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Securities Code: 5959

March 14, 2017

To Our Shareholders,

Okabe Co., Ltd.

2-8-2, Oshiage, Sumida-ku, Tokyo

Makoto Hirowatari

President

**Notice of Convocation of
the 73rd Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 73rd Ordinary General Meeting of Shareholders of Okabe Co., Ltd. (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 in writing. Please indicate your approval or disapproval on the enclosed Form for Exercise of Voting Rights and return the form to the Company no later than 5:40 p.m. on Wednesday, March 29, 2017 after reviewing the attached Reference Documents for the General Meeting of Shareholders.

Details

1. Date and Time:

March 30, 2017 (Thursday), at 10:00 a.m. (JST)

2. Venue:

“Nishiki,” 4F, TOBU HOTEL LEVANT TOKYO

1-2-2, Kinshi, Sumida-ku, Tokyo

3. Agenda:

Matters to be reported:

1. Business Report, Consolidated Financial Statements, as well as the audit reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements, for the 73rd fiscal year (from January 1, 2016 to December 31, 2016)
2. Non-consolidated Financial Statements for the 73rd fiscal year (from January 1, 2016 to December 31, 2016)

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 Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 4: | Election of Three (3) Directors Who Are Audit and Supervisory Committee Members |
| Proposal No. 5: | Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member |
| Proposal No. 6: | Determination of Remuneration Amounts for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members) |
| Proposal No. 7: | Determination of Remuneration Amounts for Directors Who Are Audit and Supervisory Committee Members |

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- If attending the Meeting in person, please present the enclosed Form for Exercise of Voting Rights at the reception of the meeting venue.
 - If any changes have been made to items in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, such changes will be posted on our website (<http://www.okabe.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

Details pertaining to the appropriation of surplus are as follows.

1. Matters relating to year-end dividends

The Company intends to pay a year-end dividend of ¥12 per share, in view of the need for internal reserves for strengthening its financial position and funding future business operations by basing the dividend on consolidated business results for the 73rd fiscal year. Approval of this Proposal will result in an annual dividend of ¥24 per share, which includes the interim dividend of ¥12 per share.

(1) Type of dividend property:

Cash

(2) Matters concerning assignment of dividend property to shareholders and amounts thereof:

¥12 per share of the Company's common stock

Total amount: ¥597,930,600

(3) Effective date of dividends from surplus:

March 31, 2017

2. Other matters concerning appropriation of surplus

The Company proposes the following with respect to its objectives that involve appropriating internal reserves for initiatives which include future development of production systems and R&D activities.

(1) Item and amount of surplus to decrease:

Retained earnings brought forward: ¥1,000,000,000

(2) Item and amount of surplus to increase:

General reserve: ¥1,000,000,000

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

1. Reasons for Proposal

- (1) To further improve transparency of the Company's management and realize swifter decision-making, the Company will shift to being a company with audit and supervisory committee, the Company proposes to add provisions with respect to the Audit and Supervisory Committee Member and Audit and Supervisory Committee, to delete provisions with respect to Audit & Supervisory Board Member and Audit & Supervisory Board, and to perform other necessary amendments to the current Articles of Incorporation.
- (2) Due to the fact that the scope of Officers, etc. with whom limited liability agreements can be concluded is changed by "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014), in order to ensure that Directors (excluding those who are Executive Directors, etc.) can adequately fulfill the roles expected of them, the Company plans to make necessary amendments to Article 28 of the current Articles of Incorporation, so that it will be possible to conclude limited liability agreements as set forth in Article 427 of the Companies Act. Note that approval has been received from each Audit & Supervisory Board Member for this amendment.
- (3) Accordingly, the Company will also change the number of Articles, etc. as a result of the above-stated amendments.

Amendment to the Articles of Incorporation under this Proposal shall come into effect as of the time of conclusion of this General Meeting of Shareholders.

2. Details of Amendment

The details of the amendments are as follows.

(Underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed Articles of Incorporation
Chapter 1 General Provisions	Chapter 1 General Provisions
Article 1-Article 3 (Omitted)	Article 1-Article 3 (Same as the present)
(Organ)	(Organ)
Article 4	Article 4
The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors:	The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors:
(1) Board of Directors	(1) Board of Directors
(2) <u>Audit & Supervisory Board Members</u>	(2) <u>Audit and Supervisory Committee</u>
(3) <u>Audit & Supervisory Board</u>	(Deleted)
(4) Accounting Auditor	(3) Accounting Auditor
Article 5-Article 19 (Omitted)	Article 5-Article 19 (Same as the present)
Chapter 4 Directors <u>and</u> the Board of Directors	Chapter 4 Directors, the Board of Directors <u>and the</u>
	<u>Audit and Supervisory Committee</u>
(Number of Directors)	(Number of Directors)
Article 20	Article 20
The Company shall have no more than fifteen (15) Directors.	1. The Company shall have no more than fifteen (15) Directors <u>(excluding those who are Audit and Supervisory Committee Members)</u> .
(Newly established)	2. <u>The Company shall have no more than four (4) Directors who are Audit and Supervisory Committee Members.</u>
(Method of Election)	(Method of Election)
Article 21	Article 21
1. Directors shall be elected at the general meeting of shareholders.	1. Directors shall be elected at the general meeting of shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members and other Directors.</u>

Current Articles of Incorporation	Proposed Articles of Incorporation
<p>2. A resolution to elect Directors shall be passed by a majority of the voting rights of the shareholders present at the meeting who hold one third or more of the voting rights of the shareholders entitled to exercise the voting rights.</p> <p>3. A resolution to elect Directors shall not be carried out by a cumulative vote.</p> <p>(Term of Office) Article 22 The term of office for Directors shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year of their election.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Article 23-Article 24 (Omitted) (Notice of Calling) Article 25 1. Notice of calling the meeting of the Board of Directors shall be issued to each Director <u>and Audit & Supervisory Board Member</u> at least three (3) days prior to the date of the meeting. However, the said period of notice may be shortened in cases of emergency.</p> <p>2. The meeting of the Board of Directors may be held without performing the procedures for calling the meeting if all the Directors <u>and Audit & Supervisory Board Members</u> have given their consent.</p> <p>(Newly established)</p>	<p>2. A resolution to elect Directors shall be passed by a majority of the voting rights of the shareholders present at the meeting who hold one third or more of the voting rights of the shareholders entitled to exercise the voting rights.</p> <p>3. A resolution to elect Directors shall not be carried out by a cumulative vote.</p> <p>(Term of Office) Article 22 1. The term of office for Directors <u>(excluding those who are Audit and Supervisory Committee Members)</u> shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within one (1) year of their election.</p> <p>2. <u>The term of office for Directors who are Audit and Supervisory Committee Members shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within two (2) years of their election.</u></p> <p>3. <u>The term of office for a Director who is an Audit and Supervisory Committee Member elected as a substitute for a Director who is an Audit and Supervisory Committee Member and retires before expiry of the term of office shall be until the expiry of the term of office of retired Director who is an Audit and Supervisory Committee Member.</u></p> <p>Article 23-Article 24 (Same as the present) (Notice of Calling) Article 25 1. Notice of calling the meeting of the Board of Directors shall be issued to each Director at least three (3) days prior to the date of the meeting. However, the said period of notice may be shortened in cases of emergency.</p> <p>2. The meeting of the Board of Directors may be held without performing the procedures for calling the meeting if all the Directors have given their consent.</p> <p><u>(Notice of Calling the Meeting of the Audit and Supervisory Committee)</u> <u>Article 26</u> 1. <u>Notice of calling the meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting. However, the said period of notice may be shortened in cases of emergency.</u></p>

Current Articles of Incorporation	Proposed Articles of Incorporation
<p><u>(Method of Election)</u></p> <p><u>Article 30</u></p> <p><u>1. The Audit & Supervisory Board Members shall be elected at the general meeting of shareholders.</u></p> <p><u>2. A resolution to elect Audit & Supervisory Board Members shall be passed by a majority of the voting rights of the shareholders present at the meeting who hold one third or more of the voting rights of the shareholder entitled to exercise voting rights.</u></p>	(Deleted)
<p><u>(Term of Office)</u></p> <p><u>Article 31</u></p> <p><u>The term of office for Audit & Supervisory Board Members shall continue until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year ending within four (4) years of their election.</u></p>	(Deleted)
<p><u>(Full-time Audit & Supervisory Board Members)</u></p> <p><u>Article 32</u></p> <p><u>The Audit & Supervisory Board shall elect Full-time Audit & Supervisory Board Members by a resolution of the board.</u></p>	(Deleted)
<p><u>(Notice of Calling)</u></p> <p><u>Article 33</u></p> <p><u>1. Notice of calling the meeting of the Audit & Supervisory Board shall be issued to each Audit & Supervisory Board Member at least three (3) days prior to the date of the meeting. However, the said period of notice may be shortened in cases of emergency.</u></p> <p><u>2. The meeting of the Audit & Supervisory Board may be held without performing the procedures for calling the meeting if all the Audit & Supervisory Board Members have given their consent.</u></p>	(Deleted)
<p><u>(Remuneration, etc.)</u></p> <p><u>Article 34</u></p> <p><u>The Remuneration, etc. for Audit & Supervisory Board members shall be determined by a resolution of the general meeting of shareholders.</u></p>	(Deleted)
<p><u>(Contract for Limitation of Liability with Outside Audit & Supervisory Board Members)</u></p> <p><u>Article 35</u></p> <p><u>The Company may execute a contract with Outside Audit & Supervisory Board Members for limitation of liability for damages resulting from negligence in duties in accordance with the provisions of Paragraph 1, Article 427 of the Companies Act. However, the amount for the limit of liability under this contract shall be the amount stipulated by laws and regulations.</u></p>	(Deleted)

Current Articles of Incorporation	Proposed Articles of Incorporation
<p>Chapter <u>6</u> Calculation</p> <p>Article <u>36</u>-Article <u>39</u> (Omitted)</p> <p>(Newly established)</p>	<p>Chapter <u>5</u> Calculation</p> <p>Article <u>33</u>-Article <u>36</u> (Same as the present)</p> <p><u>Supplementary Provisions</u></p> <p><u>(Provisional Measures on Contract with Outside Audit & Supervisory Board Members for Limitation of Liability)</u></p> <p><u>Concerning a contract for limitation of liability under Paragraph 1, Article 423 of the Companies Act with respect to acts of Outside Audit & Supervisory Board Members (including those who used to be Outside Audit & Supervisory Board Members) before the conclusion of the 73rd Ordinary General Meeting of Shareholders, provisions of Article 35 of the Articles of Incorporation before amendment by resolutions of the relevant Ordinary General Meeting of Shareholders shall be applicable.</u></p>

(Note) Some underlining does not coincide with the Japanese version because of translation adjustments.

Proposal No. 3: Election of Eight (8) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to being a company with audit and supervisory committee, and all of the present eight (8) Directors will retire from office as their terms of office will expire, at the time when the amendments to the Articles of Incorporation come into effect.

The Company therefore proposes the election of the following eight (8) candidates as Directors (excluding Directors who are Audit and Supervisory Committee Members). This Proposal shall come into effect subject to the effectuation of Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows.

* indicates new candidate

No.	Name	Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations	Number of shares of the Company held
1	Makoto Hirowatari (September 1, 1956)	<p>Mar. 1980: Joined the Company</p> <p>Jan. 2001: General Manager of Kyushu Office, Okabe Kenzai Co., Ltd.</p> <p>Mar. 2003: Director of Okabe Struct Co., Ltd.</p> <p>Jan. 2005: Executive General Manager of Sales Promotion Department, Sales Division</p> <p>Mar. 2005: Operating Officer of the Company, Executive General Manager of Sales Promotion Department, Sales Division</p> <p>Apr. 2007: Operating Officer of the Company, General Manager of Headquarter Sales Division</p> <p>Mar. 2009: Director of the Company, and General Manager of Headquarter Sales Division</p> <p>Mar. 2011: Managing Director in charge of Sales Division</p> <p>Mar. 2013: President of the Company (to the present)</p> <p>Mar. 2016: President of Okabe Holding USA, Inc. (to the present) President of Okabe North America, Inc.</p>	43,490 shares

* indicates new candidate

No.	Name	Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations	Number of shares of the Company held
2	Kenji Shimamura (January 1, 1957)	<p>Mar. 1979: Joined the Company</p> <p>Jan. 2001: General Manager of East Japan Sales, Basepack Department, Sales Division, Okabe Struct Co., Ltd.</p> <p>Jan. 2004: Director, and General Manager of Basepack Department, Sales Division, Okabe Struct Co., Ltd.</p> <p>Jan. 2007: President of Okako Shikoku Co., Ltd.</p> <p>Mar. 2007: Operating Officer of the Company</p> <p>Jan. 2009: President of Sanyo Okabe Co., Ltd.</p> <p>Apr. 2009: Operating Officer of the Company, and General Manager of Chushikoku Sales Branch</p> <p>Mar. 2011: Director of the Company, and General Manager of Chushikoku Sales Branch</p> <p>Mar. 2012: Managing Director in charge of R&D Division</p> <p>Mar. 2014: Managing Director in charge of R&D Division and Production Division</p> <p>Mar. 2016: Managing Director in charge of R&D Division (to the present)</p>	28,856 shares
3	Hiroaki Sugimoto (October 19, 1957)	<p>Apr. 1991: Joined the Company</p> <p>Jan. 2005: General Manager of East Japan Sales, Basepack Department, Sales Division</p> <p>Jan. 2007: General Manager of Basepack Department, Sales Division</p> <p>Mar. 2009: Operating Officer of the Company, and General Manager of Basepack Department, Sales Division</p> <p>Mar. 2012: Director of the Company, and General Manager of Basepack Department, Sales Division</p> <p>Mar. 2013: Managing Director in charge of Sales Division</p> <p>Mar. 2016: Managing Director in charge of Production Division (to the present)</p>	19,161 shares
4	Akira Motoi (November 26, 1957)	<p>Mar. 1980: Joined the Company</p> <p>Jan. 2001: General Manager of Chiba Sales Branch, Tokyo Office, Okabe Kenzai Co., Ltd.</p> <p>Jun. 2002: General Manager of Sales Promotion Division, Okabe Kenzai Co., Ltd.</p> <p>Jan. 2005: General Manager of Kitakanto Sales Branch, Sales Division</p> <p>Mar. 2008: Operating Officer of the Company</p> <p>Jan. 2009: President of Okabe Civil Engineering Co., Ltd.</p> <p>Mar. 2011: Director of the Company</p> <p>Apr. 2013: Director of the Company, and General Manager of Tokyo Sales Branch</p> <p>Mar. 2016: Managing Director in charge of Sales Division (to the present)</p>	18,198 shares

* indicates new candidate

No.	Name	Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations	Number of shares of the Company held
5	Kazumasa Otani (January 12, 1956)	<p>Apr. 2008: Joined the Company Operating Officer of the Company, and General Manager of Overseas Business Promotion Division</p> <p>Mar. 2009: Director of the Company, and General Manager of Automotive Parts Division, General Manager of Overseas Business Promotion Division</p> <p>Jan. 2012: Director of the Company, Executive General Manager of International Division (to the present)</p> <p>Oct. 2015: President of Water Gremlin Company President of Water Gremlin Aquila Company S.p.A. President of Changxing Water Gremlin Non-Ferrous Co.</p>	17,237 shares
6	Yasushi Hosomichi (July 7, 1959)	<p>Nov. 2010: Joined the Company General Manager of Internal Auditing Division</p> <p>Apr. 2013: General Manager of Accounting & Financial Group, Administrative Division</p> <p>Mar. 2014: Operating Officer of the Company, and General Manager of Accounting & Financial Group, Administrative Division</p> <p>Mar. 2016: Director of the Company, Executive General Manager of Administrative Division, and General Manager of Accounting & Financial Group, Administrative Division (to the present)</p>	10,905 shares
7	*Yoshiharu Nohara (July 28, 1960)	<p>Sep. 1986: Joined the Company</p> <p>Apr. 2002: General Manager of Accounting & Finance Division</p> <p>Mar. 2012: Operating Officer of the Company, and General Manager of Accounting & Financial Group, Administrative Division</p> <p>Mar. 2013: Operating Officer of the Company, and General Manager of Production Division</p> <p>Sep. 2014: Operating Officer of the Company, and General Manager of Kyoto Factory (to the present)</p>	9,431 shares

* indicates new candidate

No.	Name	Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations	Number of shares of the Company held
8	*Yasunobu Yamazaki (December 11, 1962)	<p>Jan. 2003: Joined the Company</p> <p>May 2004: General Manager of Overseas Division of Okabe Kenzai Co., Ltd.</p> <p>Oct. 2011: President of Okabe Co., Inc. President of OCM, Inc.</p> <p>Mar. 2016: Operating Officer of the Company (to the present)</p> <p>Oct. 2016: President of Water Gremlin Company (to the present) President of Water Gremlin Aquila Company S.p.A. (to the present) President of Changxing Water Gremlin Non-Ferrous Co. (to the present)</p>	1,542 shares

- (Notes) 1. Figures in the column indicating the number of shares of the Company held respectively include shares held in the name of the officer's shareholding association.
2. No relationships involving special interests exist between any of the candidates and the Company.

Proposal No. 4: Election of Three (3) Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to being a company with audit and supervisory committee.

The Company therefore proposes the election of the following three (3) candidates as Directors who are Audit and Supervisory Committee Members.

Note that approval has been received from the Audit & Supervisory Board for this Proposal.

This Proposal shall come into effect subject to the effectuation of Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

The candidates for Directors who are Audit and Supervisory Committee Members are as follows.

* indicates new candidate

No.	Name (Date of birth)	Career summary, position in the Company, and important concurrent positions at other organizations	Number of shares of the Company held
1	*Tsugio Ishihara (April 3, 1954)	<p>Sep. 1979: Joined the Company</p> <p>Apr. 2003: General Manager of Production Division, Okabe Struct Co., Ltd.</p> <p>Aug. 2004: General Manager of Strategic Planning Division</p> <p>Mar. 2007: Operating Officer of the Company, and General Manager of Strategic Planning Division</p> <p>Jul. 2008: Operating Officer of the Company, and General Manager of General Affairs Group, Administrative Division</p> <p>Jan. 2009: Operating Officer of the Company, and General Manager of General Affairs & Human Resources Group, Administrative Division</p> <p>Apr. 2009: President of Okabe Kaihatsu (Development) Co., Ltd.</p> <p>Mar. 2010: Director of the Company, and General Manager of General Affairs & Human Resources Group, Administrative Division</p> <p>Mar. 2012: Managing Director in charge of Administrative Division</p> <p>Mar. 2016: Full-time Audit & Supervisory Board Member (to the present)</p>	30,786 shares
2	*Katsuyuki Yamazaki (September 23, 1947)	<p>Apr. 1974: Assistant Judge</p> <p>Oct. 1977: Registered with Tokyo Bar Association</p> <p>Mar. 1999: Partner at Kosaka & Yamazaki Law Office (now, Marunouchi First Law Office) (to the present)</p> <p>Mar. 2014: Outside Director of the Company (to the present)</p>	11,555 shares

* indicates new candidate

No.	Name (Date of birth)	Career summary, position in the Company, and important concurrent positions at other organizations	Number of shares of the Company held
3	*Nozomi Tsuji (March 3, 1958)	Apr. 1993: Registered with Tokyo Bar Association Jun. 2001: Partner at DAIICHI-CHUO LAW OFFICE Dec. 2007: Established Nozomi Law Office (to the present)	0 shares

- (Notes)
- Figures in the column indicating the number of shares of the Company held respectively include shares held in the name of the officer's shareholding association.
 - No relationships involving special interests exist between any of the candidates for appointment as Directors and the Company.
 - Katsuyuki Yamazaki and Nozomi Tsuji are candidates for appointment as Outside Directors. Although neither of them has been involved in corporate management, since they are well versed in corporate legal affairs as attorneys at law, and have adequate insight to administer corporate management, the Company judges that they are capable of executing their duties appropriately as Outside Directors. Katsuyuki Yamazaki currently serves as an Outside Director of the Company, and will have held that position for three (3) years as of the conclusion of this General Meeting of Shareholders.
 - Katsuyuki Yamazaki and the Company have concluded an agreement that limits his liability for damages as prescribed in Paragraph 1, Article 427 of the Companies Act of Japan, and also as set forth in the Company's Articles of Incorporation. As such, we intend to renew that agreement if this Proposal for his election gains approval. The agreement limits his maximum financial liability, to within amounts stipulated by laws and regulations.
In addition, if Nozomi Tsuji is elected, the Company intends to enter into the same kind of agreement with her.
 - The Company has notified the Tokyo Stock Exchange (TSE) of the status of Katsuyuki Yamazaki as an independent officer, and if he is elected, the Company plans to notify the TSE of his status as an independent officer again. In addition, if Nozomi Tsuji is elected, the Company intends to notify the TSE of her status as an independent officer.

Proposal No. 5: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to being a company with audit and supervisory committee.

The Company therefore proposes the election of the following one (1) candidate as a substitute Director who is an Audit and Supervisory Committee Member, by way of precaution against the cases where the number of Directors who are Audit and Supervisory Committee Members falls short of the number prescribed in laws and regulations.

Note that approval has been received from the Audit & Supervisory Board for this Proposal.

This Proposal shall come into effect subject to the effectuation of Proposal No. 2 “Partial Amendments to the Articles of Incorporation.”

The candidate for a substitute Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary and important concurrent positions at other organizations	Number of shares of the Company held
Akira Yokotsuka (July 14, 1954)	Apr. 1985: Registered with Tokyo Bar Association Apr. 1990: Vice Chairman of the Tokyo Bar Association’s Special Committee on Tax Matters Mar. 1991: Established Taono, Kamemaru & Yokotsuka Law Office (now, Akane Law Firm) (to the present) Apr. 2000: Chairman of the Tokyo Bar Association’s Special Committee on Legal Ethics	0 shares

- (Notes)
1. No relationships involving special interests exist between the candidate and the Company.
 2. Akira Yokotsuka is a candidate for appointment as a substitute Outside Director.
Although he has not been involved with corporate management, as an attorney at law he is well versed in corporate legal affairs and compliance, and also has abundant practical experience. We therefore deem him capable of properly executing duties required of an Outside Director, from a perspective that is independent of the Company’s management team.
 3. If Akira Yokotsuka is appointed to the position of Outside Director, the Company intends to conclude an agreement that limits his liability for damages as prescribed in Paragraph 1, Article 427 of the Companies Act of Japan, and also as set forth in the Company’s Articles of Incorporation. The agreement will limit his maximum financial liability, to within amounts stipulated by laws and regulations.

Proposal No. 6: Determination of Remuneration Amounts for Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to being a company with audit and supervisory committee.

At the 71st Ordinary General Meeting of Shareholders held on March 27, 2015, the amount of remuneration for Directors of the Company was resolved as an amount not to exceed ¥450 million per annum (out of the amount, the amount of remuneration for Outside Directors not to exceed ¥30 million per annum), and it has been as approved up to the present; however, following the shift to being a company with audit and supervisory committee, the Company plans to abolish this and then determine anew the amount of remuneration for Directors who are not Audit and Supervisory Committee Members, and would like to set the relevant amount to not exceed ¥450 million per annum (out of the amount, the amount of remuneration for Outside Directors not to exceed ¥30 million per annum), taking into consideration the amount of remuneration for Directors up to the present and the recent economic situation, etc. and other circumstances.

The Company would like to set the amount of remuneration for Directors who are not Audit and Supervisory Committee Members not to include salaries as employee for the Directors who also serve as employees.

The Company has eight (8) Directors (one (1) out of these is an Outside Director) at present, and if Proposal No. 2 and Proposal No. 3 are approved as originally proposed, the Company will have eight (8) Directors who are not Audit and Supervisory Committee Members concerning this Proposal.

This Proposal shall come into effect subject to the effectuation of amendments to the Articles of Incorporation pertaining to Proposal No. 2.

Proposal No. 7: Determination of Remuneration Amounts for Directors Who Are Audit and Supervisory Committee Members

If Proposal No. 2 “Partial Amendments to the Articles of Incorporation” is approved as originally proposed, the Company will shift to being a company with audit and supervisory committee.

The Company therefore would like to set the amount of remuneration for Directors who are Audit and Supervisory Committee Members not to exceed ¥100 million per annum, taking into consideration the recent economic situation, etc. and other circumstances.

If Proposal No. 2 and Proposal No. 4 are approved as originally proposed, the Company will have three (3) Directors who are Audit and Supervisory Committee Members concerning this Proposal.

This Proposal shall come into effect subject to the effectuation of amendments to the Articles of Incorporation pertaining to Proposal No. 2.