

Securities Code: 8566

May 29, 2017

To our shareholders:

Daisuke Segawa
Representative Director and President
RICOH LEASING COMPANY, LTD.
1-7-12 Shinonome, Koto-ku, Tokyo

NOTICE OF THE 41st ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 41st Ordinary General Meeting of Shareholders of RICOH LEASING COMPANY, 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 by postal mail or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:25 p.m. on Tuesday, June 13, 2017 (Japan Standard Time).

- Exercising your voting rights by attending the General Meeting of Shareholders
Please bring the enclosed voting form and submit it at the reception desk.
- Exercising your voting rights by postal mail
Please indicate your approval or disapproval on the enclosed voting form and return it so that it arrives by 5:25 p.m. on Tuesday, June 13, 2017 (Japan Standard Time).
- Exercising your voting rights via the Internet, etc.
Please indicate your approval or disapproval by 5:25 p.m. on Tuesday, June 13, 2017 (Japan Standard Time).
- In the event that you vote twice, by postal mail and via the Internet, etc., we will consider only the vote via the Internet, etc. to be valid.
- If you vote, via the Internet, etc. multiple times, we will consider the final vote to be valid.

1. Date and Time: Wednesday, June 14, 2017 at 10:00 a.m. (Japan Standard Time) (Reception desk opens at 9 a.m.)

2. Venue: Hotel East 21 Tokyo “East 21 Hall” on the first floor
6-3-3 Toyo, Koto-ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 41st Term (from April 1, 2016 to March 31, 2017), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.
2. Non-Consolidated Financial Statements for the 41st Term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

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| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Election of Seven (7) Directors |
| Proposal 3: | Election of One (1) Substitute Audit & Supervisory Board Member |
| Proposal 4: | Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members |
| Proposal 5: | Payment of Bonuses to Directors |

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Matters

Proposal 1: Appropriation of Surplus

The Company's basic policy is to provide stable shareholder returns over the medium to long term, and steadily increase shareholder dividends while working to achieve reliable growth, sufficient capital funding and a strengthened financial position. Our medium-term target (in 3~5 years) for shareholder returns is a dividend payout ratio of 25%.

Based on this policy, the Company proposes year-end dividends for the 41st Term and other appropriation of surplus as described below.

1. Matters related to year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Allotment of dividend property to the shareholders and total amount of dividends
30 yen per common share of the Company (total amount of dividends: 936,498,930 yen)
As a result, annual dividends, including the interim dividend, have increased by 5 yen over the previous fiscal year to 60 yen.
 - (3) Effective date of distribution of dividends of surplus
June 15, 2017
2. Matters related to other appropriation of surplus
 - (1) Item related to appropriation of surplus and amount of increase thereof
General reserve: 8,000,000,000 yen
 - (2) Item of surplus to be decreased and amount of decrease thereof
Retained earnings brought forward: 8,000,000,000 yen

Proposal 2: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Therefore, the Company proposes the election of seven (7) Directors, including two (2) Outside Directors.

In addition, before submitting this proposal, the members of the Nominating and Compensation Committee, a committee established by the Board of Directors and chaired by an Outside Director, deliberated and consulted with the approval by the Board of Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
1	<p>Daisuke Segawa (July 21, 1954)</p> <p>[Reelection]</p> <p>Term of office for Board of Directors 1 year</p> <p>Attendance at 11 out of 11 Board of Directors meetings (100%)</p>	<p>Mar. 1980 Joined Ricoh Company, Ltd.</p> <p>Oct. 2004 General Manager of Corporate Planning Division, Ricoh Company, Ltd.</p> <p>June 2005 Corporate Vice President, Ricoh Company, Ltd.</p> <p>Apr. 2006 General Manager of Finance and Accounting Division, Ricoh Company, Ltd.</p> <p>May 2009 CEO, InfoPrint Solutions Company, LLC</p> <p>June 2013 Corporate Senior Vice President, Ricoh Company, Ltd.</p> <p>Apr. 2014 General Manager of Management Transformation Division, Ricoh Company, Ltd.</p> <p>Apr. 2015 General Manager of Japan Management Division, Ricoh Company, Ltd.</p> <p>Sept. 2015 Deputy General Manager of Corporate Division, Ricoh Company, Ltd.</p> <p>Apr. 2016 Joined the Company. Deputy President of the Company</p> <p>June 2016 Representative Director of the Company (present position) President of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] None.</p>	6,400
<p>Reasons for nomination as candidate for Director Daisuke Segawa has extensive experience and impressive knowledge accumulated over many years as a manager. In addition, since being appointed Representative Director and President in June 2016, he has led the management of the Group. In order to secure the enhancement of corporate value, the Company proposes that he be reelected as Director.</p> <p>Other matters concerning candidate for Director There is no special interest between Daisuke Segawa and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
2	<p>Jun Yoshikawa (September 9, 1956)</p> <p>[Reelection]</p> <p>Term of office for Board of Directors 3 years</p> <p>Attendance at 13 out of 13 Board of Directors meetings (100%)</p>	<p>May 1981 Joined the Company.</p> <p>Nov. 2004 Manager of Tokyo Branch Office, Metropolitan Area Business Division, Sales Division of the Company</p> <p>Jan. 2005 Corporate Vice President of the Company</p> <p>Apr. 2008 Managing Executive Officer, TECHNO RENT CO., LTD</p> <p>June 2008 Director and Senior Managing Executive Officer, TECHNO RENT CO., LTD</p> <p>Apr. 2010 General Manager of Credit Division of the Company</p> <p>Apr. 2012 Corporate Senior Vice President of the Company</p> <p>General Manager of Sales Division of the Company</p> <p>June 2014 Director of the Company</p> <p>Apr. 2015 Representative Director and President, TECHNO RENT CO., LTD</p> <p>Apr. 2017 Representative Director of the Company (present position)</p> <p>Corporate Executive Vice President of the Company (present position)</p> <p>In charge of sales of Ricoh Leasing Group of the Company (present position)</p> <p>In charge of new core systems of the Company (present position)</p> <p>General Manager of Area Sales Division of the Company (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>None.</p>	2,000
<p>Reasons for nomination as candidate for Director</p> <p>Jun Yoshikawa has extensive experience and achievements as a manager as well as impressive knowledge accumulated while serving as a Director of the Company and as representative director and president of a subsidiary. The Company believes that he will be able to make contributions to the enhancement of corporate value of the Group through the business growth strategy by leveraging his experience and insight, and proposes that he be reelected as Director.</p> <p>Other matters concerning candidate for Director</p> <p>There is no special interest between Jun Yoshikawa and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
3	<p>Motomu Manabe (September 18, 1957)</p> <p>[Reelection]</p> <p>Term of office for Board of Directors 2 years</p> <p>Attendance at 13 out of 13 Board of Directors meetings (100%)</p>	<p>Aug. 1982 Joined the Company.</p> <p>Apr. 2001 Manager of Osaka Branch Office, Sales Division of the Company</p> <p>Nov. 2004 Manager of Kanto Branch Office, Metropolitan Area Business Division, Sales Division of the Company</p> <p>Jan. 2005 Corporate Vice President of the Company</p> <p>Apr. 2008 General Manager of Metropolitan Area Business Division of the Company</p> <p>Apr. 2014 Corporate Senior Vice President of the Company (present position) General Manager of Operation Division of the Company</p> <p>Apr. 2015 General Manager of Sales Division of the Company Deputy General Manager of Structural Reform Promotional Office of the Company</p> <p>June 2015 Director of the Company (present position)</p> <p>July 2015 Manager of Business Reform Center of the Company</p> <p>Apr. 2016 In charge of operations of the Company</p> <p>Apr. 2017 Representative Director and President, TECHNO RENT CO., LTD (present position)</p> <p>[Significant concurrent positions outside the Company] Representative Director and President, TECHNO RENT CO., LTD</p>	1,420
<p>Reasons for nomination as candidate for Director Motomu Manabe has extensive experience, achievements and impressive knowledge of management in the leasing/installment sales business accumulated over many years. The Company believes that he will be able to make contributions to the enhancement of corporate value of the Group through the enhancement of the synergies between the leasing/installment sales, financial services, and rental businesses by leveraging his experience and insight, and proposes that he be reelected as Director.</p> <p>Other matters concerning candidate for Director Motomu Manabe concurrently serves as Representative Director and President of TECHNO RENT CO., LTD, which has a transactional relationship with the Company as well as being a competitor in the rental business.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
4	<p>Koji Totani (August 19, 1962)</p> <p>[Reelection]</p> <p>Term of office for Board of Directors 1 year</p> <p>Attendance at 11 out of 11 Board of Directors meetings (100%)</p>	<p>Mar. 1985 Joined Ricoh Company, Ltd.</p> <p>Jan. 1997 Manager, Ricoh Europe B.V.</p> <p>Apr. 2006 Manager of Funding, Finance Department, Finance and Accounting Division, Ricoh Company, Ltd.</p> <p>Apr. 2009 General Manager of Finance Department, Finance and Accounting Division, Ricoh Company, Ltd.</p> <p>Nov. 2009 Global Strategy Division, Ricoh Company, Ltd.</p> <p>July 2012 Leader, Strategy Group, Corporate Strategy and Planning Center, Corporate Planning Division, Ricoh Company, Ltd.</p> <p>Apr. 2014 General Manager, Communication Support Department, Corporate Strategy and Planning Center, Corporate Division, Ricoh Company, Ltd.</p> <p>Apr. 2016 Joined the Company. Corporate Vice President of the Company (present position) Deputy General Manager of Business Management Division of the Company</p> <p>June 2016 Director of the Company (present position) General Manager of Business Management Division of the Company (present position) In charge of internal control of the Company (present position)</p> <p>Apr. 2017 General Manager of Credit Division of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] None.</p>	500
<p>Reasons for nomination as candidate for Director Koji Totani has extensive experience, achievements and impressive knowledge of management in the accounting, finance and corporate planning accumulated over many years. The Company believes that he will be able to make contributions to the enhancement of corporate value of the Group through the enhancement of business management and corporate governance by leveraging his experience and insight, and proposes that he be reelected as Director.</p> <p>Other matters concerning candidate for Director There is no special interest between Koji Totani and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
5	<p>Kunihiko Satoh (October 21, 1956)</p> <p>[Reelection]</p> <p>Term of office for Board of Directors 4 years</p> <p>Attendance at 13 out of 13 Board of Directors meetings (100%)</p>	<p>Mar. 1979 Joined Ricoh Company, Ltd.</p> <p>June 2005 Corporate Vice President, Ricoh Company, Ltd.</p> <p>Apr. 2009 Representative Director, President, Ricoh Kansai Company Ltd.</p> <p>Oct. 2011 Corporate Senior Vice President, Ricoh Company, Ltd. General Manager of Japan Marketing Group, Ricoh Co., Ltd. Representative Director, President and CEO, Ricoh Japan Corporation</p> <p>June 2012 Director, Ricoh Company, Ltd. (present position) Corporate Executive Vice President, Ricoh Company Ltd. (present position)</p> <p>June 2013 Director of the Company (present position)</p> <p>May 2016 In charge of optical-related business, Ricoh Company, Ltd. In charge of global new business promotion, Ricoh Company, Ltd. General Manager of New Business Development Division, Ricoh Company, Ltd.</p> <p>Apr. 2017 General Manager of Office Printing Business Group, Ricoh Company, Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Director, Corporate Executive Vice President, Ricoh Company, Ltd. General Manager of Office Printing Business Group, Ricoh Company, Ltd.</p>	0
<p>Reasons for nomination as candidate for Director Kunihiko Satoh has extensive experience and impressive knowledge of management in marketing accumulated over many years at Ricoh Company, Ltd. The Company believes that he will be able to make contributions to the enhancement of corporate value of the Group through the enhancement of collaboration between the Group and the Ricoh Group by leveraging his experience and insight, and proposes that he be reelected as Director.</p> <p>Other matters concerning candidate for Director There is no special interest between Kunihiko Satoh and the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
6	<p>Kozue Shiga (November 23, 1948)</p> <p>[Reelection] [Outside Director] [Independent Officer]</p> <p>Term of office for Board of Directors 2 years Attendance at 12 out of 13 Board of Directors meetings (92%)</p>	<p>Nov. 1967 Joined Japan Airlines Co., Ltd.</p> <p>Apr. 1993 Prosecutor, Yokohama District Public Prosecutors Office</p> <p>Apr. 1998 Registered at Daiichi Tokyo Bar Association</p> <p>Aug. 1999 Established Shiga Law Office</p> <p>June 2002 Partner, San-Sogo Law Office</p> <p>Oct. 2005 Partner, Shiraishi & Partners (present position)</p> <p>Sept. 2009 Outside Director, Toyoko Inn Co., Ltd. (present position)</p> <p>June 2010 Outside Audit & Supervisory Board Member, Shinsei Bank, Limited (present position)</p> <p>June 2015 Outside Director of the Company (present position)</p> <p>Outside Director, Tokushu Tokai Paper Co., Ltd.</p> <p>June 2016 Outside Audit & Supervisory Board Member, Kawasaki Kisen Kaisha, Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Partner, Shiraishi & Partners</p> <p>Outside Director, Toyoko Inn Co., Ltd.</p> <p>Outside Audit & Supervisory Board Member, Shinsei Bank, Limited</p> <p>Outside Audit & Supervisory Board Member, Kawasaki Kisen Kaisha, Ltd.</p>	0
<p>Reasons for nomination as candidate for Outside Director</p> <p>Kozue Shiga has cultivated specialized experience and insight over many years as a lawyer, as well as extensive experience and knowledge as an officer of listed companies. Therefore, the Company believes that she is an appropriate candidate for Director and proposes that she be reelected. She has no experience in working directly in corporate management other than as an Outside Director or Outside Audit & Supervisory Board Member, but for the reasons given above, we believe that she would be able to appropriately fulfill her responsibilities as Outside Director.</p> <p>Other matters concerning candidate for Director</p> <ul style="list-style-type: none"> - Kozue Shiga fulfills the requirements for Independent Officers as stipulated by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers, and the Company has registered her as an Independent Officer with the Tokyo Stock Exchange. In the event that the reelection of Kozue Shiga is approved, the Company plans for her appointment as an independent officer to continue. The Company's Independence Standards for Outside Officers are provided on page 11 of this document. - There is no special interest between Kozue Shiga and the Company. - Kozue Shiga is a candidate for Outside Director. 			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
7	<p>Kaoru Seto (November 16, 1947)</p> <p>[Reelection] [Outside Director] [Independent Officer]</p> <p>Term of office for Board of Directors 1 year</p> <p>Attendance at 11 out of 11 Board of Directors meetings (100%)</p>	<p>Apr. 1970 Joined Yamato Transport Co., Ltd.</p> <p>June 1999 Director, Yamato Transport Co., Ltd.</p> <p>June 2004 Director and Managing Executive Officer, Yamato Transport Co., Ltd.</p> <p>June 2006 Representative Director, President and Executive Officer, Yamato Holdings Co., Ltd.</p> <p>Apr. 2011 Representative Director and Chairman, Yamato Holdings Co., Ltd.</p> <p>Apr. 2015 Director and Advisor, Yamato Holdings Co., Ltd.</p> <p>June 2016 Outside Director of the Company (present position) Advisor, Yamato Holdings Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Advisor, Yamato Holdings Co., Ltd. Chairman, Yamato Welfare Foundation</p>	0
<p>Reasons for nomination as candidate for Outside Director Kaoru Seto has wide-ranging knowledge and impressive insight into corporate management accumulated from his extensive experience as a manager at Yamato Holdings Co., Ltd. Therefore, the Company believes that he is an appropriate candidate for Director and proposes that he be reelected.</p> <p>Other matters concerning candidate for Director</p> <ul style="list-style-type: none"> - Kaoru Seto fulfills the requirements for Independent Officers as stipulated by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers, and the Company has registered him as an Independent Officer with the Tokyo Stock Exchange. In the event that the reelection of Kaoru Seto is approved, the Company plans for his appointment as an independent officer to continue. The Company's Independence Standards for Outside Officers are provided on page 11 of this document. - There is no special interest between Kaoru Seto and the Company. - Kaoru Seto is a candidate for Outside Director. 			

- Notes:
1. Ricoh Company, Ltd. is the Company's parent company. The position and responsibilities of Daisuke Segawa, Koji Totani, and Kunihiro Satoh at this company or its subsidiaries at present and in the past five years are noted in their career summaries.
 2. The Company has concluded agreements limiting the liability of Kozue Shiga and Kaoru Seto in accordance with Article 423, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to renew these agreements. These agreements will set the limit of such liability as the minimum total liability stipulated by laws and regulations.
 3. The stated attendance of Board of Directors meetings for Daisuke Segawa, Koji Totani and Kaoru Seto considers only the meetings held after their assumption on June 15, 2016.

Proposal 3: Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes that one (1) substitute Audit & Supervisory Board Member be elected to prepare for a case where the number of Audit & Supervisory Board Members falls below the number stipulated by laws and regulations. The Audit & Supervisory Board has given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
Teigo Kobayashi (August 2, 1941) [Outside Audit & Supervisory Board Member] [Independent Officer] Term of office for Audit & Supervisory Board – Attendance at the Board of Directors meetings – Attendance at the Audit & Supervisory Board meetings –	Apr. 1968 Registered at Tokyo Bar Association June 1991 Founded Kobayashi Law Office Apr. 2009 Outside Audit & Supervisory Board Member, Asahi Holdings, Inc. June 2010 Outside Audit & Supervisory Board Member of the Company [Significant concurrent positions outside the Company] Lawyer	2,000

Reasons for nomination as candidate for substitute Outside Audit & Supervisory Board Member

Teigo Kobayashi is a candidate for substitute Outside Audit & Supervisory Board Member because we believe that, based on his extensive experience and expert knowledge as a lawyer, as well as his many years working in audit operations as the Company's Outside Audit & Supervisory Board Member, he would be able to appropriately fulfill his responsibilities as an Outside Audit & Supervisory Board Member. While he has no experience in working directly in corporate management other than as an Outside Audit & Supervisory Board Member, for the reasons given above, we believe that he can adequately fulfill his responsibilities as Outside Audit & Supervisory Board Member.

Other matters concerning candidate for Audit & Supervisory Board Member

- Teigo Kobayashi fulfills the requirements for Independent Officers as stipulated by the Tokyo Stock Exchange, Inc., as well as the Company's Independence Standards for Outside Officers. In the event that the election of Teigo Kobayashi is approved and he assumes the office as an Audit & Supervisory Board Member, the Company plans to register him as an Independent Officer with the Tokyo Stock Exchange. The Company's Independence Standards for Outside Officers are provided on page 11 of this document.
- There is no special interest between Teigo Kobayashi and the Company.
- Teigo Kobayashi is a candidate for substitute Outside Audit & Supervisory Board Member.

Note: In the event that Teigo Kobayashi is elected and assumes the position as an Audit & Supervisory Board Member, the Company plans to conclude an agreement limiting his liability in accordance with Article 423, paragraph 1 of the Companies Act. This agreement will set the limit of such liability as the minimum total liability stipulated by laws and regulations.

Independence Standards for Outside Officers

The Company determines that any Outside Officer (Outside Director and Outside Audit & Supervisory Board Member) or Candidate for Outside Officer who does not fit any of the following criteria would meet the standards for independence.

- A business executor at the Company or an affiliated company at present or in the past 10 years;
- An important business partner of the Company (which account for 2% or more of the consolidated sales of either the Company or the business partner) at present or in the past three years, or its business executor;
- A consultant, accounting specialist or legal specialist (in the event that the entity receiving the assets is an organization such as corporation, association or other group, a person affiliated with the group) who receives or has received a large sum of money from the Company (10 million yen or more annually), excluding a director's remuneration, or other assets from the Company, at present or in the past three years;
- A major shareholder in the Company (someone who holds 10% or more of the voting rights in the Company directly or indirectly) at present, or its business executor;
- A person who has received a large contribution from the Company (10 million yen or more annually), or its business executor; or
- A certified public accountant affiliated with the audit firm that serves as the Group's accounting auditor.

Proposal 4: Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members

Remuneration for the Directors of the Company of no more than 15 million yen monthly was approved at the Ordinary General Meeting of Shareholders held in June 1995. Within that framework are paid basic remuneration, a bonus linked to performance and remuneration for the purchase of treasury stock. Nevertheless, remuneration for Outside Directors consists only of the basic remuneration to preserve their role in providing appropriate oversight and ensuring their independence.

The Company proposes to revise part of the remuneration system for Directors as follows, with the aim of establishing greater link between the remuneration for Directors and the performance in order for Directors to have closer alignment with the interests of shareholders, and setting remuneration at appropriate levels that ensure that talented personnel can be appointed.

- (1) For executive Directors (excluding non-executive Directors and Outside Directors), the ratio of the sum of the bonus linked to performance in a single fiscal year and remuneration for the purpose of purchasing treasury stock has been raised to 50% of total remuneration. In particular, the ratio of remuneration for the purpose of purchasing treasury stock has been set to 15% for Directors who have concurrent positions as Executive Officers at the Company, and 10% for other Directors.
- (2) The basis for calculating the bonus linked to performance in a single fiscal year has been revised, and will be determined based on consolidated operating income for the applicable fiscal year and the level of achievement versus plans. In addition, the bonus linked to performance in a single fiscal year will be paid only to executive Directors (non-executive Directors and Outside Directors will not be recipients of these payments).

As a result of the above-mentioned partial revision of the remuneration system for Directors, it has been determined that, going forward, the use of a more agile remuneration strategy within the framework of the total remuneration amount is required. The Company proposes that, as well as amending the provisions from a monthly amount to an annual amount, bonuses for Directors shall also be paid within the remuneration framework, and the remuneration amount for Directors shall be revised to be no more than 250 million yen annually (within which framework, remuneration for Outside Directors shall be no more than 30 million yen annually).

Furthermore, as was previously the case, for Directors who work concurrently as employees, the employee portion of the salary shall not be included in the remuneration of the Director.

Currently there are seven (7) Directors (of whom two (2) are Outside Directors), and in the event that Proposal 2 is approved in its original form, that number shall remain seven (7) (of whom two (2) shall be Outside Directors).

In order to ensure the transparency and fairness of the process of decisions on remuneration for Directors by strengthening the involvement of independent Outside Directors in the procedure, the Company established a Nominating and Compensation Committee in August 2015, and the revision of the remuneration system for Directors was deliberated by this same Committee with the approval by the Board of Directors before submission.

In addition, remuneration for the Audit & Supervisory Board Members of the Company of no more than 5 million yen monthly was approved at the Ordinary General Meeting of Shareholders held in June 1995, and that has continued to the present day. However in line with the revision of the remuneration amount for Directors, the Company proposes that, as well as amending the provisions from the previous monthly amount to an annual amount, the remuneration for Audit & Supervisory Board Members be set to no more than 60 million yen annually. The Company currently has three Audit & Supervisory Board Members.

Proposal 5: Payment of Bonuses to Directors

In light of business performance in the current fiscal year, the Company proposes to pay a total of 35,700,000 yen in bonuses to seven (7) Directors (excluding Outside Directors) who were in office in the current fiscal year.

<Approach to remuneration to Directors>

The Company views remuneration to Directors as an effective incentive in raising earnings sustainably over the medium to long term to increase the Company's and the Group's corporate value (shareholder value). In terms of strengthening corporate governance, the Company determines remuneration based on the following policies:

- (1) Develop a remuneration system tailored to the roles and responsibilities expected of Directors;
- (2) Set remuneration so that Directors can raise corporate earnings and corporate value (shareholder value) and share interests with shareholders;
- (3) Set remuneration at levels that ensure that talented personnel can be appointed (hired) and retained; and
- (4) Ensure the objectivity, transparency, and validity of the process for setting remuneration in order to remain accountable to stakeholders, including shareholders.

Director remuneration consists of (1) basic remuneration, (2) a bonus linked to performance in a single fiscal year (short-term incentive), and (3) stock (medium to long term incentive). Nevertheless, remuneration for Outside Directors consists only of the basic remuneration to preserve their role in providing appropriate oversight and ensuring their independence.

The Company has established a Nominating and Compensation Committee with the aim of ensuring the objectivity, transparency, and validity of the appointment/dismissal of Directors and decisions on remuneration. This committee serves as an advisory body to the Board of Directors, and includes Outside Directors and Representative Directors, and no more than one internal Director is designated by Representative Directors.

The Nominating and Compensation Committee confirms that the remuneration system and remuneration levels for Directors are consistent with the above policies. In particular, with regard to the total amount of Director bonuses, the proposal is deliberated by the Committee, approved by the Board of Directors, and then brought up for discussion at the General Meeting of Shareholders.