

June 3, 2015

To Those Shareholders with Voting Rights

Shoichi Abbe  
President  
The Sumitomo Warehouse Co., Ltd.  
2-18, Nakanoshima 3-chome,  
Kita-ku, Osaka, Japan

## NOTICE OF CONVOCAION OF THE 138TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the Ordinary General Meeting of Shareholders for the 138th Fiscal Term. The meeting will be held as described below.

If you are unable to attend the meeting on that day, you can exercise your voting rights in writing. In that case, please review the Reference Documents for the General Meeting of Shareholders, indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form, and send the form back to the Company in time for arrival by 5:00 p.m. on June 23, 2015, Tuesday.

**1. Date and Time:** June 24, 2015, Wednesday, 10:00 a.m.

**2. Place:** Yodo Hall, 2nd Floor, Rihga Royal NCB, Nakanoshima Center Building  
2-27, Nakanoshima 6-chome, Kita-ku, Osaka, Japan

**3. Agenda:**

**Matters to be reported:**

- (1) Business Report, Consolidated Financial Statements for the 138th Fiscal Term (from April 1, 2014 to March 31, 2015) and the Results of Audits on Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
- (2) Non-consolidated Financial Statements for the 138th Fiscal Term (from April 1, 2014 to March 31, 2015)

**Matters to be resolved:**

**Proposal No.1:** Appropriation of Surplus

**Proposal No.2:** Partial Amendments to the Articles of Incorporation

**Proposal No.3:** Election of Seven (7) Directors

**Proposal No.4:** Election of Two (2) Corporate Auditors

**Proposal No.5:** Revision of Compensation, etc. of Directors (Introduction of Stock Compensation-type Stock Option System)

◎ If attending the meeting in person, please submit the enclosed Voting Rights Exercise Form to the receptionist.

◎ In the event that any change is made in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements, such changes will be informed on our website (<http://www.sumitomo-soko.co.jp>) or in writing by mail.

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or direct, indirect or any other forms of damages arising from the translation.

## Reference Documents for the General Meeting of Shareholders

### Proposal No.1: Appropriation of Surplus

Regarding the appropriation of surplus, the Company has made it a basic policy that an amount equivalent to 40% of the current net income of the Company is appropriated as the total dividends for the year in principle to enhance the profit sharing. The Company, however, sets a target to maintain an annual dividend of ¥10 per share irrespective of the level of profits. Under this policy, during this fiscal term, although extraordinary losses were recorded due to a deterioration in the business results of a subsidiary, as there was an increase in profits thanks to the strong performance in the logistics business such as international transportation as well as the tax reform, the Company proposes that the year-end dividend for this fiscal term be ¥7 per share as described below, consisting of an ordinary dividend of ¥6 and a special dividend of ¥1.

As for internal reserves, the Company will appropriate them to investments, etc. to improve its corporate value, and pass them on to shareholders through business development in the future.

#### 1. Matters related to the year-end dividend

##### (1) Type of the dividend property:

Cash

##### (2) Matters related to and the aggregate amount of the dividend property to be allotted to shareholders:

¥7 per ordinary share of the Company (ordinary dividend of ¥6, special dividend of ¥1), and a total of ¥1,250,985,470 is paid from retained earnings.

##### (3) Effective date of dividends of surplus:

June 25, 2015

Note: An interim dividend of ¥6 per ordinary share was allotted on December 2, 2014.

#### 2. Other matters related to the appropriation of surplus

##### (1) Items and the amount of increasing surplus:

General reserves: ¥2,000,000,000

##### (2) Items and the amount of decreasing surplus:

Retained earnings brought forward: ¥2,000,000,000

## Proposal No.2: Partial Amendments to the Articles of Incorporation

### 1. Reasons for the Amendments

- (1) To clearly define the Company's Executive Officer System within the Articles of Incorporation and to make required amendments to sections regarding Directors with Titles, the Company proposes amendments to Article 21 (Representative Directors and Directors with Titles) of the present Articles of Incorporation and the new establishment of Article 25 (Executive Officers), and an increase in the Article number by one for each Article, beginning with Article 25 of the present Articles of Incorporation.
- (2) Due to the enforcement of the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014) on May 1, 2015, liability limitation agreements may now be concluded with Directors not involved in the execution of business and Corporate Auditors who are not Outside Corporate Auditors. In order to allow these Directors and Corporate Auditors to fully execute their expected duties, the Company proposes amendments to Article 24 (Liability Limitation Agreements with Outside Directors) and Article 31 (Liability Limitation Agreements with Outside Corporate Auditors) of the present Articles of Incorporation.  
With regard to the amendments to Article 24 (Liability Limitation Agreements with Outside Directors) of the present Articles of Incorporation, the Company has obtained approval from each Corporate Auditor.

### 2. Contents of the Amendments

Details of the proposed amendments are as follows:

(Amendments shown by underline. Note: In case that change in original Japanese text does not effect a substantial change in the meaning, no change is made in English translation.)

Existing Articles	Proposed Amendments
<p>CHAPTER IV: Directors <u>and</u> the Board of Directors</p> <p><b>Article 21 (Representative Directors and Directors with Titles)</b></p> <ol style="list-style-type: none"> <li>1) The Board of Directors shall elect Representative Directors through its resolution.</li> <li>2) The Board of Directors may elect one (1) Chairman, one (1) President and several Vice Chairmen, <u>Executive Vice Presidents, Senior Managing Directors and Managing Directors</u> through its resolution.</li> <li>3) <u>Through the resolution of the Board of Directors, the President shall oversee and execute business, and Vice Presidents, Senior Managing Directors and Managing Directors shall assist the President and execute business of the Company. However, in case the President is involved in an accident, another Representative Director, based on a sequence defined in advance by the Board of Directors, shall conduct duties on the President's behalf.</u></li> </ol>	<p>CHAPTER IV: Directors, the Board of Directors <u>and Executive Officers</u></p> <p><b>Article 21 (Representative Directors and Directors with Titles)</b></p> <ol style="list-style-type: none"> <li>1) The Board of Directors shall elect Representative Directors through its resolution.</li> <li>2) The Board of Directors may elect one (1) Chairman, one (1) President, and several Vice Chairmen through its resolution.</li> </ol> <p>(Deleted)</p>

Existing Articles	Proposed Amendments
<p><b>Article 24 (Liability Limitation Agreements with <u>Outside</u> Directors)</b></p> <p>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may conclude liability limitation agreements with <u>Outside</u> Directors to limit liabilities for damages provided for in Article 423, Paragraph 1 of the same Act; provided, however, that the cap amount of liability under these agreements shall be an amount defined in advance of ¥10 million or more, or the amount stipulated by laws and regulations, whichever is higher.</p> <p>(New establishment)</p>	<p><b>Article 24 (Liability Limitation Agreements with Directors)</b></p> <p>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may conclude liability limitation agreements with Directors (<u>excluding Directors, etc. involved in the execution of business</u>) to limit liabilities for damages provided for in Article 423, Paragraph 1 of the same Act; provided, however, that the cap amount of liability under these agreements shall be an amount defined in advance of ¥10 million or more, or the amount stipulated by laws and regulations, whichever is higher.</p> <p><b><u>Article 25 (Executive Officers)</u></b></p> <ol style="list-style-type: none"> <li>1) <u>The Board of Directors may elect Executive Officers through its resolution, and assign responsibilities to be executed by him/her.</u></li> <li>2) <u>The Board of Directors may appoint Executive Officers with Titles through its resolution.</u></li> </ol>
<p><b>Article 25 – Article 30 (Text omitted)</b></p>	<p><b>Article 26 – Article 31 (Unchanged)</b></p>
<p><b>Article 31 (Liability Limitation Agreements with <u>Outside</u> Corporate Auditors)</b></p> <p>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may conclude liability limitation agreements with <u>Outside</u> Corporate Auditors to limit liabilities for damages provided for in Article 423, Paragraph 1 of the same Act; provided, however, that the limit of liability under these agreements shall be an amount defined in advance of ¥10 million or more, or the amount stipulated by laws and regulations, whichever is higher.</p>	<p><b>Article 32 (Liability Limitation Agreements with Corporate Auditors)</b></p> <p>Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may conclude liability limitation agreements with Corporate Auditors to limit liabilities for damages provided for in Article 423, Paragraph 1 of the same Act; provided, however, that the limit of liability under these agreements shall be an amount defined in advance of ¥10 million or more, or the amount stipulated by laws and regulations, whichever is higher.</p>
<p><b>Article 32 – Article 35 (Text omitted)</b></p>	<p><b>Article 33 – Article 36 (Unchanged)</b></p>

**Proposal No.3: Election of Seven (7) Directors**

All seven (7) of the Directors (including one (1) Outside Director) will complete their term of office at the closing of this General Meeting of Shareholders. Consequently, with the intent of further strengthening corporate governance, the Company proposes the election of seven (7) new Directors, including two (2) Outside Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and duties of the Company, and status of important concurrent positions	Number of shares of the Company held
1	Shoichi Abbe (September 20, 1940)	<p>April 1963      Joined the Company</p> <p>June 1994      Director of the Company</p> <p>June 1997      Representative Director and Managing Director of the Company</p> <p>June 2000      Representative Director and President of the Company</p> <p>June 2010      Representative Director, President and Chief Executive Officer of the Company to the present</p> <p>June 2013      Outside Corporate Auditor of Sumitomo Realty &amp; Development Co., Ltd. to the present</p> <p>June 2014      Chairman of Japan Warehousing Association Inc. to the present</p> <p>[Status of important concurrent position]</p> <p>Outside Corporate Auditor of Sumitomo Realty &amp; Development Co., Ltd.</p> <p>Chairman of Japan Warehousing Association Inc.</p>	46,027 shares
2	Takanori Ono (December 19, 1953)	<p>April 1977      Joined the Company</p> <p>June 2010      Executive Officer of the Company, General Manager of Marketing Promotion Department</p> <p>June 2012      Executive Officer of the Company, General Manager of Marketing Promotion Department, General Manager of International Project Department</p> <p>June 2013      Director and Managing Executive Officer of the Company (in charge of Overseas Business Department, Marketing Promotion Department, Logistics Department No. 2 and International Project Department) to the present</p>	23,060 shares

Candidate No.	Name (Date of birth)	Career summary, position and duties of the Company, and status of important concurrent positions		Number of shares of the Company held
3	Hiroshi Majima (September 7, 1952)	<p>April 1976      Joined the Company</p> <p>June 2010      Executive Officer of the Company, General Manager of General Affairs Department</p> <p>October 2010   Executive Officer of the Company, General Manager of General Affairs Department, General Manager of Tokyo General Affairs Department</p> <p>June 2013      Director and Managing Executive Officer of the Company (in charge of General Affairs Department, Finance &amp; Accounting Department, Business Promotion Department and Information Systems Department) to the present</p>		30,060 shares
4	Masayuki Kobayashi (June 3, 1950)	<p>April 1975      Joined the Company</p> <p>June 2005      General Manager, Nagoya Branch of the Company</p> <p>June 2007      General Manager, Osaka Harbor Branch of the Company</p> <p>April 2010      General Manager, Osaka Branch and General Manager, Osaka Harbor Branch of the Company</p> <p>June 2010      Executive Officer of the Company, General Manager, Osaka Branch and General Manager, Osaka Harbor Branch</p> <p>October 2010   Executive Officer of the Company, General Manager, Osaka Branch to the present</p>		21,000 shares
5	Hiroyuki Ogawara (March 25, 1952)	<p>November 1976   Joined the Company</p> <p>January 2007      President of Union Services (S'pore) Pte Ltd</p> <p>June 2011      Executive Officer of the Company, Senior General Manager, Head Office and President of Union Services (S'pore) Pte Ltd</p> <p>June 2013      Executive Officer of the Company, General Manager, Yokohama Branch to the present</p>		11,000 shares

Candidate No.	Name (Date of birth)	Career summary, position and duties of the Company, and status of important concurrent positions	Number of shares of the Company held
6	Takafumi Watanabe (January 2, 1947)	<p>April 1973      Joined Asahi Accounting &amp; Co., auditing corporation</p> <p>October 1976    Registered as Certified Public Accountant</p> <p>April 1988      Registered as Attorney at Law Joined Tsujinaka &amp; Mori Law Office</p> <p>October 1990    Established Watanabe &amp; Ichikawa Law and Accounting Office (changed its name to Win General Law Office later)</p> <p>June 2004      Outside Corporate Auditor of Tsubakimoto Chain Co. to the present</p> <p>June 2005      Corporate Auditor of the Company</p> <p>June 2011      Dissolved Win General Law Office Established Watanabe Law and Accounting Office to the present</p> <p>June 2014      Resigned the post of Corporate Auditor of the Company Director of the Company to the present</p> <p>[Status of important concurrent position] Outside Corporate Auditor of Tsubakimoto Chain Co.</p>	11,000 shares
7	Yuki Kawachi (February 14, 1940)	<p>April 1966      Appointed as Public Prosecutor</p> <p>December 1999   Superintending Prosecutor of Sendai High Public Prosecutor's Office</p> <p>November 2001   Superintending Prosecutor of Nagoya High Public Prosecutor's Office</p> <p>June 2002      Superintending Prosecutor of Osaka High Public Prosecutor's Office</p> <p>February 2003   Resigned the post of Superintending Prosecutor</p> <p>March 2003      Registered as Attorney at Law</p> <p>June 2003      Corporate Auditor of the Company to the present</p> <p>February 2012   Outside Corporate Auditor of Corporation for Revitalizing Earthquake affected Business to the present</p> <p>[Status of important concurrent position] Outside Corporate Auditor of Corporation for Revitalizing Earthquake affected Business</p>	0 shares

- Notes: 1. No conflict of interest exists between the Company and the above candidates for Directors.
2. The Company has concluded liability limitation agreements with Mr. Takafumi Watanabe, who currently serves as Outside Director of the Company and Mr. Yuki Kawachi, who currently serves as Outside Corporate Auditor of the Company. If their elections are approved and resolved, the Company plans to continue or conclude such liability limitation agreements

with them. The outline of the contents of the liability limitation agreement is to define ¥10 million or the minimum amount set by the Companies Act, whichever is higher as the limit of the liability for the damages provided for in Article 423, Paragraph 1 of the Companies Act, as far as they perform their duties in good faith without gross negligence.

3. Mr. Takafumi Watanabe and Mr. Yuki Kawachi are candidates for Outside Director.

4. Special description regarding the candidates for Outside Director are as follows:

(1) Mr. Takafumi Watanabe has a wealth of knowledge mainly of finance and accounting as an Attorney at Law and Certified Public Accountant. He has actively given the Company opinions from the view point of an independent position during his term of office as Outside Corporate Auditor and Outside Director of the Company, and has discharged his responsibilities. Accordingly, the Company proposes that Mr. Takafumi Watanabe should be elected as Outside Director since he is familiar with the business operations of the Company and is expected to continue to make use of the plentiful knowledge which he has developed throughout his experience as an Attorney at Law and Certified Public Accountant to supervise the management of the Company. Though Mr. Takafumi Watanabe does not have any experience in getting involved in corporate management other than serving as Outside Director or Outside Corporate Auditor, the Company believes that he can properly carry out his duties as Outside Director for the reasons mentioned above.

Mr. Yuki Kawachi has a wealth of specialized knowledge and experience as a Superintending Prosecutor of the Sendai, Nagoya, and Osaka High Public Prosecutor's Offices and as an Attorney at Law. He has given the Company precise opinions from the view point of an independent position during his term of office as Outside Corporate Auditor of the Company. Accordingly, the Company proposes that Mr. Yuki Kawachi should be elected as Outside Director since he is familiar with the business operations of the Company and is expected to make use of his knowledge, experience, etc., to supervise the management of the Company in the future. Though Mr. Yuki Kawachi does not have any experience in getting involved in corporate management other than serving as Outside Director or Outside Corporate Auditor, the Company believes that he can properly carry out his duties as Outside Director for the reasons mentioned above.

(2) Mr. Takafumi Watanabe currently serves as Outside Director of the Company, and his term of office as Outside Director will reach one (1) year at the closing of this General Meeting of Shareholders. Additionally, he has previously served as Corporate Auditor of the Company.

Mr. Yuki Kawachi currently serves as Outside Corporate Auditor of the Company, and his term of office as Outside Corporate Auditor will reach twelve (12) years at the closing of this General Meeting of Shareholders.

5. Mr. Takafumi Watanabe and Mr. Yuki Kawachi are independent directors/corporate auditors registered under the provisions of Tokyo Stock Exchange, Inc. The Company intends to continue to register them as independent directors/corporate auditors at the said exchange.

6. Mr. Shoichi Abbe is scheduled to resign the post of Outside Corporate Auditor of Sumitomo Realty & Development Co., Ltd. on June 26, 2015 and be appointed Outside Director of said company on the same date.

7. Mr. Hiroyuki Ogawara is scheduled to assume the post of Representative Director and President of J-WeSco Ltd. on June 26, 2015.



**Proposal No.4: Election of Two (2) Corporate Auditors**

Corporate Auditor Kazuyoshi Okamoto will resign at the closing of this General Meeting of Shareholders and Corporate Auditor Yuki Kawachi will complete his term of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of two (2) Corporate Auditors.

The candidates in this proposal are not elected as substitutes for resigning Corporate Auditors[/a substitute for the resigning Corporate Auditor], and their terms of office shall be until the closing of the Ordinary General Meeting of Shareholders for the final fiscal term within four (4) years after the election.

The Board of Corporate Auditors has given its approval to this proposal.

The candidates for Corporate Auditors are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and status of important concurrent positions	Number of shares of the Company held
1	Osamu Yabuki (March 19, 1951)	<p>April 1973      Joined the Company</p> <p>June 2004      Director of the Company</p> <p>June 2005      Resigned the post of Director of the Company</p> <p>                    Executive Officer of the Company</p> <p>June 2008      Director and Executive Officer of the Company</p> <p>June 2009      Representative Director and Managing Director of the Company</p> <p>June 2010      Representative Director and Managing Executive Officer of the Company</p> <p>June 2013      Representative Director and Senior Managing Executive Officer of the Company</p> <p>                    to the present</p>	38,000 shares
2	Kiyoshi Araki (June 24, 1949)	<p>April 1972      Joined the Ministry of Foreign Affairs</p> <p>July 2006      Ambassador Extraordinary and Plenipotentiary of Japan to Sri Lanka</p> <p>April 2009      Ambassador in charge of International Cooperation for Countering Terrorism</p> <p>October 2009   Ambassador for the Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity</p> <p>March 2011      Ambassador Extraordinary and Plenipotentiary of Japan to Turkey</p> <p>December 2013 Councilor of the Ministry of Foreign Affairs</p> <p>                    to the present</p>	0 shares

Notes: 1. No conflict of interest exists between the Company and the above candidates for Corporate Auditors.

2. If the election of Mr. Kiyoshi Araki is approved and resolved, the Company plans to conclude a liability limitation agreement with him. Furthermore, with the precondition that Proposal No.2 “Partial Amendments to the Articles of Incorporation” is approved, if the election of Mr. Osamu Yabuki is approved, the Company plans to conclude a liability limitation agreement with him. The outline of the contents of the liability limitation agreement is to define ¥10

million or the minimum amount set by the Companies Act, whichever is higher as the limit of the liability for the damages provided for in Article 423, Paragraph 1 of the Companies Act, as far as they perform their duties in good faith without gross negligence.

3. Mr. Kiyoshi Araki is a candidate for Outside Corporate Auditor.
4. The reason why the Company appoints Mr. Kiyoshi Araki as the candidate for Outside Corporate Auditor is that the Company believes he will make use of his rich global experience and broad knowledge and insight which he has developed throughout his long career of service as a diplomat. Though Mr. Kiyoshi Araki does not have any experience in getting involved in corporate management other than serving as Outside Director or Outside Corporate Auditor, the Company believes that he can properly carry out his duties as Outside Corporate Auditor for the reasons mentioned above.
5. Mr. Kiyoshi Araki meets the requirements for an independent director/corporate auditor specified by Tokyo Stock Exchange, Inc., and the Company intends to register him as an independent director/corporate auditor at the said exchange.

**Proposal No.5: Revision of Compensation, etc. of Directors (Introduction of Stock Compensation-type Stock Option System)**

With regard to the compensation etc. of Directors of the Company, at the 129th Ordinary General Meeting of Shareholders held on June 29, 2006, it was resolved that an amount within ¥33 million per month would be granted as monetary compensation etc., and an amount within ¥60 million per year as compensation in the form of stock acquisition rights etc., i.e. stock options (tax-qualified stock options).

In order to further increase Directors' morale and desire to contribute to the improvement of the Company's corporate value, and also create shared value with the Company's shareholders, we have determined to introduce a stock compensation-type stock option system for the stock acquisition rights to be allocated to Directors (excluding Outside Directors), in place of the former tax-qualified stock option system.

Under this system, the exercise of the allocated stock acquisition rights by Directors (excluding Outside Directors) shall be subject to the share price conditions, such as the condition that they shall only be entitled to exercise all their stock acquisition rights if the growth rate of the Company's share price matches or exceeds that of TOPIX (Tokyo Stock Exchange Share Price Index). We thus intend to make Directors (excluding Outside Directors) aware of not only the changes in the Company's share price, but the performance of the Company's share price relative to trends in share prices in the stock market as a whole, and also give them a stronger incentive to work toward an increase in the Company's share price.

In addition, the compensation etc. granted as stock acquisition rights in the form of stock compensation-type stock options under this system will be determined after comprehensive consideration of Directors' contributions and various other matters in the Company, and we believe these details are appropriate.

Regarding the amount of compensation etc. in the form of stock acquisition rights, i.e. stock compensation-type stock options, we intend for it to be an amount within ¥60 million per year, the same amount as the compensation etc. in the form of stock acquisition rights, i.e. tax-qualified stock options under the former system. Regarding the timing of the issuance of stock acquisition rights as stock compensation-type stock options and the allocation to each Director etc., the Company requests the matter to be deferred to the Board of Directors. Also, we propose details of the stock acquisition rights and maximum number to be as follows.

Regarding the stock acquisition rights in the form of stock compensation-type stock options, we plan for payment to be set off against the compensation claims of Directors (excluding Outside Directors) based on the compensation etc. in the form of stock acquisition rights, i.e. stock compensation-type stock options under this proposition, in place of the payment of an amount defined as a fair price at the time of allocation.

If Proposal No.3 "Election of Seven (7) Directors" is approved, this proposal shall apply to five (5) Directors.

Details and maximum number of the stock acquisition rights in the form of stock compensation-type stock options to be issued to Directors of the Company (excluding Outside Directors)

**1. Class and Number of Shares to be Allocated upon Exercise of the Stock Acquisition Rights**

The class of shares to be allocated upon exercise of the stock acquisition rights shall be Ordinary shares in the Company, and the number of shares to be allocated upon exercise of the each stock acquisition right (hereinafter referred to as the "number of shares granted") shall be 1,000; provided, however, that in the event that the Company conducts a stock split (including a gratis allotment of ordinary shares; the same applies in descriptions of stock splits hereinafter) or reverse stock split on or after the date of the resolution of this proposition (hereinafter referred to as the "resolution date"), the number of shares granted shall be adjusted based on the following formula. Fractions less than one share generated as a result of the adjustment shall be rounded down.

Post-adjustment number of shares granted = pre-adjustment number of shares granted × stock split or reverse stock split ratio

In addition to the above, in the event the Company conducts a merger or company split on or after the resolution date, or other equivalent circumstances whereby an adjustment to the number of shares granted is necessary, the Company may appropriately adjust the number of shares granted, within reason. Furthermore, in the event that the Company conducts a change in the number of ordinary shares that constitute one unit (excluding those accompanying stock splits and reverse stock splits; the same applies in descriptions of changes in the number of shares that constitute one unit hereinafter) on or after the resolution date, the Company may reasonably adjust the number of shares granted in line with the ratio of the change in the number of shares that constitute one unit for stock acquisition rights whose issuance is resolved by the Board of Directors of the Company on or after the effective date of the change in the number of shares that constitute one unit.

2. Total Number of Stock Acquisition Rights

The total number of stock acquisition rights allocated to Directors (excluding Outside Directors) within one (1) year of the date of the Ordinary General Meeting of Shareholders for each fiscal term shall be limited to 200 units; provided, however, that in the event that the number of shares granted is adjusted in line with a change in the number of shares that constitute one unit, the Company may reasonably adjust the total number of stock acquisition rights in line with the ratio of the adjustment.

3. Amount of Payment for Stock Acquisition Rights

The amount of payment for each unit of stock acquisition rights shall be an amount determined by the Board of Directors of the Company, based on a fair price for the stock acquisition rights calculated using fair calculation methods such as the Black-Scholes model, etc. when the stock acquisition rights are allocated.

4. Value of Assets to be Contributed Upon the Exercise of Stock Acquisition Rights

The value of assets to be contributed upon the exercise of each stock acquisition right shall be ¥1 for each share that may be issued upon the exercise of the stock acquisition rights, multiplied by the number of shares to be granted.

5. Period when Stock Acquisition Rights may be Exercised

The period shall start on the day that three (3) years have elapsed since the day following the day the stock acquisition rights were allocated (hereinafter referred to as the “allocation date”). The period shall end on a day determined by the Board of Directors of the Company, within 20 years from the day following the allocation date.

6. Restrictions on the Acquisition of Stock Acquisition Rights by Transfer

The acquisition of stock acquisition rights by transfer shall require approval by resolution of the Board of Directors of the Company.

7. Conditions for the Exercise of the Stock Acquisition Rights

The number of units of stock acquisition rights that may be exercised by persons that have received an allocation of stock acquisition rights is restricted in line with the share price conditions described below.

[Share Price Conditions]

- (1) In the event that the growth rate of the Company’s share price matches that of TOPIX (Tokyo Stock Exchange Share Price Index) or exceeds it, all allocated stock acquisition rights may be exercised.

The growth rate of the Company’s share price (g) and the growth rate of TOPIX (gTOPIX) shall be calculated using the formula set forth below; provided, however, that in the event that the Company conducts a stock split or reverse stock split of the Company’s ordinary shares effective on a day later than the first day of the month three (3) months directly preceding the month that the allocation date belongs to, and the continuity of the Company’s share price cannot be ensured, the Company may

appropriately adjust the figures used in the calculation of the growth rate of the Company's share price, within reason, in line with the ratio of the stock split or reverse stock split, etc. Also, in addition to the above, in the event that the Company conducts a merger or company split effective on a day later than the first day of the month three (3) months directly preceding the month that the allocation date belongs to, or other equivalent circumstances whereby an adjustment to the figures used in the calculation of the growth rate of the Company's share price is necessary, the Company may appropriately adjust these figures, within reason.

$$g = (a + b) \div c$$

- a: The average closing price of the Company's ordinary shares on the Tokyo Stock Exchange on each day over the three (3) months directly preceding the month that the day three (3) years after the allocation date belongs to.
- b: The total amount of dividends paid per ordinary share in the Company over the three (3) year period after the allocation date.
- c: The average closing price of the Company's ordinary shares on the Tokyo Stock Exchange on each day over the three (3) months directly preceding the month that the allocation date belongs to.

$$g\text{TOPIX} = d \div e$$

- d: The average closing price of TOPIX on each day over the three (3) months directly preceding the month that the day three (3) years after the allocation date belongs to.
- e: The average closing price of TOPIX on each day over the three (3) months directly preceding the month that the allocation date belongs to.

- (2) In the event that the growth rate of the Company's share price is below that of TOPIX, the number (X) of units of stock acquisition rights which may be exercised shall be calculated using the formula below. Fractions less than one unit shall be rounded down.

$$X = Y \times g \div g\text{TOPIX}$$

- Y : The number of units of stock acquisition rights allocated
- g : The growth rate of the Company's share price
- gTOPIX : The growth rate of TOPIX

#### 8. Other Details Related to the Stock Acquisition Rights

Other details related to the stock acquisition rights shall be determined by the Board of Directors of the Company when the terms of the subscription for the stock acquisition rights are determined.

#### (Reference)

Provided this proposal is approved, the Company plans to issue stock acquisition rights with the same details as those described above to Executive Officers of the Company, after this General Meeting of Shareholders.