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(Stock Exchange Code 9072)
June 6, 2018

To Shareholders with Voting Rights:

Masakatsu Kuroiwa
President & Representative Director
NIKKON Holdings Co., Ltd.
6-17 Akashi-cho Chuo-ku, Tokyo

**NOTICE OF
THE 77TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our sincere appreciation for your continued support and patronage.

You are cordially invited to attend the 77th Annual General Meeting of Shareholders of NIKKON Holdings Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via an electromagnetic method (through the Internet). Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote of approval or disapproval on the proposals in the enclosed Voting Rights Exercise Form and return the form so that it is received by 5:15 p.m. on Wednesday, June 27, 2018, Japan time (JST), or exercise your voting rights via the Internet (<https://evote.tr.mufg.jp/>).

1. Date and Time: Thursday, June 28, 2018 at 10:00 a.m. Japan time

2. Place: 5F Conference room at the Corporate Headquarters located at
6-17 Akashi-cho Chuo-ku, Tokyo Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 77th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 77th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Provision of Bonuses to Directors
- Proposal 3:** Election of Nine (9) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors Serving as Audit and Supervisory Committee Members
- Proposal 5:** Determination of Amounts of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 6:** Determination of Amounts of Remuneration for Directors Serving as Audit and Supervisory Committee Members
- Proposal 7:** Determination of Amount and Content of Stock Options as Stock-Linked Remuneration for Directors (Excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members)

4. Guidance for exercising Voting Rights

- (1) If you exercise your voting rights both in writing and via the Internet, the voting rights exercised via

the Internet shall be deemed as valid.

If you exercise your voting rights multiple times via the Internet, the latest exercise shall be deemed as valid.

(2) All shareholders may exercise their voting rights through a proxy who must be another shareholder of the Company having voting rights. However, submission of documents proving power of attorney will be required.

* For those attending, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

* Please bring this Notice with you for resource saving.

* Any amendments to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on the Company's website (<http://www.nikkon-hd.co.jp>).

* Please understand that souvenirs for shareholders who attend the meeting will not be provided.

Exercise of Voting Rights via the Internet

If you exercise your voting rights via the Internet, please vote with reference to the matters described below.

1. Website for exercising voting rights

- (1) The exercise of voting rights via the Internet is available only by accessing the website designated by the Company (<https://evote.tr.mufig.jp/>), through a personal computer, a smartphone or mobile phone (i-mode, EZweb or Yahoo! Mobile) *. (Please note that rights cannot be exercised from 2:00 a.m. to 5:00 a.m. every day).

* “i mode” is a trademark or registered trademark of NTT DOCOMO, INC., “EZweb” is a trademark or registered trademark of KDDI CORPORATION, and “Yahoo!” is a trademark or registered trademark of United States-based Yahoo! Inc.

- (2) Voting rights may not be exercised by personal computer, etc. depending on the Internet environment of stockholders due to factors including usage of firewalls, etc. in connecting to the Internet, usage of anti-virus programs, and usage of proxy servers.
- (3) When exercising voting rights via mobile phone, you must use one of the following services: i-mode, EZweb or Yahoo! Mobile. For security reasons, you cannot vote using mobile handsets that cannot send encrypted transmissions (SSL transmissions) or that cannot send the mobile phone information.
- (4) Although exercise of voting rights via the Internet is available until 5:15 p.m. on Wednesday, June 27, 2018, please exercise your voting rights ahead of time. If you have any questions about the procedures for exercising voting right via the Internet, please contact the Help Desk.

2. Method to exercise voting rights via the Internet

- (1) Please indicate your vote of approval or disapproval on the proposals on the website (<https://evote.tr.mufig.jp/>) using your Login ID and temporary password included in the Voting Rights Exercise Form to exercise your voting rights following the instructions on the screen.
- (2) You will be requested to change your temporary password on the voting rights exercise website in order to prevent any unauthorized access (“spoofing”) or falsification of your votes.
- (3) A new Login ID and temporary password will be issued each time upon convocation of a General Meeting of Shareholders.

3. Costs incurred for accessing the website when exercising voting rights

Costs incurred for access to the website to exercise voting rights (such as Internet connection charges, phone charges etc.) shall be borne by you. Packet communication and other fees charged for the use of mobile phones shall also be borne by you.

For further assistance, regarding system, etc., please contact:

Transfer Agent Department (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Phone: 0120-173-027 (toll free)
Inquiries are accepted from 9:00 to 21:00 (JST)

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the Proposal

- (1) In accordance with the “Act for Partial Amendment to the Companies Act” (Act No. 90 of 2014), which came into effect on May 1, 2015, it was made possible for a company to transition to a company with Audit and Supervisory Committee.

The Company proposes establishment of new regulations concerning the Audit and Supervisory Committee and its members, and the abolishment of regulations concerning the Board of Corporate Auditors and its board members, pursuant to the Company’s transition to a company with Audit and Supervisory Committee, with the objective of strengthening the audit and supervisory functions of the Board of Directors and further enriching the corporate governance code and improving corporate value by accelerating decision-making processes.

- (2) Partial changes to descriptions and unification of terms are to be made.
 (3) In addition, necessary adjustments to article numbers, etc. are to be made.

2. Details of Amendments

The details of amendments are as follows.

These amendments shall come into effect at the conclusion of this Annual General Meeting of Shareholders.

(Underlined part indicates amendments)	
Current Articles of Incorporation	Proposed Amendments
CHAPTER 1: GENERAL PROVISIONS Article 1 to Article 3 (Omitted)	CHAPTER 1: GENERAL PROVISIONS Article 1 to Article 3 (Unchanged)
(Organizations) Article 4 In addition to the General Meeting of Shareholders and Directors, the company shall have the following organizations. (1) Board of Directors (2) <u>Corporate Auditors</u> (3) <u>Board of Corporate Auditors</u> (4) Accounting Auditor	(Organizations) Article 4 (Unchanged) (1) Board of Directors (2) <u>Audit and Supervisory Committee</u> (Deleted) (3) Accounting Auditor
Article 5 (Omitted)	Article 5 (Omitted)
CHAPTER 2: SHARES Article 6 to Article 12 (Omitted)	CHAPTER 2: SHARES Article 6 to Article 12 (Unchanged)
CHAPTER 3: GENERAL MEETINGS OF SHAREHOLDERS Article 13 to Article 19 (Omitted)	CHAPTER 3: GENERAL MEETINGS OF SHAREHOLDERS Article 13 to Article 19 (Unchanged)

<p>CHAPTER 4: DIRECTORS AND BOARD OF DIRECTORS (Number of Directors and Method of Election)</p> <p>Article 20 The Company shall have not more than eleven (11) Directors. Directors shall be elected <u>at</u> a General Meeting of Shareholders.</p> <p>2. The resolution to elect Directors described in the preceding paragraph shall be adopted, by a majority of voting rights of attending shareholders at a General Meeting of Shareholders, where shareholders holding one-third or more of the voting rights of all the voting shareholders attend.</p> <p>3. Cumulative voting shall not be used for election of Directors.</p> <p>(Terms of Office of Directors)</p> <p>Article 21 The term of office of a Director shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year that ends within one (1) year after his/her election.</p> <p>(New)</p> <p>2. <u>The term of office of those elected</u></p>	<p>CHAPTER 4: DIRECTORS AND BOARD OF DIRECTORS (Number of Directors and Method of Election)</p> <p>Article 20 The Company shall have <u>at least three (3) and</u> not more than eleven (11) Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members.)</u> <u>Directors serving as Audit and Supervisory Committee Members shall be not more than four (4) (the majority of which shall be Outside Directors.)</u> Directors shall be elected <u>based on a resolution of</u> a General Meeting of Shareholders, <u>while making distinction between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p> <p>(Terms of Office of Directors)</p> <p>Article 21 The term of office of a Director <u>(excluding a Director serving as an Audit and Supervisory Committee Member)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year that ends within one (1) year after his/her election.</p> <p>2. <u>The term of office of a Director serving as an Audit and Supervisory Committee Member shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year that ends within two (2) years from his/her election.</u></p> <p>3. <u>The term of office of a Director</u></p>
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<p><u>as additional or substitute Directors shall expire upon the expiration of the term of office of current Directors.</u></p> <p>(New)</p> <p>(Representative Directors and Directors with Titles) Article 22 The Board of Directors shall elect Representative Director(s) by its resolution.</p> <p>2. The Board of Directors may <u>appoint</u> other Directors with titles by its resolution.</p> <p>(Convocation of Meetings of the Board of Directors) Article 23 Convocation notice regarding a meeting of the Board of Directors shall be dispatched to each Director <u>and each Corporate Auditor</u> three (3) days prior to the date of such meeting. However, such period may be shortened in the case of urgent necessity. Convocation notice shall not be dispatched upon the consent of all Directors <u>and all Corporate Auditors.</u></p>	<p><u>serving as an Audit and Supervisory Committee Member elected as a substitute for the Director serving as an Audit and Supervisory Committee Member, who retired before the expiration of his/her term of office, shall expire upon the expiration of the term of office of the said retired Director.</u></p> <p>4. <u>In accordance with Article 329, Paragraph 3 of the Companies Act, the effective term of the resolution to elect a Director serving as a Substitute Audit and Supervisory Committee Member shall expire at the beginning of the Annual General Meeting of Shareholders for the last business year that ends within (2) two years after such election.</u></p> <p>(Representative Directors and Directors with Titles) Article 22 The Board of Directors shall elect Representative Director(s) <u>from among Directors (excluding a Director serving as an Audit and Supervisory Committee Member)</u> by its resolution.</p> <p>2. The Board of Directors may <u>elect</u> other Directors with titles <u>from among Directors (excluding a Director serving as an Audit and Supervisory Committee Member)</u> by its resolution.</p> <p>(Convocation of Meetings of the Board of Directors) Article 23 Convocation notice regarding a meeting of the Board of Directors shall be dispatched to each Director three (3) days prior to the date of such meeting. However, such period may be shortened in the case of urgent necessity. Convocation notice shall not be dispatched upon the consent of all Directors.</p>
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<p>(New)</p> <p>Article <u>24</u> (Omitted)</p> <p>(Minutes of Meetings of the Board of Directors)</p> <p>Article <u>25</u> The outline of proceedings at a meeting of the Board of Directors and the results thereof, and other items required by laws and regulations shall be recorded in the minutes of the meeting, which shall bear the signatures and seals, or electronic signature of the Directors <u>and Corporate Auditors</u> present at the meeting.</p> <p>(Remuneration, etc. for Directors)</p> <p>Article <u>26</u> Remuneration, bonus and other economic benefits to be provided by the Company as consideration for execution of duties (<u>hereinafter referred to as "Remuneration, etc."</u>) of Directors shall be determined by a resolution of a General Meeting of Shareholders.</p> <p>Article <u>27</u> (Omitted)</p> <p>CHAPTER 5: <u>CORPORATE AUDITERS AND BOARD OF CORPORATE AUDITORS</u></p> <p>(<u>Number of Corporate Auditors and Method of Election</u>)</p> <p>Article <u>28</u> The Company shall have not more than four (4) Corporate Auditors. Corporate Auditors shall be elected at a General Meeting of Shareholders.</p> <p>2. The resolution to elect Corporate Auditors described in the preceding paragraph shall be adopted, by a majority of voting rights of attending shareholders at a General Meeting of</p>	<p>(<u>Delegation of Decision Regarding Execution of Important Duties</u>)</p> <p>Article <u>24</u> Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of a decision regarding execution of important duties (excluding matters set forth in items of Article 399-13, Paragraph 5 of the Companies Act) to Directors by a resolution of the Board of Directors.</p> <p>Article <u>25</u> (Unchanged)</p> <p>(Minutes of Meetings of the Board of Directors)</p> <p>Article <u>26</u> The outline of proceedings at a meeting of the Board of Directors and the results thereof, and other items required by laws and regulations shall be recorded in the minutes of the meeting, which shall bear the signatures and seals, or electronic signature of the Directors present at the meeting.</p> <p>(Remuneration, etc. for Directors)</p> <p>Article <u>27</u> Remuneration, bonus and other economic benefits to be provided by the Company as consideration for execution of duties of Directors shall be determined by resolution of a General Meeting of Shareholders, <u>while making distinction between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <p>Article <u>28</u> (Unchanged)</p> <p>CHAPTER 5: <u>AUDIT AND SUPERVISORY COMMITTEE</u></p> <p>(Deleted)</p>
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<p><u>Shareholders, where shareholders holding one-third or more of the voting right of all the voting shareholders attend.</u></p> <p>3. <u>In accordance with Article 329, Paragraph 3 of the Companies Act, the Company may elect, at a General Meeting of Shareholders, Substitute Corporate Auditors to serve in the event that the number of Corporate Auditors falls below the number required by laws and regulations.</u></p> <p>4. <u>The effective term of the resolution to elect Substitute Corporate Auditors described in the preceding paragraph shall expire at the beginning of the Annual General Meeting of Shareholders for the last business year that ends within one (1) year after such resolution.</u></p> <p><u>(Terms of Office of Corporate Auditors)</u></p> <p><u>Article 29 The term of office of a Corporate Auditor shall expire at the conclusion of the Annual General Meeting of Shareholders for the last business year that ends within four (4) years after his/her election.</u></p> <p>2. <u>The term of office of a Corporate Auditor elected as a substitute for the Corporate Auditor retired before the expiration of his/her term of office shall expire upon the expiration of the term of office of the said retired Corporate Auditor.</u></p> <p><u>(Standing Corporate Auditors)</u></p> <p><u>Article 30 The Board of Corporate Auditors shall elect Standing Corporate Auditor(s) by its resolution.</u></p> <p><u>(Convocation of Meetings of the Board of Corporate Auditors)</u></p> <p><u>Article 31 Convocation notice regarding a meeting of the Board of Corporate Auditors shall be dispatched to each Corporate Auditor three (3) days prior to the date of such meeting. However, such period may be shortened in the case of urgent necessity. Convocation notice shall not be dispatched upon the consent of all Corporate Auditors.</u></p>	<p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>
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<p><u>(Resolution of Meetings of the Board of Corporate Auditors)</u> <u>Article 32 A resolution of a meeting of the Board of Corporate Auditors shall be adopted by a majority of Corporate Auditors unless otherwise stipulated by laws and regulations.</u></p>	(Deleted)
<p><u>(Minutes of Meetings of the Board of Corporate Auditors)</u> <u>Article 33 The outline of proceedings at a meeting of the Board of Corporate Auditors and the results thereof, and other items required by laws and regulations shall be recorded in the minutes of the meeting, which shall bear the signatures and seals, or electronic signature of the Corporate Auditors present at the meeting.</u></p>	(Deleted)
<p><u>(Remuneration, etc. for Corporate Auditors)</u> <u>Article 34 Remuneration, etc., of Corporate Auditors shall be determined by a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>(Limitation of Liability of Corporate Auditors)</u> <u>Article 35 In accordance with Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with a Corporate Auditor limiting liability stipulated by Article 423, Paragraph 1 of said Act. In this event, the maximum liability pursuant to said agreement shall be the amount prescribed by laws and regulations.</u></p>	(Deleted)
(New)	<p><u>(Standing Audit and Supervisory Committee Members)</u> <u>Article 29 The Audit and Supervisory Committee may elect Standing Audit and Supervisory Committee Member(s) by its resolution.</u></p>
(New)	<p><u>(Convocation of Audit and Supervisory Committee Meetings)</u> <u>Article 30 Each Audit and Supervisory Committee Member shall convene a meeting of the Audit and Supervisory Committee. An Audit and Supervisory Committee Member shall convene a meeting</u></p>

<p>(New)</p> <p>(New)</p> <p>(New)</p> <p>CHAPTER 6: LIABILITY OF ACCOUNTING AUDITORS Article <u>36</u> (Omitted)</p> <p>CHAPTER 7: ACCOUNTING Article <u>37</u> to Article <u>40</u> (Omitted)</p>	<p><u>of the Audit and Supervisory Committee by dispatching a notice to each Audit and Supervisory Committee Member three (3) days prior to the date of such meeting. However, such period may be shortened in the case of urgent necessity. Convocation notice shall not be dispatched upon the consent of all Audit and Supervisory Committee Members.</u></p> <p><u>(Resolution of Meetings of the Audit and Supervisory Committee)</u> <u>Article 31 A resolution of a meeting of the Audit and Supervisory Committee shall be adopted by a majority of Audit and Supervisory Committee Members unless otherwise stipulated by laws and regulations.</u></p> <p><u>(Minutes of Meetings of the Audit and Supervisory Committee)</u> <u>Article 32 The outline of proceedings at a meeting of the Audit and Supervisory Committee and the results thereof, and other items required by laws and regulations shall be recorded in the minutes of the meeting, which shall bear the signatures and seals, or electronic signature of the Audit and Supervisory Committee Members present at the meeting.</u></p> <p><u>(Rules of the Audit and Supervisory Committee)</u> <u>Article 33 The matters regarding the Audit and Supervisory Committee are subject to the Rules of the Audit and Supervisory Committee set forth by the Audit and Supervisory Committee, in addition to laws and regulations and the Articles of Incorporation.</u></p> <p>CHAPTER 6: LIABILITY OF ACCOUNTING AUDITORS Article <u>34</u> (Unchanged)</p> <p>CHAPTER 7: ACCOUNTING Article <u>35</u> to Article <u>38</u> (Unchanged)</p>
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(New)	<u>Supplementary Provisions</u> <u>(Transitional measures concerning the</u> <u>exemption of liability for Corporate Auditors)</u> <u>Article 1 The Company may, pursuant to a</u> <u>resolution of the Board of</u> <u>Directors, within the statutory</u> <u>limits, exempt Corporate Auditors</u> <u>(including former Corporate</u> <u>Auditors) from liability for</u> <u>damages as prescribed under</u> <u>Article 423, Paragraph 1 of the</u> <u>Companies Act, arising out of</u> <u>conduct prior to the close of the</u> <u>77th Annual General Meeting of</u> <u>Shareholders.</u>
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Proposal 2: Provision of Bonuses to Directors

The Company proposes to provide bonuses totaling ¥43,800,000 to seven (7) Directors who are not Outside Directors as of the end of the fiscal year under review, in consideration of the Company's business results, etc. It also proposes that the amount of bonus payable to each Director be left to the discretion of the Board of Directors.

Proposal 3: Election of Nine (9) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

If Proposal 1: "Partial Amendments to the Articles of Incorporation" is approved as proposed, the Company will transition to a company with Audit and Supervisory Committee and the terms of office of all nine (9) Directors will expire at the time when partial amendments to the Articles of Incorporation come into force.

Accordingly, the Company proposes the election of nine (9) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members; hereinafter the same shall apply in this proposal). This proposal shall come into force provided that partial amendments to the Articles of Incorporation under Proposal 1: "Partial Amendments to the Articles of Incorporation" come into force.

The candidates are as follows:

No.	Name (Date of birth)	Career Summary and Responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
1	Masakatsu Kuroiwa (February 2, 1951) Attendance at meetings of the Board of Directors 15/15 [Reelection]	<p>March 1973 Joined the Company</p> <p>September 1981 General Manager of Suzuka Center</p> <p>June 1986 Director</p> <p>June 1989 Managing Director</p> <p>November 1994 President, A.N.I. LOGISTICS, LTD.</p> <p>June 1999 Senior Managing Director</p> <p>January 2003 Chairman and President, NK PARTS INDUSTRIES, INC.</p> <p>April 2009 General Manager of Sales Headquarters</p> <p>June 2009 President and Representative Director</p> <p>June 2011 President, Representative Director and Executive Officer</p> <p>October 2015 President, Representative Director and Chief Executive Officer (current position)</p> <p>[Significant concurrent positions] Chairman and Representative Director, NIPPON KONPO UNYU SOKO CO., LTD.</p>	389,731
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Masakatsu Kuroiwa is appropriately supervising management as President and Representative Director. In the Board of Directors, he makes sufficient and appropriate explanations regarding important management projects and serves to increase the decision-making functions of the Board of Directors. Additionally, he leads management as Chief Executive Officer, and through achieving the corporate principles, works to continuously improve corporate value.</p> <p>Based upon the above, the Company has judged that he will be appropriate as a Director of the Company to lead the Company toward realizing the long-term vision, and requests his continued election as Director.</p>			
2	Toshimi Nagaoka (January 21, 1956) Attendance at meetings of the Board of Directors 15/15 [Reelection]	<p>March 1979 Joined the Company</p> <p>April 1993 General Manager of Wako Sales Office</p> <p>April 1996 Seconded to NK PARTS INDUSTRIES, INC.</p> <p>July 2002 President, A.N.I. LOGISTICS, LTD.</p> <p>June 2006 Director</p> <p>June 2008 General Manager of Oversea Business Promotion Department</p> <p>April 2009 General Manager, KD Sales Department</p> <p>June 2009 Managing Director</p> <p>July 2009 General Manager of Saitama Sales Department and General Manager of International Business Department</p> <p>June 2011 Director and Managing Executive Officer</p> <p>June 2012 Director and Senior Executive Officer</p> <p>October 2015 Director and Executive Officer</p> <p>October 2015 General Manager of Oversea Business Department (current position)</p> <p>April 2016 Director and Senior Executive Officer</p> <p>June 2016 Representative Director and Senior Executive Officer (current position)</p> <p>[Significant concurrent positions] Chairman, NIKKON LOGISTICS CHINA CO., LTD. Representative Director and President, NK Engineering Co., Ltd.</p>	30,609
<p>[Reasons for nomination as a candidate for Director]</p> <p>After serving as Director and President of foreign affiliated companies, Mr. Toshimi Nagaoka has been involved primarily in overseas businesses, and as General Manager of the Oversea Business Department, has a wealth of operational experience and knowledge regarding global business management, administration and operations.</p> <p>Based upon the above, the Company has judged that he will be appropriate as a Director of the Company to realize the continuous improvement of corporate value of the Company, and requests his continued election as Director.</p>			

No.	Name (Date of birth)	Career Summary and Responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
3	Keita Kuroiwa (July 10, 1956) Attendance at meetings of the Board of Directors 15/15 [Reelection]	March 1979 Joined the Company September 1985 General Manager of Isesaki Sales Office, NIPPON UNYU CO., LTD. May 1989 Director, NIPPON UNYU CO., LTD. May 1991 President and Representative Director, NIPPON UNYU CO., LTD. June 1999 Director June 2003 Managing Director June 2004 Representative Director and Vice President June 2011 Representative Director, Vice President and Executive Officer October 2015 Representative Director and Executive Officer April 2016 Representative Director (current position) [Significant concurrent positions] President and Representative Director, NIPPON UNYU CO., LTD.	524,184
	[Reasons for nomination as a candidate for Director] Mr. Keita Kuroiwa is appropriately supervising management as Representative Director centered on a financial viewpoint. Additionally, he also executes duties to swiftly respond to changes in economic conditions and the management environment. Based upon the above, the Company has judged that he will be appropriate as a Director of the Company to realize the continuous improvement of corporate value of the Company, and requests his continued election as Director.		
4	Takashi Kurisu (June 26, 1955) Attendance at meetings of the Board of Directors 15/15 [Reelection]	March 1979 Joined the Company August 1994 General Manager of Nagano Sales Office June 2002 General Manager of Sales Office of Sayama Terminal June 2006 General Manager of Compliance Department June 2007 Director June 2007 General Manager of Information Management Department May 2009 General Manager of Personnel Department March 2010 General Manager of Legal Department June 2011 Director and Executive Officer June 2012 Director and Managing Executive Officer October 2015 Director and Executive Officer November 2015 General Manager of Legal Department (current position) April 2016 Director and Managing Executive Officer (current position) May 2016 General Manager of Group Business Audit Office (current position) [Significant concurrent positions] President and Representative Director, AUTO TECHNIC CO., LTD.	31,283
	[Reasons for nomination as a candidate for Director] Mr. Takashi Kurisu has a wealth of operational experience in the compliance division, information management division, personnel division, and legal division, etc., and knowledge regarding overall management, administration and operations. Based upon the above, the Company has judged that he will be appropriate as a Director of the Company to realize the continuous improvement of corporate value of the Company, and requests his continued election as Director.		

No.	Name (Date of birth)	Career Summary and Responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
5	Yasuyuki Sano (June 25, 1957)	March 1980 Joined the Company September 1992 General Manager of Sales Office of Sayama Packaging Center November 1996 General Manager of Gunma Sales Office April 2004 Assistant Manager of Labor Department June 2005 General Manager of Personnel Department and General Manager of Labor Department June 2007 Director June 2007 General Manager of General Affairs Department August 2010 General Manager of President's Office June 2011 Director and Executive Officer June 2012 Director and Managing Executive Officer October 2015 Director and Executive Officer October 2015 General Manager of Group Management Department (current position) April 2016 Director and Managing Executive Officer (current position) [Significant concurrent positions] President and Representative Director, Nichiyu Shoji Co., Ltd.	27,242
	Attendance at meetings of the Board of Directors 15/15 [Reelection]	[Reasons for nomination as a candidate for Director] Mr. Yasuyuki Sano has been involved primarily in operations related to general affairs, personnel, and labor, and served as General Manager of the General Affairs Department. He currently serves as General Manager for management of groups, etc., having a wealth of operational experience and knowledge regarding overall management, administration and operations. Based upon the above, the Company has judged that he will be appropriate as a Director of the Company to realize the continuous improvement of corporate value of the Company, and requests his continued election as Director.	
6	Yasunori Matsuda (March 9, 1959)	March 1982 Joined the Company November 1997 Assistant Manager of Accounting Department June 2000 Seconded to NK PARTS INDUSTRIES, INC. June 2007 General Manager of Accounting Department (current position) October 2009 General Manager of Affiliated Companies Management Department April 2012 Executive Officer June 2012 Director and Executive Officer (current position) [Significant concurrent positions] Director and Managing Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD.	21,012
	Attendance at meetings of the Board of Directors 15/15 [Reelection]	[Reasons for nomination as a candidate for Director] Mr. Yasunori Matsuda has been involved primarily in operations related to finance and accounting and has served as General Manager of the Accounting Department, etc., having a wealth of operational experience and knowledge regarding administration and operations. Based upon the above, the Company has judged that he will be appropriate as a Director of the Company to realize the continuous improvement of corporate value of the Company, and requests his continued election as Director.	

No.	Name (Date of birth)	Career Summary and Responsibilities at the Company (Significant concurrent positions)		Number of shares of the Company held
7	Seiji Ooka (June 30, 1960) Attendance at meetings of the Board of Directors 15/15 [Reelection]	March 1983 October 1992 August 1998 June 2007 July 2009 April 2011 June 2011 January 2014 September 2015 October 2015 April 2016 June 2016 July 2016 June 2017 [Significant concurrent positions]	Joined the Company Manager of Sales Office of Sayama Packaging Center Seconded to A.N.I. LOGISTICS. LTD. General Manager of Sales Office of KD Packaging General Manager of Packaging Sales Department and General Manager of Sales Office of KD Packaging General Manager of Packaging Sales Department and General Manager of Tokyo Business Department Executive Officer General Manager of Packaging Sales Department General Manager of Tokyo Business Department, General Manager of Packaging Sales and General Manager of the Fifth Sales Department Retired from Executive Officer Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD. Executive Officer Director and Executive Officer (current position) General Manager of Domestic Business Department (current position) Representative Director, President and Executive Officer, NIPPON KONPO UNYU SOKO CO., LTD. (current position)	11,702
[Reasons for nomination as a candidate for Director] Mr. Seiji Ooka has been involved primarily in operations related to the logistics business and customs clearance businesses and has a wealth of operational experience and knowledge regarding administration and operations having served in various roles including General Manager of the Sales Department. Based upon the above, the Company has judged that he will be appropriate as a Director of the Company to realize the continuous improvement of corporate value of the Company, and requests his continued election as Director.				
8	Takashi Suzuki (April 21, 1951) Attendance at meetings of the Board of Directors 14/15 [Reelection] [Candidate for Outside Director] [Candidate for Independent Director/Auditor]	April 1974 November 1980 March 1987 May 1987 March 1990 May 1992 April 2000 November 2010 June 2013 April 2018 [Significant concurrent positions]	Joined Mitsubishi Corporation Joined Isuzu Kozai Kabushiki Kaisha (now Isuzu Corporation) Director, Isuzu Kozai Kabushiki Kaisha Managing Director, Isuzu Kozai Kabushiki Kaisha Director and Vice President, Isuzu Kozai Kabushiki Kaisha President and Representative Direct, Isuzu Kozai Kabushiki Kaisha President and Representative Director (CEO), Isuzu Kozai Kabushiki Kaisha (current position) President and Representative Director, Metal One Service Holdings, Co., Ltd. Outside Director, the Company (current position) Chairman and Representative Director, Metal One Service Holdings, Co., Ltd. (current position)	2,967
[Reasons for nomination as a candidate for Outside Director] Mr. Takashi Suzuki has a wealth of experience and extensive insights as a business manager. He was awarded the Medal of Honor with Indigo Ribbon for his achievements. Mr. Suzuki proactively provides the Company not only with recommendations on overall management, but also with unconventional ideas and advice to supervise management from an objective perspective with independence. Based upon the above, the Company has judged that he will lead to improving transparency of the Board of Directors and strengthening the supervisory functions, and requests his continued election as Outside Director.				

No.	Name (Date of birth)	Career Summary and Responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
9	Katsunori Kobayashi (August 1, 1952) Attendance at meetings of the Board of Directors 15/15 [Reelection] [Candidate for Outside Director] [Candidate for Independent Director/Auditor]	<p>April 1978 Registered as a lawyer (Daini Tokyo Bar Association)</p> <p>April 1995 Member of Public Morals Committee, Daini Tokyo Bar Association</p> <p>April 2000 Civil Advocacy Instructor, Supreme Court Legal Training and Research Institute of Japan</p> <p>April 2004 Chairman of Legal Training Committee, Daini Tokyo Bar Association Vice Chairman of Legal Training Committee, Japan Federation of Bar Associations</p> <p>December 2004 Chairman of the First Committee for Corporate Reconstruction, The Resolution and Collection Corporation</p> <p>October 2005 Corporate Auditor, Hitachi Plasma Patent Licensing Co., Ltd.</p> <p>April 2006 Vice Chairman of Permanent Assembly of Members, Daini Tokyo Bar Association Member of Examination Committee for Dispute Resolution Agency Service by Labor and Social Security Attorney</p> <p>April 2007 Chairman of Investigation Committee for Judicial System, Daini Tokyo Bar Association</p> <p>June 2007 Secretary, Supreme Court Committee for Legal Training</p> <p>February 2008 Vice Chairman of Disciplinary Committee, Daini Tokyo Bar Association</p> <p>June 2009 Outside Director, Mesco. Inc. (current position)</p> <p>December 2009 Member of Contact Review Committee, Japan Student Services Organization (current position)</p> <p>February 2010 Chairman of Disciplinary Committee, Daini Tokyo Bar Association</p> <p>June 2014 Outside Director, the Company (current position)</p> <p>[Significant concurrent positions] Lawyer, kojimachi partners Law Office Outside Director, Mesco. Inc.</p>	3,001
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Mr. Katsunori Kobayashi has a wealth of experience and insights as an attorney, and is suited to execute supervision of management with independence from an objective viewpoint that considers overall corporate society, including laws and regulations, and the Company receives his valuable advice to this end.</p> <p>Based upon the above, the Company has judged that he will lead to improving transparency of the Board of Directors and strengthening the supervisory functions, and requests his continued election as Outside Director.</p>			

(Notes)

1. There is no special interest between the Company and the candidates for Directors.
2. Messrs. Takashi Suzuki and Katsunori Kobayashi are candidates for Outside Directors. They meet the Company's criteria for judging independence of Outside Officers in addition to independence criteria for Independent Officers stipulated by the Tokyo Stock Exchange and the Company has reported them as Independent Officers to the said Exchange.
3. Matters related to the candidates for Outside Directors
 - (1) Independence of the candidates for Outside Directors
 - 1) Neither Mr. Takashi Suzuki nor Mr. Katsunori Kobayashi has been a business executor or officer (excluding business executor) (as stipulated in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act; hereinafter the same) of the Company or any Specified Related Business Entity of the Company (as stipulated in Article 2, Paragraph 3, Item 19 of the Ordinance for Enforcement of the Companies Act; hereinafter the same). Additionally, they have not been business executors at a stock company for which the Company continued the rights and obligations via merger, absorption-type demerger, incorporation-type demerger, or transfer of business directly before occurrence of said merger, etc.
 - 2) Neither Mr. Takashi Suzuki nor Mr. Katsunori Kobayashi is scheduled to receive a significant amount of cash or other property (excluding remuneration as Director) from the Company or a Specified Related Business Entity of the Company, and have not received such cash or other property in the past.

- 3) Neither Mr. Takashi Suzuki nor Mr. Katsunori Kobayashi has a spouse, any family within the third degree or any other person equivalent thereto of a business executor or officer (excluding business executor) of the Company or any Specified Related Business Entity of the Company.
 - 4) Messrs. Takashi Suzuki and Katsunori Kobayashi are now serving as Outside Directors of the Company. The term of office as an Outside Director will be five (5) years for Mr. Takashi Suzuki and four (4) years for Mr. Katsunori Kobayashi, at the conclusion of this General Meeting of Shareholders.
- (2) Conclusion of a limited liability agreement
- The Company, in accordance with Article 427, Paragraph 1 of the Companies Act, has entered into an agreement with Directors (excluding Executive Directors, etc.) to limit their liabilities for damages as provided in Article 423, Paragraph 1 of the Companies Act. The limit of the liability for damages under the agreement shall be the minimum amount stipulated in the laws and regulations. If Messrs. Takashi Suzuki and Katsunori Kobayashi are elected, the Company will continue the same limited liability agreement.
4. Apart from the number of meetings of the Board of Directors held as above, two resolutions via documentation were made by the Board of Directors pursuant to Article 370 of the Companies Act.

Proposal 4: Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

If Proposal 1: “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a company with Audit and Supervisory Committee.

Accordingly, the Company proposes the election of three (3) Directors Serving as Audit and Supervisory Committee Members.

This proposal shall come into force provided that partial amendments to the Articles of Incorporation under Proposal 1: “Partial Amendments to the Articles of Incorporation” come into force.

The candidates are as follows:

No.	Name (Date of birth)	Career Summary and Responsibilities at the Company (Significant concurrent positions)		Number of shares of the Company held
1	<p>Kazutaka Kaneko (September 7, 1955)</p> <p>Attendance at meetings of the Board of Directors 15/15</p> <p>Attendance at meetings of the Board of Corporate Auditors 12/12</p> <p>[New election]</p>	<p>March 1974 Joined the Company</p> <p>April 1997 General Manager of General Affairs Department</p> <p>May 2000 Managing Director, AUTO TECHNIC JAPAN CO., LTD.</p> <p>June 2005 Assistant Manager of Accounting Department</p> <p>July 2006 General Manager of Affiliated Companies Management Department</p> <p>March 2010 General Manager of Corporate Planning Office</p> <p>June 2010 Standing Corporate Auditor (current position)</p> <p>[Significant concurrent positions]</p> <p>Corporate Auditor, NIPPON KONPO UNYU SOKO CO., LTD.</p>		23,516
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Kazutaka Kaneko has been appropriately fulfilling his role to audit the business execution of Directors. He attended meetings of the Board of Directors and other important meetings, and actively provides advice from the viewpoint of auditing for legal compliance and auditing for validity. He has been actively working to establish an auditing environment, collect internal information, and regularly monitor the status of the establishment and operation of the internal control system. Based upon the above, the Company requests his election as Director Serving as Audit and Supervisory Committee Member.</p>				
2	<p>Hideki Miyata (March 27, 1968)</p> <p>Attendance at meetings of the Board of Directors 15/15</p> <p>Attendance at meetings of the Board of Corporate Auditors 12/12</p> <p>[New election]</p> <p>[Candidate for Outside Director]</p> <p>[Candidate for Independent Director/Auditor]</p>	<p>April 1990 Joined Daiwa Land & Building Co., Ltd.</p> <p>September 1993 Joined Ochanomizu General Office (now Ochanomizu Tax and Accounting Inc.)</p> <p>December 1996 Passed the CPTA examination</p> <p>April 1997 Representative, Hideki Miyata CPTA Office (current position)</p> <p>November 1999 Auditor, Ichiju Kai (current position)</p> <p>April 2002 Director, Institute for Capital Management Ltd. (current position)</p> <p>June 2014 Certified as an Organization for Supporting Business Innovation by Ministry of Economy, Trade and Industry (Certification given to Hideki Miyata)</p> <p>June 2016 Outside Corporate Auditor, the Company (current position)</p> <p>[Significant concurrent positions]</p> <p>Representative, Hideki Miyata CPTA Office</p>		2,064
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Mr. Hideki Miyata has specialized knowledge and experience, etc. as a tax accountant that the Company expects to contribute to the management of the Company. Accordingly, the Company requests his election as Outside Director Serving as Audit and Supervisory Committee Member.</p>				

No.	Name (Date of birth)	Career Summary and Responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
3	Yoshiyuki Ajioka (November 30, 1952) [New election] [Candidate for Outside Director] [Candidate for Independent Director/Auditor]	<p>April 1988 Registered as a lawyer (Daini Tokyo Bar Association)</p> <p>April 1988 Joined Nagano and Mayama Law Firm</p> <p>April 1990 Joined Toichi Tsuchiya Law Office</p> <p>September 1993 Founded Ajioka Law Office (current position)</p> <p>April 2007 Member of Civil Conciliation Committee of Musashino Summary Court (current position)</p> <p>April 2009 Vice Chairman of Daini Tokyo Bar Association (FY2009)</p> <p>April 2015 Managing Director of Kanto Federation of Bar associations (FY2015)</p> <p>[Significant concurrent positions] Lawyer, Ajioka Law Office</p>	—
<p>[Reasons for nomination as a candidate for Outside Director] Mr. Yoshiyuki Ajioka is expected to leverage his advanced specialized knowledge fostered as a lawyer in the audit structure of the Company. Additionally, although he has not been involved in corporate management in the past other than as Outside Officer, due to the above reasons, the Company has judged that he will appropriately execute his duties. Accordingly, the Company requests his election as Outside Director Serving as Audit and Supervisory Committee Member.</p>			

(Notes)

1. There is no special relationship of interest between the Company and the candidates.
2. Messrs. Hideki Miyata and Yoshiyuki Ajioka are candidates for Outside Directors.
3. The term of office of Mr. Hideki Miyata as an Outside Corporate Auditor will be two (2) years at the conclusion of this Annual General Meeting of Shareholders.
4. Messrs. Hideki Miyata and Yoshiyuki Ajioka meet the Company's criteria for judging independence of Outside Officers in addition to independence criteria for Independent Officers stipulated by the Tokyo Stock Exchange, and therefore the Company has reported Mr. Hideki Miyata as an Independent Officer to the said Exchange. If this proposal is approved, the Company will report both Mr. Hideki Miyata and Mr. Yoshiyuki Ajioka as Independent Officers to the said Exchange.
5. Neither Mr. Hideki Miyata nor Mr. Yoshiyuki Ajioka has been a business executor (as stipulated in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act; hereinafter the same) of the Company or any Specified Related Business Entity of the Company (as stipulated in Article 2, Paragraph 3, Item 19 of the Ordinance for Enforcement of the Companies Act; hereinafter the same). Additionally, they have not been business executors at a stock company, of which the Company inherited rights and obligations via merger, absorption-type demerger, incorporation-type demerger, or transfer of business directly, before occurrence of said merger, etc.
6. Neither Mr. Hideki Miyata nor Mr. Yoshiyuki Ajioka is scheduled to receive a significant amount of cash or other property from the Company or a Specified Related Business Entity of the Company, and have not received such cash or other property in the past.
7. Neither Mr. Hideki Miyata nor Mr. Yoshiyuki Ajioka has a spouse, any family within the third degree or any other person equivalent thereto of a business executor of the Company or any Specified Related Business Entity of the Company.
8. The Company entered into an agreement with Mr. Hideki Miyata to limit his liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. The limit of the liability for damages under the agreement shall be the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
In addition, if this proposal is approved as proposed, the Company will enter into agreements with Mr. Hideki Miyata and Mr. Yoshiyuki Ajioka respectively to limit their liabilities for damages.

[Reference]

Criteria for Judging Independence of Outside Officers

Under the assumption that the independence criteria defined by the Tokyo Stock Exchange are satisfied, the Company judges persons to which none of the below items apply as possessing independence, in the view that by receiving fair, impartial, and appropriate directions and advice for the management of the Company based on broad insights and experiences from persons that have an adequate understanding of the Group's business, management environment, and corporate philosophy, and are of moral character will provide further strength to the management structure.

1. An executive officer of a major business partner of the Group (Note 1) or a company whose major business partner is the Group
2. An executive officer of a lender to a group company that has borrowings exceeding 2% of the Company's consolidated net assets at the end of the most recent fiscal year
3. A major shareholder of the Company that has an investment ratio of 10% or more, or an executive officer of a shareholder or investment target within the top 10 in the most recent three fiscal years
4. A consultant, accounting specialist, or legal specialist who receives annual remuneration exceeding 10 million yen on average from the Company in the most recent three fiscal years
5. A person to whom any of 1. to 4. above applied in the last five years
6. A spouse or relative within the second degree of kinship of a Director, etc. of the Company or a consolidated subsidiary
7. A person with a total term of office exceeding eight years

(Note 1) A major business partner is a business partner of the Group that has an amount of transactions exceeding 2% of the annual consolidated sales of the Company or the business partner in the most recent three fiscal years.

Proposal 5: Determination of Amounts of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

If Proposal 1: “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a company with Audit and Supervisory Committee.

The 70th Annual General Meeting of Shareholders held on June 29, 2011 approved an upper limit of ¥24 million of monthly remuneration for the Company’s Directors, effective to date. In line with the transition to a company with Audit and Supervisory Committee, the Company proposes to abolish the existing limit and newly set an amount of remuneration for Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members). The new amount to be proposed is an upper limit of ¥300 million annually (which includes an upper limit of ¥24 million annually for Outside Directors) including bonuses to Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members), reflecting the remuneration for Directors to date and recent economic conditions, etc.

Note that the remuneration includes bonuses to Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members) and excludes employee salaries for Directors concurrently serving as employees.

The number of Directors at present is nine (among whom two are Outside Directors), while the number of Directors subject to this proposal shall be nine (among whom two will be Outside Directors), subject to the approval of Proposal 1 and Proposal 3 as proposed.

This proposal shall come into force provided that the partial amendments to the Articles of Incorporation under Proposal 1: “Partial Amendments to the Articles of Incorporation” come into force.

Proposal 6: Determination of Amounts of Remuneration for Directors Serving as Audit and Supervisory Committee Members

If Proposal 1: “Partial Amendments to the Articles of Incorporation” is approved as proposed, the Company will transition to a company with Audit and Supervisory Committee.

The Company proposes an upper limit of ¥72 million annually for remuneration for Directors Serving as Audit and Supervisory Committee Members, to reflect recent economic conditions, etc.

The number of Directors Serving as Audit and Supervisory Committee Members shall be three, subject to the approval of Proposal 1 and Proposal 4 as proposed.

This proposal shall come into force provided that the partial amendments to the Articles of Incorporation under Proposal 1: “Partial Amendments to the Articles of Incorporation” come into force.

Proposal 7: Determination of Amount and Content of Stock Options as Stock-Linked Remuneration for Directors (Excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members)

The 70th Annual General Meeting of Shareholders held on June 29, 2011 approved an upper limit of ¥79 million annually for the remuneration for the Company’s Directors with regard to stock acquisition rights as stock options as stock-linked remuneration, separately from the remuneration for Directors, effective to date. The Company will transition to a company with Audit and Supervisory Committee upon approval of Proposal 1: “Partial Amendments to the Articles of Incorporation.” Accordingly, the Company proposes an abolishment of the current regulations on remuneration amounts regarding stock acquisition rights as stock options as stock-linked remuneration, and the allotment of remuneration for Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members) with an upper limit of ¥79 million as the stock options as stock-linked remuneration, equivalent to the amount previously approved as per above, separately from the remuneration amount requested for approval in Proposal 5.

Specifically, the Company shall grant remuneration in the amount equivalent to the payment amount of stock acquisition rights to Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members) to whom the stock acquisition rights are allotted, and Directors will acquire stock acquisition rights by offsetting the payment amount of stock acquisition rights by their rights to request remuneration.

An amount of remuneration, etc., as stock options will be an amount obtained by multiplying a fair price per stock acquisition right calculated on the allotment date by the number of stock acquisition rights to be granted.

The amount of remuneration, etc. regarding stock acquisition rights as stock options and details thereof are designed based on the results of execution of business and the level of contribution by Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members) at the Company.

Considering the situation described above, the Company believes that the details of stock acquisition rights as stock options are appropriate.

As to Outside Directors and Directors Serving as Audit and Supervisory Committee Members, taking their roles into consideration, stock acquisition rights as stock options shall not be allotted.

Number of Directors at present is nine (among whom two are Outside Directors), and the number will be nine (among whom two will be Outside Directors), subject to the approval of the Proposals 3 “Election of Nine (9) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members).”

1. Reason of allotment of stock acquisition rights as remuneration for Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members)

The Company has introduced this remuneration system for Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members), in order to strengthen the linkage between the Company’s business performance and its stock value as well as to further enhance Directors (excluding Outside Directors and Directors Serving as Audit and Supervisory Committee Members) willingness and morale to contribute to improvements in mid-term to long-term business performance and enhance the corporate value by sharing with shareholders not only the benefits of rising share prices but also the risks associated with falling share prices.

2. Details of stock acquisition rights as stock options

(1) Type and number of shares to be issued upon exercise of stock acquisition rights

The type of shares to be issued upon exercise of stock acquisition rights is share of common stock of the Company and the number of shares to be issued upon exercise of each stock acquisition right will be 100 shares (the “Allotted Number of Shares”). However, after the date of resolution of this proposal (the “Resolution Date”) in the event that the Company splits shares or consolidates shares, the Allotted Number of Shares shall be adjusted in accordance with the following formula:

$$\begin{array}{lcl} \text{Allotted Number of Shares} & = & \text{Allotted Number of Shares} \quad \times \quad \text{Rate of stock split or stock} \\ \text{after the adjustment} & & \text{before the adjustment} \quad \quad \quad \text{consolidation} \end{array}$$

Furthermore, any fractional share that is less than 1 share resulting from calculation shall be omitted.

In addition, after the Resolution Date in the event that the Company conducts a merger, corporate demerger, share exchange, or in case of other events equivalent thereto necessitating the Allotted Number of Shares to be adjusted, the Company may make adjustment on the Allotted Number of Shares to the extent that the Board of Directors of the Company deems it necessary.

The maximum number of shares to be issued within one year following the date of the Annual General Meeting of Shareholders held with respect to the relevant business year shall be 125,000 shares of common stock of the Company. In the event of any adjustment of the Allotted Number of Shares, the number of shares shall be obtained by multiplying the Allotted Number of Shares after adjustment by the total number of stock acquisition rights stated below.

(2) Total number of stock acquisition rights

The maximum number of stock acquisition rights to be issued within one year following the date of the Annual General Meeting of Shareholders held with respect to the relevant business year shall be 1,250.

(3) Amount to be paid for each stock acquisition right

An amount to be paid for each stock acquisition right shall be determined by the Board of Directors of the Company on the basis of a fair value of the stock acquisition rights calculated at the time of allotment of stock acquisition rights.

Furthermore, the allottee shall offset the payment obligation regarding stock acquisition rights by a claim for remuneration to be paid by the Company, in substitution for payment in cash.

(4) Amount to be contributed upon exercise of stock acquisition rights

An amount to be contributed upon the exercise of each stock acquisition right shall be obtained by multiplying ¥1 per share to be delivered upon exercise of stock acquisition rights by the number of shares allotted to the stock acquisition right.

(5) Exercise period of stock acquisition rights

Stock acquisition rights shall be exercisable within 35 years from the next day of the allocation date of stock acquisition rights and on the date determined by the Board of Directors of the Company.

(6) Restriction on acquisition by transfer of stock acquisition rights

Any acquisition by transfer of stock acquisition rights shall be subject to approval by the resolution of the Board of Directors of the Company.

(7) Conditions for exercise of stock acquisition rights

The holder of the stock acquisition rights may exercise the rights after losing their positions as Director (excluding Outside Director and Directors Serving as Audit and Supervisory Committee Member) and Executive Officer of the Company. Any other conditions for exercise of stock acquisition rights shall be determined at a meeting of the Board of Directors of the Company where the subscription of stock acquisition rights, etc. shall be resolved.

(8) Any other details of stock acquisition rights

Any other details shall be determined at a meeting of the Board of Directors of the Company where the subscription of stock acquisition rights, etc. shall be resolved.