorded in the latest shareholder registry as of the said record date. Unless otherwise provided in laws, regulations or the Articles of Incorporation of the Company, a resolution of the Shareholders' Meeting to Confirm the Shareholders' Opinion shall be passed by a majority of the votes of the shareholders present at such Meeting.

If it is resolved to trigger or not to trigger the countermeasures at the Shareholders' Meeting to Confirm the Shareholders' Opinion, the Board of Directors of the Company shall approve the resolution to trigger or not to trigger the countermeasures in accordance with the resolution passed at such Shareholders' Meeting to Confirm the Shareholders' Opinion and disclose the result thereof.

If the Shareholders' Meeting to Confirm the Shareholders' Opinion is called, the Large-scale Share Purchaser may not initiate the Large-scale Purchase until the closure of such Shareholders' Meeting to Confirm the Shareholders' Opinion.

#### **(2) Specific Contents of Countermeasures**

Countermeasures to be triggered by the Board of Directors of the Company in the New Plan may include the allotment of share options (hereinafter called “Share Options”) without contribution as well as other countermeasures permitted by the Companies Act or other laws or regulations or the Articles of Incorporation of the Company. For any allotment of share options without contribution, a summary thereof shall be as set out in “Summary of Allotment of Share Options without Contribution” of Exhibit 3.

### **(3) Discontinuance or Withdrawal of Triggered Countermeasures**

Even if the Board of Directors of the Company has resolved to trigger the countermeasures, if (i) the Large-scale Share Purchaser discontinues the Large-scale Purchase, or (ii) the fact, etc. based on which the judgment on whether or not to trigger the countermeasures was made changes and there are circumstances where the Board of Directors of the Company judges that it is inappropriate to maintain the triggered countermeasures in terms of protecting and enhancing of the Company’s corporate value and common interests of the shareholders, the Board of Directors of the Company shall consult with the Special Committee and consider the discontinuance or withdrawal of the triggered countermeasures by consulting with and obtaining advice from the External Professionals, as necessary.

The Special Committee, upon such consultation, shall consider the propriety of maintaining such countermeasures and make a recommendation to the Board of Directors of the Company by consulting with and obtaining advice from the External Professionals, as necessary. The Board of Directors of the Company shall respect the Special Committee’s recommendation to the greatest extent possible in judging whether or not to maintain the countermeasures.

If the Board of Directors of the Company has resolved to discontinue or withdraw the triggered countermeasures based on such recommendation of the Special Committee, it shall promptly disclose a summary of such resolution and other matters that the Board of Directors of the Company judges it appropriate to disclose.

However, such allotment of the Share Options without contribution may be discontinued or withdrawn until two (2) business days prior to the expiry date of rights (hereinafter called the “Expiry Date of Rights”) in respect of the Allotment Date (hereinafter as defined in Section 1 of Exhibit 3) of the Share Options if the Share Options are allotted without contribution as the countermeasures, but no allotment of the Share Options without contribution shall be discontinued or withdrawn on or after the previous business day of the Expiry Date of Rights to prevent any investors who have acquired the shares, etc. of the Company before the Expiry Date of Rights and who have sold such shares, etc. of the Company on the premise that they will be diluted by such allocation of the Share Options without contribution on or after Expiry Date of Rights from being damaged due to the allotment of the Share Options without contribution being discontinued or withdrawn.

### **(4) Effective Term, and Abolition and Modification of New Plan**

The effective term of the New Plan expires at the closure of the 57th ordinary shareholders’ meeting of the Company to be held in June 2018.

However, the New Plan shall be abolished at such time and in accordance with such resolution if it is approved to abolish the New Plan at the meeting of the shareholders or the Board of Directors of the Company even before the expiration of such effective term.

The Board of Directors of the Company may modify the New Plan to the extent reasonably admitted necessary as a result of any modification of, or any change of the interpretation or operation of, the provisions of the Companies Act, the Financial Instruments and Exchange Act or other laws or regulations or the rules of financial instruments exchanges or any change of the taxation system or precedents.

If the New Plan is abolished or modified, the Company shall appropriately disclose the fact of such abolition or modification, excluding any minor modification of wordings as a result of any revision of the laws, regulations and so on, and the contents of such modification.

End of Document

**Summary of Special Committee**

1. The Special Committee shall be established based on the resolution of the Board of Directors of the Company.
2. The Special Committee shall consist of at least three (3) committee members, who shall be appointed by the Board of Directors of the Company from an external director and auditor, lawyer, certified public tax accountant, certified public accountant, person with academic background, person who is acquainted with investment banking and an external person with experience as a director or executive officer of another company.
3. The Special Committee shall make a recommendation on matters submitted by the Board of Directors of the Company for consultation under the resolution passed at the relevant meeting of the Special Committee with the outlined reasons therefor, in principle.
4. The Special Committee may consult with External Professionals for advice, as necessary, in order to consider matters submitted by the Board of Directors of the Company for consultation. Any expense arising in obtaining such advice shall be borne fully by the Company in principle.
5. The recommendation to be made by the Special Committee shall need to be approved with all the members of the Special Committee present at the meeting and shall need to be approved by a majority thereof unless the circumstances are exceptional.

End of Document

**Brief Histories of the Members of the Special Committee**

Koji Ogasawara

Born in February 1960

1991 April Registered as a Japanese attorney to the present day

1998 April Appointed as a Representative Partner Attorney at Tokyo Ginza Law Office

1999 April Appointed as a Director at Hudson Japan Servicer

2000 March Retired as a Director at Hudson Japan Servicer

2002 April Appointed as a Representative Partner Attorney at OGASAWARA KONNO & ROKUGAWA Law Office to the present day

2004 April Appointed as a Professor at the Law School of Tokai University

2009 April Appointed as a professor at Graduate School of International Management of Aoyama Business School of Aoyama Gakuin University

2009 April Appointed as a councillor at General Incorporation Foundation Education for Development Foundation (currently Public Interest Incorporated Foundation Education for Development Foundation) to the present day

2009 May Appointed as a councillor selection committee member at Public Interest Incorporated Foundation Foreign Press Center

2011 March Retired from a professor at Graduate School of International Management of Aoyama Business School of Aoyama Gakuin University

2011 April Appointed as a professor at Faculty of Economics of Aoyama Gakuin University to the present day

2012 March Retired from a Professor at Law School of Tokai University

2012 April Appointed as a part-time professor at Law School of Tokai University to the present day

Sakae Ochiai

Born in November 1955

1980 April Joined Kantoshinetsu Regional Taxation Bureau

1999 July Special Officer, First Corporation Taxation Group, Urawa Tax Office

2001 July Chief Examiner, Third Corporation Taxation Group, Mito Tax Office

2002 July Chief Examiner, Fifth Corporation Taxation Group, Nagano Tax Office

2004 July Chief Examiner, Second Corporation Taxation Group, Omiya Tax Office

2006 September Registered as a Japanese licensed tax accountant to the present day

2007 June Appointed as an Outside Auditor at the Company to the present day

Masanori Kazamaki

Born in March 1949

1971 April: Joined Nissei Sangyo Co., Ltd. (Existing Hitachi High-Technologies Corporation)

2001 October: General Manager, Electric Material Dept. at Hitachi High-Technologies Corporation

2003 April: Deputy Senior General Manager of Industrial Material Marketing Division at Hitachi High-Technologies Corporation

2005 April: Senior General Manager of Industrial Material Marketing Division at Hitachi High-Technologies Corporation

2005 June: Administration Officer, Senior General Manager of Industrial Material Marketing Division at Hitachi High-Technologies Corporation

2008 April: Senior Executive Officer in charge of Industrial Material Marketing Division at Hitachi High-Technologies Corporation

2010 April: Senior Executive Officer in charge of West Japan Area and Kansai Branch Office Manager at Hitachi High-Technologies Corporation

2011 April: Senior Executive Officer, Deputy Senior General Manager in charge of Marketing Control Division and Kansai Branch Office Manager at Hitachi High-Technologies Corporation

2012 April: Executive Advisor at Hitachi High-Technologies Corporation

2013 March: Retired from Executive Advisor at Hitachi High-Technologies Corporation

2015 June: Scheduled to be appointed as a member of Audit Committee at the Company (not to be concurrently served as another post)

**Summary of Allotment of Share Options without Contribution**

1. Total Number of Share Options to Be Allotted

The total number of the Share Options to be allotted shall be such number as otherwise set forth by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution up to the number obtained by deducting the total number of the issued ordinary shares of the Company, excluding the number of ordinary shares of the Company held by the Company from the total number of the authorized shares of the Company as of the certain date as otherwise specified by the Board of Directors of the Company (hereinafter called the “Allotment Date”) in the board resolution for the allotment of the Share Options without contribution (hereinafter called the “Resolution of Allotment of Share Options without Contribution”).

2. Shareholders Entitled to Allotment

The Share Options will be allotted to the shareholders recorded in the latest shareholder registry as of the Allotment Date at a ratio of one (1) share option per Company’s ordinary share held by the shareholder, excluding ordinary shares of the Company held by the Company at that time.

3. Effective Date of Allotment of Share Options without Distribution

The effective date of the allotment shall be as otherwise specified by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution.

4. Class and Number of Shares Subject to Share Options

The class of shares subject to the Share Options shall be ordinary shares of the Company and the number of shares subject to one (1) Share Option (hereinafter called “Number of Subject Shares”) shall be the number as otherwise set forth by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution; provided, however, that such number shall be adjusted as necessary if the Company splits its share or consolidates its shares.

5. Contents and Amount of Assets Contributed upon Exercise of Share Options

The capital contribution to be made upon the exercise of the Share Options shall be monetary contribution, and the amount of the assets to be contributed upon the exercise of the Share Options per Company’s ordinary share shall not be less than one (1) yen and shall be the amount as otherwise specified by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution.

6. Restriction on Assignment of Share Options

As to the assignment of the Share Options, an approval of the Board of Directors of the Company shall need to be obtained.

7. Conditions to Exercise Share Options

A (1) specified large holder<sup>11</sup>, (2) joint holder of a specified large holder, (3) specified Large-scale Share Purchaser<sup>12</sup>, (4) person in a special relationship with a specified Large-scale Share Purchaser, (5) person who acquires or succeeds to the Share Options from a person falling under any one of the items from (1) to (4) without the approval of the Board of Directors of the Company or (6) affiliate<sup>13</sup> of a person falling under any one of the items from (1) to (5) (hereinafter collectively called an “Unentitled Person”) may not exercise the Share Options. The detailed conditions relating to exercising the Share Options shall be otherwise set forth in the Resolution of Allotment of Share Options without Contribution.

8. Acquisition of Share Options by Company

On the day as otherwise specified by the Board of Directors of the Company, the Company may acquire the Share Options held by a person other than the Unentitled Person and deliver the Company’s ordinary shares of the Number of Subject Shares per Share Option in exchange therefor. The detailed conditions relating to acquiring the Share Options shall be otherwise set forth by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution.

## 9. Exercise Period of Share Options

The exercise period of the Share Options shall be otherwise set forth by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution.

## 10. Others

Any other matters required shall be otherwise set forth by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution.

<sup>11</sup> A specified large holder means a person who is a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is twenty (20) percent or more, or a person who is admitted by the Board of Directors of the Company as being a specified large holder. However, any person whose acquisition and holding of share certificates, etc. of the Company is admitted by the Board of Directors of the Company not to be in conflict with the Company's corporate value and common interests of the shareholders and any other person as otherwise set forth by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution shall be excluded from a specified large holder.

<sup>12</sup> A specified Large-scale Share Purchaser means a person who has made a public notice of the purchase, etc. (hereinafter in this note, as defined in Article 27-2(1) of the Financial Instruments and Exchange Act) of share certificates, etc. (hereinafter in this note, as defined in Article 27-2(1) of the Financial Instruments and Exchange Act) issued by the Company through a tender offer and whose holding ratio of share certificates, etc. of the share certificates, etc. held (including those prescribed in Article 7.1 of the Order for Enforcement of the Financial Instruments and Exchange Act as equivalent) by such person after such purchase, etc. is twenty (20) percent or more together with the holding ratio of share certificates, etc. of a person in a special relationship with such person or a person who is admitted by the Board of Directors of the Company as being a specified Large-scale Share Purchaser. However, any person whose acquisition and holding of share certificates, etc. of the Company is admitted by the Board of Directors of the Company not to be in conflict with the Company's corporate value and common interests of the shareholders and any other person as otherwise set forth by the Board of Directors of the Company in the Resolution of Allotment of Share Options without Contribution shall be excluded from a specified Large-scale Share Purchaser.

<sup>13</sup> An "affiliate" of a person means a person who is admitted by the Board of Directors of the Company as being a person who substantially controls, is controlled by or is under common control with such person (including a person admitted by the Board of Directors of the Company as being any of such persons) or who acts in cooperation with such person. The term "control" means to "control the determination of financial and business policies" (as defined in Article 3.3 of the Ordinance for Enforcement of the Companies Act) of the other company, etc.

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