

Securities identification code: 1924
May 30, 2016

To our shareholders:

Yasuteru Fujii
President and Chief Executive Officer
PanaHome Corporation
1-4, Shinsenrinishimachi
1-chome Toyonaka-shi, Osaka, Japan

NOTICE OF THE 59TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 59th Ordinary General Meeting of Shareholders of PanaHome Corporation (the “Company”), which will be held as described below.

If you are unable to attend the Meeting in person, you may exercise your voting rights using either of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights.

Exercise of voting rights by postal mail

Please indicate your approval or disapproval of each proposal on the enclosed voting form, and return it so that it will be received by us no later than 5:30 p.m. on Wednesday, June 22, 2016.

Exercise of voting rights via the Internet

Please read the attached “Instructions for exercising voting rights via the Internet” and exercise your voting rights no later than 5:30 p.m. on Wednesday, June 22, 2016. (The instructions for exercising voting rights via the Internet is only for those who received the Japanese version of this Notice.)

Meeting Details

- 1. Date and time:** Thursday, June 23, 2016 at 10:00 a.m. (Japan Standard Time)
(Reception is scheduled to open at 9:00 a.m.)
- 2. Venue:** 1-4, Shinsenrinishimachi 1-chome Toyonaka-shi, Osaka, Japan
The Company’s 14th Floor Conference Room
- 3. Purposes:**
 - Items to be reported:**
 1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 59th Term (from April 1, 2015 to March 31, 2016)
 2. The results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
 - Items to be resolved:**
 - Proposal 1:** Election of Nine (9) Directors
 - Proposal 2:** Amendment of Remuneration for Directors
 - Proposal 3:** Determination of Payment Amount, etc., for the Directors under the Stock-Based Compensation Plan.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Nine (9) Directors

The terms of office of eight (8) Directors will expire at the conclusion of this meeting, and Yasuteru Fujii will resign from office. Therefore, the Company has decided to increase the number of Outside Directors by one (1) with the aim of strengthening the corporate governance system and requests the election of nine (9) Directors.

The Candidates for Directors are as follows.

No.	Name Date of birth	Past experience, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
1	Ryuji Matsushita January 9, 1964	<p>April 1986 Joined Matsushita Electric Works, Ltd.(currently Panasonic Corporation)</p> <p>September 2002 Director, Matsushita Electric Works AGE FREE shops Co., Ltd. (currently Panasonic AGE FREE Co., Ltd.)</p> <p>October 2005 Representative Senior Managing Director, Matsushita Electric Works AGE FREE shops Co., Ltd. (currently Panasonic Age FREE Co., Ltd.)</p> <p>April 2010 Representative Director and President, Matsushita Electric Works AGE FREE shops Co., Ltd. (currently Panasonic AGE FREE Co., Ltd.)</p> <p>January 2012 Group Manager, Business Model Planning Group for Comprehensive Solutions Division, Eco Solutions Company, Panasonic Corporation</p> <p>April 2013 Manager, Business Incubation Group, Business Development Center, Eco Solutions Company, Panasonic Corporation</p> <p>April 2014 Executive Officer, the Company</p> <p>June 2014 Director, the Company (present position)</p> <p>April 2015 General Manager, Custom-built Detached Housing Business and Asset Management Division, the Company</p>	10,000 shares
<p>[Reasons for nomination of the candidate for Director]</p> <p>Ryuji Matsushita was appointed as a Director of the Company in June 2014. With his strong leadership skills based on his extensive management experience and broad knowledge, including new business development and business management, he is expected to make valuable contributions to the Company's management decision making and oversight. The Board of Directors therefore proposes his re-election as a Director.</p>			

No.	Name Date of birth	Past experience, positions, responsibilities, and significant concurrent positions		Number of the Company's shares owned
2	Makoto Hatakeyama October 17, 1957	April 1980	Joined the Company	16,000 shares
		June 2005	Executive Officer, the Company	
		June 2009	Director, the Company	
		April 2010	Managing Executive Officer, the Company	
		April 2012	Senior Managing Executive Officer, the Company	
		April 2014	General Manager, Urban Development Business Division, the Company (present position)	
		June 2014	Representative Director, the Company (present position)	
		April 2015	Executive Vice President, the Company (present position)	
		January 2016	Responsible for Urban Development and Overseas Businesses, the Company (present position)	
	[Reasons for nomination of the candidate for Director] Makoto Hatakeyama was appointed as a Director of the Company in June 2009 and has served as Representative Director since June 2014. He has been providing appropriate oversight of overall management at the Company through strong leadership based on his extensive experience and broad knowledge of the Sales and Marketing divisions and the Urban Development and Overseas Business divisions. The Board of Directors considers that he is a suitable candidate for achieving sustainable improvement in corporate value and therefore proposes his re-election as a Director.			
3	Mitsuhiko Nakata June 28, 1957	April 1980	Joined the Company	6,000 shares
		June 2007	Executive Officer, the Company	
		April 2011	Managing Executive Officer, the Company	
		June 2012	Director, the Company (present position)	
		April 2013	Representative Director and President, PanaHome Reform Co., Ltd. (currently Panasonic Home Reform Co., Ltd.)	
		October 2013	General Manager, Residential Stock Business Division, the Company (present position)	
		April 2014	Senior Managing Executive Officer, the Company	
		April 2016	Executive Vice President, the Company (present position)	
	[Reasons for nomination of the candidate for Director] Mitsuhiko Nakata was appointed a Director of the Company in June 2012. He has been providing appropriate oversight of overall management at the Company through strong leadership based on his extensive experience and broad knowledge in the Sales and Marketing divisions and the Residential Stock Business division. The Board of Directors considers that he is a suitable candidate for achieving sustainable improvement in corporate value and therefore proposes his re-election as a Director.			

No.	Name Date of birth	Past experience, positions, responsibilities, and significant concurrent positions		Number of the Company's shares owned
4	Atsushi Hongo March 31, 1960	April 1984	Joined the Company	10,000 shares
		November 2007	General Manager, Human Resources Department, the Company	
		April 2009	Executive Officer, the Company Responsible for Human Resources General Affairs and Legal Departments, the Company (present position)	
		June 2011	Director, the Company (present position)	
		April 2014	Managing Executive Officer, the Company	
		April 2016	Senior Managing Executive Officer, the Company (present position)	
			Responsible for Information (present position)	
[Reasons for nomination of the candidate for Director] Atsushi Hongo was appointed a Director of the Company in June 2011. He has been providing appropriate oversight of overall management through strong leadership based on his extensive experience and broad knowledge in the Human Resources, General Affairs and Legal divisions. The Board of Directors considers that he is a suitable candidate for achieving sustainable improvement in corporate value and therefore proposes his re-election as a Director.				
5	Hideyo Hamatani November 15, 1959	April 1982	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)	3,000 shares
		April 2010	Group Manager, Corporate Sales, Corporate Marketing Division for Digital AVC Products, Panasonic Corporation	
		April 2012	President of LE Company, Panasonic Consumer Marketing Co., Ltd.	
		April 2014	Managing Executive Officer, the Company (present position)	
		June 2014	Director, the Company (present position)	
		April 2015	Chief of Kinki Regional Sales Division, responsible for Corporate Sales, the Company (present position)	
[Reasons for nomination of the candidate for Director] Hideyo Hamatani was appointed a Director of the Company in June 2014. He has been providing appropriate oversight of overall management through strong leadership based on his extensive experience and broad knowledge in Sales and Marketing divisions. The Board of Directors considers that he is a suitable candidate for achieving sustainable improvement in corporate value and therefore proposes his re-election as a Director.				

No.	Name Date of birth	Past experience, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
6	Shinichi Watabe July 29, 1964	<p>April 1988 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>November 2003 Chief Financial Officer, Hangzhou Matsushita Electrification Devices Inc.</p> <p>April 2008 Manager, Accounting Group, Laundry Business Unit, Matsushita Home Appliances Company, Matsushita Electric Industrial Co., Ltd.</p> <p>April 2012 Associate Director, Business Management Office, Head Office Accounting Group, Panasonic Corporation</p> <p>October 2012 Associate Director, Business Management Accounting Group, Corporate Strategy Division, Panasonic Corporation</p> <p>June 2014 Director, the Company (present position) Executive Officer, the Company</p> <p>June 2015 Overall management of Corporate Planning and Administration, the Company (present position)</p> <p>April 2016 Managing Executive Officer, the Company (present position)</p>	2,000 shares
<p>[Reasons for nomination of the candidate for Director]</p> <p>Shinichi Watabe was appointed a Director of the Company in June 2014. He has been providing appropriate oversight of overall management through strong leadership based on his extensive experience and broad knowledge in Business Planning and Management divisions. The Board of Directors considers that he is a suitable candidate for achieving sustainable improvement in corporate value and therefore proposes his re-election as a Director.</p>			

No.	Name Date of birth	Past experience, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
7	Kazuo Ichijo October 13, 1958	<p>April 1988 Full-time Lecturer, Faculty of Social Sciences, Hitotsubashi University</p> <p>October 1993 Assistant Professor, Faculty of Social Sciences, Hitotsubashi University</p> <p>April 2000 Assistant Professor, Graduate School of Social Sciences and International Corporate Strategy, Hitotsubashi University</p> <p>April 2001 Professor, Graduate School of Social Sciences and International Corporate Strategy, Hitotsubashi University</p> <p>April 2003 Adjunct Professor of IMD (International Institute for Management Development) (present position)</p> <p>April 2007 Professor, the Graduate School of International Corporate Strategy (ICS), Hitotsubashi University</p> <p>April 2014 Dean, the Graduate School of International Corporate Strategy (ICS), Hitotsubashi University (present position)</p> <p>June 2015 Director, the Company (present position)</p> <p>[Significant concurrent positions]</p> <p>Professor, Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Adjunct Professor, IMD (International Institute for Management Development)</p> <p>Outside Director, Information Services International-Dentsu, Ltd.</p> <p>Outside Director, Shimano Inc.</p>	0 shares
<p>[Reasons for nomination of the candidate for Outside Director]</p> <p>Kazuo Ichijo assumed the position of Director of the Company in June 2015. He has been involved in social sciences research for many years and, in particular, has an extremely advanced level of expert knowledge of corporate transformation based on international corporate strategy and knowledge creation theory. The Board of Directors proposes his re-election as a Director as his expert knowledge in corporate transformation and strategy would contribute to the Company's overall management. Kazuo Ichijo has no previous management experience other than being an outside director; however, considering the aforementioned reasons, the Board of Directors is of the view that he is well-suited to perform the duties of an Outside Director.</p>			

No.	Name Date of birth	Past experience, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
8	Nobuhiko Teranishi* August 2, 1959	<p>April 1982 Joined Matsushita Electric Works, Ltd. (currently Panasonic Corporation)</p> <p>April 2005 Director, Matsushita Electric Works Bath & Life Co., Ltd.,</p> <p>May 2007 Senior Managing Director of Matsushita Electric Works Bath & Life Co., Ltd.</p> <p>July 2008 General Manager, Kinki Building Materials Sales Department, Building Materials Marketing Unit of Matsushita Electric Works, Ltd</p> <p>January 2012 General Manager, Residential Environment Sales Planning Department, Marketing Unit, Eco Solutions Company, Panasonic Corporation</p> <p>April 2014 Senior General Manager, Electrical Materials Sales Department, Marketing Unit, Eco Solutions Company, Panasonic Corporation</p> <p>April 2016 Executive Vice President, the Company (present position) General Manager of Custom-built Detached Housing and Asset Management Business Divisions with overall management of Household Equipment Development, the Company (present position)</p>	10,000 shares
<p>[Reasons for nomination of the candidate for Director] The Board of Directors is of the view that Nobuhiko Teranishi has strong leadership based on his extensive experience and broad knowledge in the Sales Planning and Marketing divisions, combined with the character that befits a manager of the Company. Therefore, the Board of Directors proposes his election as a Director.</p>			

No.	Name Date of birth	Past experience, positions, responsibilities, and significant concurrent positions	Number of the Company's shares owned
9	Naoto Terakawa* April 10, 1958	<p>April 1982 Joined Sony Corporation</p> <p>April 1999 Vice President, Digital Network Solutions division and Executive Manager, Human Resources Department, Sony Corporation</p> <p>April 2004 Head of Personal Solutions Business Group, Sony Corporation</p> <p>June 2006 Director, StylingLife Holdings Inc.</p> <p>April 2010 Representative Director and President, MAXIM'S DE PARIS, LTD.</p> <p>July 2012 Executive Officer and Executive General Manager, Personnel Affairs Headquarters, World Co., Ltd.</p> <p>November 2014 Representative Director and President, Tera Management Design Co., Ltd. (present position)</p> <p>November 2015 Representative Director and President, Indigo Blue Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President, Indigo Blue Co., Ltd. Representative Director and President of Tera Management Design Co., Ltd.</p>	0 shares
<p>[Reason for nomination of the candidate for Outside Director] The Board of Directors proposes to elect Naoto Terakawa as Outside Director in order to bring to the board extensive management experience and insights of a manager who is not bound by traditional boundaries in the Company's management.</p>			

Notes:

1. There are no special interests between the candidates and the Company.
2. An asterisk (*) indicates a new candidate.
3. Summary of the content of the limited liability agreement with Outside Directors
Kazuo Ichijo currently serves as an Outside Director of the Company, and the Company has entered into an agreement with him to limit liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum amount of liability provided for in Article 425, Paragraph 1 of the Companies Act. If the re-election of Kazuo Ichijo is approved, the Company intends to continue the aforementioned agreement with him. If the election of Naoto Terakawa is approved, the Company intends to enter into the same agreement as above with him.
4. Kazuo Ichijo currently serves as an Outside Director of the Company, and his term of office as Outside Director will be one (1) year at the conclusion of this meeting.
5. Kazuo Ichijo and Naoto Terakawa are candidates for Outside Directors, and the Company intends to continue the registration of Kazuo Ichijo with the Tokyo Stock Exchange as an Independent Director and to newly register Naoto Terakawa with the Tokyo Stock Exchange as an Independent Director.
6. Kazuo Ichijo and Naoto Terakawa meet the requirements of the Standards for Determining the Independence of Independent Directors/Auditors stipulated by the Company.

(Reference) Standards for Determining the Independence of Independent Directors/Auditors
The Outside Directors and Outside Audit & Supervisory Board Members (collectively Outside Officers) of the Company must not fall under any of the conditions below in order to be considered independent.

1. An executive (Note 1) of the Company and its subsidiaries (Note 2) (collectively the Group)
2. An entity which has the Group as a major trading partner (Note 3) or an executive of such an entity
3. A major trading partner of the Group (Note 4) or an executive of such a major trading partner
4. A major shareholder in the Company (a shareholder that directly owns 10% or more of the outstanding voting rights) or an executive or company auditor of such a major shareholder
5. An executive or company auditor of another company with the same parent company as the Company (Note 2)
6. An entity in which 10% or more of total voting rights are directly owned by the Group, or an executive or company auditor of such an entity
7. A person affiliated with the audit firm that is the Group's Accounting Auditor
8. An attorney, certified public accountant, tax accountant, consultant, or other who receives large amounts (Note 5) of cash or other economic benefits in addition to compensation from the Group as an Outside Officer
9. A person affiliated with a group such as a corporation or union, including a law firm, an auditing firm, a tax accountants' corporation, a consulting firm, or other that receives large amounts (Note 5) of cash or other economic benefits from the Group
10. A person or group, such as a corporation or union, that receives large amounts (Note 5) of donations or grants from the Group, or a trustee or executive of such a group
11. In the event that an Executive Director or Standing Audit & Supervisory Board Member of the Group serves concurrently as an outside director or outside company auditor at another company, a person who is an executive director, executive officer, operating officer, manager, or other employee of the other company concerned
12. A person to whom 1. through 11. above have applied in the past three years
13. In the event that a person to whom 1. through 12. above have applied in the past three years is a key person (Note 6), the spouse or a second-degree or closer relative of such a person

Notes:

1. An executive refers to an executive director, executive officer, operating officer, employee who executes operations, trustee, and other equivalent person and employee of a corporation and other entities.
2. Parent company and its subsidiaries refer to entities stipulated in Article 8, Paragraph 3 of the Ordinance on Financial Statements, etc.
3. An entity with the Group as a major trading partner refers to an entity that has received at least 12 million yen annually from the Group and such payments is at least 2% of that entity's annual consolidated net sales in the most recent fiscal year.
4. A major trading partner of the Group refers to an entity which has made payments to the Group of an amount that is at least 2% of the Company's consolidated net sales in the most recent fiscal year as well as an entity that has loaned the Group an amount that is at least 2% of the Company's consolidated total assets at the end of the most recent fiscal year.
5. Large amounts refer to at least 12 million yen per year on the average of the total amount over the past three fiscal years in the case of an individual and at least 12 million yen per year and more than 2% of consolidated net sales or total revenue for the relevant group on the average of the total amount over the past three fiscal years in the case of a corporation or union.
6. A key person refers to a director (excluding outside directors), a company auditor (excluding outside company auditors), an executive officer, and an employee in an upper management position at general manager grade or higher.

(Reference) Basic Policy on Corporate Governance

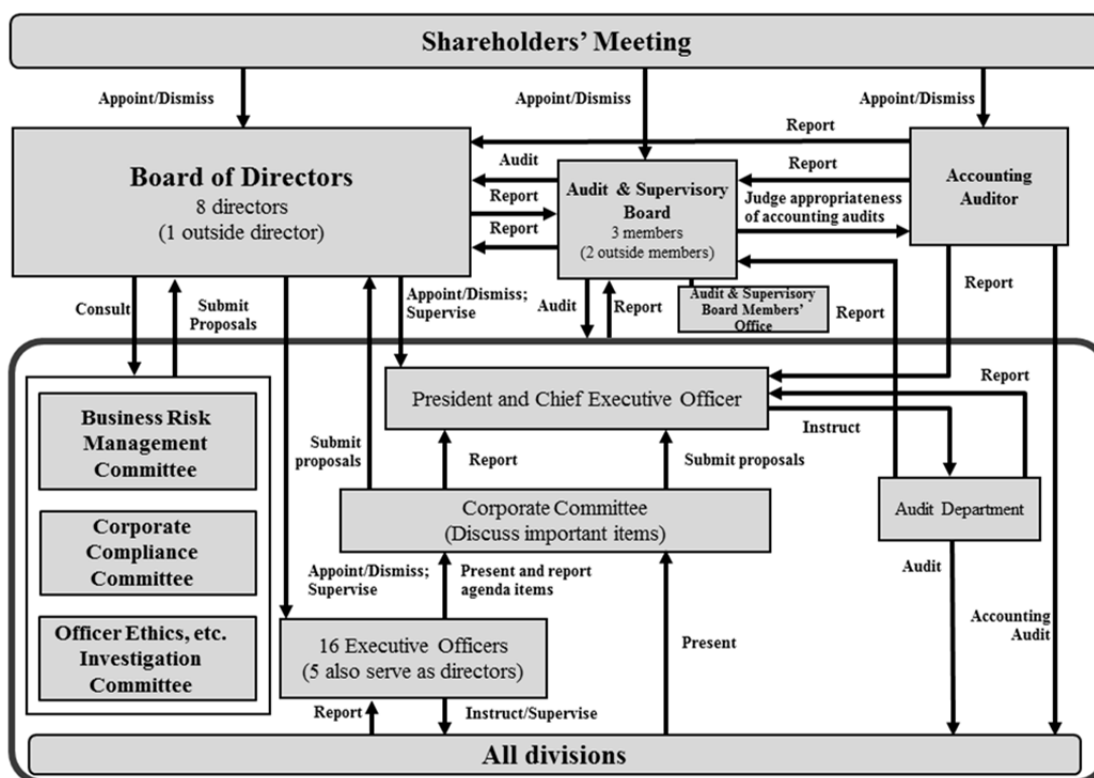
1. Basic Concept

Since its foundation, the Company has been fulfilling the dreams that customers have for their lives and delivering lifetime satisfaction in addition to providing dwellings that will be handed down as valuable assets based on its management philosophy of “Making a contribution through business operations to improve the lives of people around the world.”

Moreover, based on the basic philosophy that “A company is a public entity of society,” the Company believes that it is important to increase corporate value by being accountable through dialogue with various stakeholders, including shareholders and customers, being committed to highly transparent business activities, and swiftly taking fair and honest action.

Recognizing that corporate governance is the key foundation for achieving this, the Company is working to build and strengthen an effective corporate governance system based on the Company’s board with auditor system composed of the Board of Directors, the Audit & Supervisory Board Members, and the Audit & Supervisory Board.

2. Governance System (as of April 1, 2016)



3. Approach to the Composition of the Board of Directors

To effectively perform the roles and responsibilities of the Board of Directors and to contribute to prompt decision making, the Company has determined that the number of members of the Board of Directors shall not be more than a certain number and that the Board of Directors shall, as a rule, be composed of members with knowledge and experience described below.

- Persons with wide-ranging knowledge and extensive experience of the Company's business
- Persons with wide-ranging knowledge and extensive experience in finance, accounting, and other similar matters
- Persons with wide-ranging knowledge and extensive experience in law, compliance, internal control, and other similar matters
- Persons with wide-ranging knowledge and extensive experience in corporate management, industry, society, and other similar matters, irrespective of whether it is the Company's business

Proposal 2: Amendment of Remuneration for Directors

With regard to the amount of remuneration for the Company's Directors, the 49th Ordinary General Meeting of Shareholders held on June 29, 2006 approved an annual amount of no more than 230 million yen in remuneration for Directors, which has continued up to the present.

In addition to accommodating an increase in the amount of remuneration due to the increase in the number of Directors to strengthen the management system, the proposed increase is also to accommodate the performance-linked compensation for Directors (excluding Outside Directors) and Executive Officers recently introduced by the Company. Performance-linked compensation measures such factors as net sales and operating income with the aim of providing incentives to improve the Company performance. In order to expand the range of evaluation and to appropriately align performance with compensation, the Company proposes to change the annual amount of remuneration for Directors to no more than 360 million yen. As in the past, the amount of remuneration shall not include the employee salaries of employee-directors.

If Proposal 1 is approved as originally proposed, there will be nine (9) Directors, two (2) of whom are Outside Directors.

Proposal 3: Determination of Amount of Payment etc., for the Directors under the Stock-Based Compensation

1. Reasons for the Proposal and the Rationale for Such Remuneration

The proposal is to seek approval for the introduction of a stock-based compensation plan (hereinafter the “Plan”) for the Company’s Directors (excluding Outside Directors, the same applies below) and Executive Officers (hereinafter “Directors, etc.”). Specific details of the Plan shall be determined by the Board of Directors within the framework outlined in 2. below.

The Plan creates a clear alignment between the stock price and the remuneration of Directors, etc., thereby ensuring that Directors, etc. share the benefits and risks of fluctuations in the stock price with shareholders. By not only benefiting from increases in the stock price but also sharing the downside risk of falls in the stock price, the Plan is intended to motivate Directors, etc. to contribute to improving the Company’s performance and increasing its corporate value over the medium to long term.

Specifically, separate from the framework of the remuneration limit for Directors proposed in Proposal 2 (no more than 360 million yen), the Company proposes, and asks for approval of, a new stock-based compensation for Directors, etc. Directors serving during the three-year period from the term of office ending at the conclusion of the June 2017 General Meeting of Shareholders to the term of office ending at the conclusion of the June 2019 General Meeting of Shareholders, and Executive Officers serving during the three-year period from the fiscal year ending in March 2017 to the fiscal year ending in March 2019 (each of the aforementioned periods are hereinafter referred to as “the eligible period”) shall be eligible to receive payments under the Plan. Moreover, if Proposal 1 is approved as originally proposed, there will be seven (7) Directors and ten (10) Executive Officers eligible for the Plan.

2. Amount of Compensation and Other Details under the Plan

(1) Overview of the Plan

Under the Plan, a trust established through funds contributed by the Company (hereinafter “the Trust”) would buy the Company’s shares. The shares so acquired will be granted to Directors, etc. through the Trust based on the number of points granted to them in accordance with the rules on granting of shares established by the Company. Directors, etc. will be granted shares in the Company at the time of their resignation as a general rule.

(2) Upper Limit on Funds Contributed by the Company

The initial trust period of the Trust shall be three (3) years, during which period the Company shall contribute moneys to the Trust with an upper limit of 150 million yen (of which amount allocated for the Company’s Directors shall not exceed 60 million yen) as compensation for Directors, etc. Directors, etc. who are in office during the eligible period and meet certain eligibility requirements shall be the beneficiaries of the Trust. The Trust will acquire the Company’s shares through the stock market or by taking up the disposal of the Company’s treasury stock using the moneys entrusted by the Company as the capital.

(Note) The funds actually entrusted by the Company to the Trust will include the estimated expenses such as trust fees and trust manager compensation in addition to the aforementioned funds for the acquisition of the Company’s shares.

It should be noted that at the expiration of the trust period, the Company’s Board of Directors may resolve to extend the trust period and continue the Plan (including effective extension of the trust period by transferring the Trust’s assets to another trust with the same purpose as the Trust. The same applies below). In this event, the Company will make additional contributions of funds within the extension period to the Trust with an upper limit of 50

million yen multiplied by the number of years of extension as additional funds to acquire shares in the Company required to be granted to Directors, etc. under the Plan (however, of this amount, 20 million yen multiplied by the number of years of extension shall be the maximum amount for the acquisition of shares necessary to be granted to Directors). Moreover, in this case, the eligible period will be extended in accordance with such continuation of the Plan and extension of the trust period, and the allocation of points in (3), 1) below and the grant of the Company's shares as described in (4) below will continue during the extended trust period.

Nevertheless, even in cases when the aforementioned allocation of points does not continue, when there are Directors, etc. who are yet to resign despite having already been allocated points, the trust period of the Trust may be extended until the said Directors, etc. resign and the grant of the Company's shares is complete

(3) Calculation Method and Maximum Number of the Company's Shares to be Allocated to Directors, etc.

- 1) Calculation Method of and Upper Limit for the Allocation of Points to Directors, etc.
In accordance with the rules on granting of shares established by the Company's Board of Directors, the Company will allocate points to each of the Directors, etc. based on the standard points by their rank on the point granting day each year during the trust period.

There shall be an upper limit of 100,000 points per year on the total number of points that the Company can allocate to Directors, etc. (Among this, the total number of points allocated to the Directors shall not exceed 40,000 points per year.)

- 2) Grant of the Company's Shares in proportion to the Number of Points Allocated
Directors, etc. will be granted the Company's shares in proportion to the number of points allocated to them as described in 1) above in accordance with the procedures described in (4) below.

The number of the Company's shares to be granted to each of the Directors, etc. shall be the number of points allocated to the relevant Directors, etc. multiplied by 1.0 (however, in the event the Company's shares undergo a stock split, a reverse stock split, or other circumstances that would reasonably call for an adjustment in the number of the Company's shares to be granted, an appropriate adjustment will be made to the number of shares issuable in proportion to the ratio of such split or reverse split.).

(4) Grant of the Company's Shares to Directors, etc.

The grant of the Company's shares to each of the Directors, etc. as described in (3) above will be made by the Trust by performing the specified procedures to determine the beneficiary at the time of resignation of each of the Directors, etc. However, a certain portion of the Company's shares shall be granted as cash in lieu of shares from monies realized through sale within the Trust. Moreover, in the event of an application for a tender offer and settlement involving the Company's shares within the Trust and the like, cash may be granted in place of the Company's shares.