

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Stock Exchange Code 9375)
May 29, 2019

To Shareholders with Voting Rights:

Nobutoshi Torii
President & CEO
Kintetsu World Express, Inc.
2-15-1 Konan, Minato-ku, Tokyo, Japan

Notice of Convocation of the 50th Ordinary General Meeting of Shareholders

Dear Shareholders:

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

You are cordially invited to attend the 50th Ordinary General Meeting of Shareholders of Kintetsu World Express, Inc. (the “Company”). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet.

Please review the attached Reference Documents for the 50th Ordinary General Meeting of Shareholders, and indicate or enter your vote for or against the proposal on either the enclosed Voting Rights Exercise Form and return it to us, or on the Company’s designated Voting Rights Exercise Website (<https://evote.tr.mufg.jp/>) so that it is exercised by 6:00 p.m. on Monday, June 17, 2019, Japan time.

1. Date and Time: Tuesday, June 18, 2019 at 10:00 a.m. Japan time
(reception desk will open at 9:00 a.m.)

2. Place: Conference Room, B1F, Shinagawa Front Building
2-3-13, Konan, Minato-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 50th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 50th Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of 9 Directors
Proposal 3: Election of 3 Audit & Supervisory Board Members
Proposal 4: Determination of Amount and Outline of Stock Compensation, etc. for Directors

- © When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
© If exercising voting rights via proxy, the proxy is limited to one other shareholder that possesses voting rights pursuant to the provisions of the Articles of Incorporation. Shareholders that are acting as proxies must submit to the reception desk the above Voting Rights Exercise Form in addition to documentation proving power of attorney, etc.

Reference Documents for the 50th Ordinary General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

While enriching its internal reserves in view of strengthening its financial standing (such as by reducing interest-bearing debt) and future business expansion, the Company holds as a basic policy to aim to maintain stable and continuous return to shareholders with comprehensive consideration of factors such as strengthening its business platform.

Based on the above policy, the Company proposes appropriation of surplus for the fiscal year under review as follows.

1. Matters concerning year-end dividends

Type of dividend property

Cash

Matters concerning the allotment of dividend property to shareholders and the total amount

20 yen per common stock of the Company, with a total dividend amount of 1,439,952,660 yen. As a result, the total annual dividends including the interim dividends will be 30 yen per share an increase of 4 yen compared to the previous fiscal year.

Effective date of distribution of surplus

June 19, 2019

2. Other matters concerning the appropriation of surplus

Item and the amount of surplus to be increased

General reserve: 8,000,000,000 yen

Item and the amount of surplus to be decreased

Retained earnings brought forward: 8,000,000,000 yen

Proposal 2: Election of 9 Directors

The terms of office for all of the 9 Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 9 Directors is proposed.

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	Kazuyasu Ueda (May 17, 1952) Attendance at the Board of Directors meetings: 12/12 (100%) [Reelection]	Apr. 1976 Jun. 2007 Jun. 2012 Jun. 2013 Apr. 2015 Jun. 2017	Joined Kintetsu Corporation Officer, Kintetsu Corporation Director and Senior Managing Executive Officer, Kintetsu Corporation Audit & Supervisory Board Member, the Company Senior Executive Vice President, Kintetsu Group Holdings Co., Ltd. Chairman of the Board, the Company (to present)	7,700
[Reasons for selection as a candidate for Director] As Senior Executive Vice President of Kintetsu Group Holdings Co., Ltd., a major shareholder of the Company, Mr. Kazuyasu Ueda has a wealth of experience, achievements, and insights. Currently, he serves as Chairman of the Board. Since he possesses knowledge regarding the overall management, the Company continues to nominate him as a candidate for Director.				
2	Nobutoshi Torii (Mar. 6, 1959) Attendance at the Board of Directors meetings: 12/12 (100%) [Reelection]	Apr. 1982 Jun. 2009 Jun. 2010 Jun. 2012 Jun. 2016 Jun. 2017	Joined the Company General Manager, Forwarding Dept., the Company Managing Officer, General Manager, Forwarding Dept., the Company Director, the Company President & CEO, the Company Director, President & CEO, the Company (to present)	2,600
[Reasons for selection as a candidate for Director] Mr. Nobutoshi Torii possesses a wealth of experience, achievements, and insights in the sales field of the Company. He is currently leading the management as President & CEO, and has worked to expand the Group's business scope and increase its corporate value. Since he possesses knowledge regarding the overall management of the Company, the Company continues to nominate him as a candidate for Director.				
3	Joji Tomiyama (Jan. 2, 1957) Attendance at the Board of Directors meetings: 12/12 (100%) [Reelection]	Apr. 1980 Jan. 2006 Jun. 2006 Jun. 2007 Jun. 2009 Jun. 2016 Jun. 2017	Joined the Company General Manager, The Americas Regional H.Q., the Company Managing Officer, General Manager, The Americas Regional H.Q., the Company Director, the Company Senior Managing Director, the Company Executive Vice President, the Company Director, Executive Vice President, the Company (to present) Supervising: APLL H.Q., Information Technology	2,500
[Reasons for selection as a candidate for Director] Mr. Joji Tomiyama possesses a wealth of experience, achievements, and insights in the sales field of the Company, as well as possesses knowledge regarding the overall management of the Company through experience as a President of an overseas subsidiary and is currently presiding over Information Technology and the APLL Group. Based on the foregoing, the Company continues to nominate him as a candidate for Director.				

No.	Name (Date of birth)	Career summary and responsibilities at the Company (Significant concurrent positions)		Number of shares of the Company held
4	Keisuke Hirata (May 6, 1956) Attendance at the Board of Directors meetings: 12/12 (100%) [Reelection]	Apr. 1980 Apr. 2010 Jun. 2011 Jun. 2012 Jun. 2013 Jun. 2015 Jun. 2017 Supervising: Sales, Marketing	Joined the Company General Manager, Ocean Dept., the Company Managing Officer, Deputy Chief Officer, Corporate Sales & Marketing H.Q., the Company Managing Officer, General Manager, East Asia & Oceania Regional H.Q., the Company Director, the Company Managing Director, the Company Director, Managing Executive Officer, the Company (to present)	8,400
[Reasons for selection as a candidate for Director] Mr. Keisuke Hirata possesses a wealth of experience, achievements, and insights in the sales field of the Company, as well as possesses knowledge regarding the overall management of the Company through experience as a President of an overseas subsidiary. Furthermore, he is currently presiding over Sales and Marketing. Based on the foregoing, the Company continues to nominate him as a candidate for Director.				
5	Katsufumi Takahashi (Sep. 6, 1958) Attendance at the Board of Directors meetings: 12/12 (100%) [Reelection]	Apr. 1982 Apr. 2007 Oct. 2009 Jun. 2012 Jun. 2014 Jun. 2017 Supervising: Planning & General Affairs	Joined the Company Deputy General Manager, Export Sales Dept., the Company General Manager, General Affairs Dept., the Company Managing Officer, General Manager, General Affairs Dept., the Company Director, the Company Director, Managing Officer, the Company (to present)	3,600
[Reasons for selection as a candidate for Director] Mr. Katsufumi Takahashi possesses a wealth of experience and achievements in the sales field of the Company. He became General Manager, General Affairs Department, is currently presiding over Planning & General Affairs, and thus possesses knowledge regarding the overall management of the Company. Therefore, the Company continues to nominate him as a candidate for Director.				
6	Kiyoyuki Hirose (Jan. 1, 1959) Attendance at the Board of Directors meetings: 12/12 (100%) [Reelection]	Apr. 1981 Apr. 2004 Jun. 2010 Jun. 2013 Jun. 2017 Supervising: Human Resource, Accounting and Finance, Audit	Joined the Company Deputy General Manager, Forwarding Dept., the Company General Manager, Audit Dept., the Company Audit & Supervisory Board Member, the Company Director, Managing Officer, the Company (to present)	4,500
[Reasons for selection as a candidate for Director] Mr. Kiyoyuki Hirose possesses a wealth of experience and achievements in the sales field of the Company. He became Audit & Supervisory Board Member, is currently presiding over Human Resource, Accounting and Finance, and Audit, and thus possesses knowledge regarding the overall management of the Company. Therefore, the Company continues to nominate him as a candidate for Director.				

No.	Name (Date of birth)	Career summary and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
7	Tetsuya Kobayashi (Nov. 27, 1943) Attendance at the Board of Directors meetings: 10/12 (83%) [Reelection] [Candidate for Outside Director]	Apr. 1968 Joined Kintetsu Corporation Jun. 2001 Director, Kintetsu Corporation Jun. 2005 Senior Executive Director, Kintetsu Corporation Jun. 2007 President, Kintetsu Corporation Jun. 2013 Director, the Company (to present) Apr. 2015 Chairman of the Board, Kintetsu Group Holdings Co., Ltd. (to present) (Significant concurrent positions) Chairman of the Board, Kintetsu Group Holdings Co., Ltd. Chairman of the Board, KNT-CT Holdings Co., Ltd. Director, Kintetsu Department Store Co., Ltd. Director, Mie Kotsu Group Holdings, Inc. Director, Kin-Ei Corp. Director, The Kansai Electric Power Company, Incorporated	5,400
[Reasons for selection as a candidate for Outside Director] As President of Kintetsu Group Holdings, a major shareholder of the Company, Mr. Tetsuya Kobayashi has a wealth of experience and broad insights and has served to strengthen the management supervisory functions of the Company, as well as given advice on management decision-making from a wide range of perspectives. Therefore, the Company continues to nominate him as a candidate for Outside Director.			
8	Sanae Tanaka (Jul. 15, 1962) Attendance at the Board of Directors meetings: 12/12 (100%) [Reelection] [Independent] [Candidate for Outside Director]	Apr. 1989 Registered as an attorney-at-law Sep. 1991 Established Sanae Tanaka Law Office, Representative (to present) Jun. 2015 Director, the Company (to present) (Significant concurrent positions) Representative, Sanae Tanaka Law Office Director, Noevir Holdings Co., Ltd. Director, PILOT CORPORATION Director, Shochiku Co., Ltd.	0
[Reasons for selection as a candidate for Outside Director] Although Ms. Sanae Tanaka has not been directly involved in corporate management, she possesses specialized insights and a wealth of experience as an attorney-at-law, and she has been strengthening the management supervisory functions of the Company from an independent standpoint and providing opinions on management decisions from diversified viewpoints. Based on the foregoing, the Company continues to nominate her as a candidate for Outside Director.			
9	Jun Yanai (Jul. 5, 1950) Attendance at the Board of Directors meetings: 10/10 (100%) [Reelection] [Independent] [Candidate for Outside Director]	Apr. 1973 Joined Mitsubishi Corporation Apr. 2004 Executive Officer, Mitsubishi Corporation Apr. 2008 Executive Vice President, Mitsubishi Corporation Apr. 2013 Senior Executive Vice President, Mitsubishi Corporation Jun. 2013 Member of the Board, Senior Executive Vice President, Mitsubishi Corporation Jun. 2016 Corporate Advisor, Mitsubishi Corporation (to present) Jun. 2018 Director, the Company (to present) (Significant concurrent positions) Corporate Advisor, Mitsubishi Corporation Director, INPEX CORPORATION	0
[Reasons for selection as a candidate for Outside Director] As Senior Executive Vice President of Mitsubishi Corporation, Mr. Jun Yanai has a wealth of experience, achievements, and insights regarding global business management, and he has been strengthening the management supervisory functions of the Company from an independent standpoint and providing opinions on management decisions from diversified viewpoints. Based on the foregoing, the Company continues to nominate him as a candidate for Outside Director.			

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Tetsuya Kobayashi, Ms. Sanae Tanaka, and Mr. Jun Yanai are candidates for Outside Directors. Additionally, the Company has designated Ms. Sanae Tanaka and Mr. Jun Yanai as Independent Director to the Tokyo Stock Exchange based on its regulations, and notified the appointment to said Exchange.
3. The terms of office for each candidate for Outside Director are 6 years for Mr. Tetsuya Kobayashi, 4 years for Ms. Sanae Tanaka, and 1 year for Mr. Jun Yanai.
4. There are no special interests between the Company and Kintetsu Group Holdings Co., Ltd., where Mr. Tetsuya Kobayashi serves as Chairman of the Board, and Sanae Tanaka Law Office, where Ms. Sanae Tanaka serves as Representative. Additionally, there are transactions such as those for freight transport between the Company and KNT-CT Holdings Co., Ltd., where Mr. Tetsuya Kobayashi serves as Chairman of the Board, PILOT CORPORATION, where Ms. Sanae Tanaka serves as Director, and Mitsubishi Corporation, where Mr. Jun Yanai serves as Corporate Advisor, but the amount of these transactions is insignificant (less than 1%).
5. Kintetsu Department Store Co., Ltd., where Mr. Tetsuya Kobayashi serves as Director, received a cease and desist order based on the Antimonopoly Act and a payment order for surcharge from the Japan Fair Trade Commission on October 3, 2018 due to an increase of shipping costs for benefits gifts applied during mid-year and year-end seasons.
6. The Company has entered into a liability limitation agreement with Ms. Sanae Tanaka and Mr. Jun Yanai under the provisions of Article 427, Paragraph 1 of the Companies Act to limit their liability for damages to the amount stipulated by laws and regulations, and should their reelections be approved, the Company plans to continue with such agreement.
7. Ms. Sanae Tanaka's name on the official register is Sanae Kikugawa.
8. Mr. Jun Yanai's attendance at the Board of Directors meetings is presented for the meetings held after he assumed office as Director on June 19, 2018.

Proposal 3: Election of 3 Audit & Supervisory Board Members

The terms of office for Mr. Takashi Sakai, Mr. Katsumi Watanabe, and Mr. Yusuke Kawasaki will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 3 Audit & Supervisory Board Members is proposed.

The Company has obtained the consent from the Audit & Supervisory Board for this Proposal.

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	Takashi Sakai (September 18, 1957) Attendance at the Board of Directors meetings: 12/12 (100%) Attendance at the Audit & Supervisory Board meetings: 14/14 (100%) [Reelection]	Apr. 1982 Jul. 2006 Apr. 2010 Jun. 2016	Joined the Company Deputy General Manager, Logistics Dept., the Company General Manager, Customs Compliance Dept., the Company Audit & Supervisory Board Member, the Company (to present)	4,900
[Reasons for selection as a candidate for Audit & Supervisory Board Member] Mr. Takashi Sakai possesses a wealth of experience, achievements, and insights in the sales field of the Company. He was in charge of Customs Compliance, is well-versed to relevant laws and regulations on the Company's business, and possesses a wealth of business knowledge. Based on the foregoing, the Company continues to nominate him as a candidate for Audit & Supervisory Board Member.				
2	Katsumi Watanabe (January 2, 1961) Attendance at the Board of Directors meetings: 12/12 (100%) Attendance at the Audit & Supervisory Board meetings: 14/14 (100%) [Reelection]	Apr. 1983 Apr. 2011 Jun. 2013 Jun. 2017	Joined the Company Deputy General Manager, Accounting Dept., the Company General Manager, Audit Dept., the Company Audit & Supervisory Board Member, the Company (to present)	4,900
[Reasons for selection as a candidate for Audit & Supervisory Board Member] Mr. Katsumi Watanabe possesses a wealth of experience, achievements, and insights in the Accounting and Finance of the Company and its subsidiaries. He was in charge of Audit, and possesses knowledge regarding the overall management of the Company. Based on the foregoing, the Company continues to nominate him as a candidate for Audit & Supervisory Board Member.				

No.	Name (Date of birth)	Career summary and responsibilities at the Company (Significant concurrent positions)	Number of shares of the Company held
3	Yusuke Kawasaki (June 21, 1954) Attendance at the Board of Directors meetings: 12/12 (100%) Attendance at the Audit & Supervisory Board meetings: 14/14 (100%) [Reelection] [Independent] [Candidate for Outside Audit & Supervisory Board Member]	Oct. 1984 Joined Asahi & Co. (currently KPMG AZSA LLC) Jun. 2010 Partner, KPMG AZSA LLC (resigned in June 2016) Jul. 2016 Representative, Yusuke Kawasaki Certified Public Accountant Office (to present) Jun. 2017 Audit & Supervisory Board Member, the Company (to present) (Significant concurrent positions) Representative, Yusuke Kawasaki Certified Public Accountant Office Auditor, KNT-CT Holdings Co., Ltd.	0

[Reasons for selection as a candidate for Outside Audit & Supervisory Board Member]

Mr. Yusuke Kawasaki possesses a wealth of experience, achievements, and insights as a certified public accountant, provides appropriate advice and proposals from his professional viewpoints, and he has been strengthening the audit functions of the Company from an independent standpoint. Based on the foregoing, the Company continues to nominate him as a candidate for Audit & Supervisory Board Member.

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Yusuke Kawasaki is a candidate for Outside Audit & Supervisory Board Member, and his term of office for Outside Audit & Supervisory Board Member are 2 years. Additionally, the Company has designated Mr. Yusuke Kawasaki as Independent Auditor to the Tokyo Stock Exchange based on its regulations, and notified the appointment to said Exchange.
3. There are no particular business transactions between the Company and Yusuke Kawasaki Certified Public Accountant Office, where Mr. Yusuke Kawasaki serves as Representative.
4. The Company has entered into a liability limitation agreement with Mr. Yusuke Kawasaki under the provisions of Article 427, Paragraph 1 of the Companies Act to limit his liability for damages to the amount stipulated by laws and regulations.

Reference

Independence Standards for Outside Officers of the Company
(Directors and Audit & Supervisory Board Members)

Kintetsu World Express, Inc. (hereinafter referred to as “KWE”) judges an Outside Director or Outside Audit & Supervisory Board Member to be independent when he or she does not fall under any of the criteria set forth below.

1. An executive of KWE and its affiliated companies (hereinafter referred to as the “KWE Group”), including a person who performed in this capacity at KWE within the past ten years.
2. A party to whom the KWE Group is a major business partner, or an executive of such party (including a party to whom the KWE Group was previously a major business partner, or a person who was an executive of such party within the past five years).
3. A party who is a major business partner of the KWE Group (a company whose total amount of transactions with the KWE Group exceeded 1% of the consolidated net sales of either company in the most recent fiscal year), or an executive of such party.
4. A major shareholder (person or party) of KWE who directly or indirectly holds 10% or more of KWE’s total voting rights, or an executive of such party.
5. A party who receives a large amount of donations equal to 10 million yen or more per annum from the KWE Group, or an executive of such party.
6. A consultant, certified public accountant or other accountant, or an attorney or other legal professional who receives a large amount of monetary consideration or other property benefits totaling 10 million yen or more per annum from the KWE Group in addition to his or her officer compensation (in cases where the party receiving property is an organization such as a legal entity or an association, or a person belonging to such organization).
7. A person belonging to an audit firm that carries out statutory audits of the KWE Group, including a person who has carried out audit services as an employee of such audit corporation for KWE or a subsidiary of KWE within the past five years.
8. A spouse or a relative within the second degree of kinship of a person listed below:
 - An officer or an employee of KWE; or
 - A person to whom any of criteria 2 through 7 above applies.

Proposal 4: Determination of Amount and Outline of Stock Compensation for Directors

1. Reason for proposal and rationale that justifies such compensation

The Company proposes to introduce a stock compensation plan (the “Plan”) that delivers the Company’s shares to Directors (excluding Outside Directors and Directors residing outside Japan; the same shall apply in this Proposal) of the Company based on their rank of positions and other factors. The Proposal is to provide stock compensation to Directors separately from the maximum amount of Directors (up to 420 million yen annually. However, the amount excludes salary portions for Directors who concurrently serve as an employees), which was approved at the 37th Ordinary General Meeting of Shareholders held on June 27, 2006.

The purpose of introducing the Plan is to better link Directors’ compensation to the performance and stock price, incentivize the Directors to focus more on the medium- to long-term enhancement of corporate value, and consequently share common interest with the Company’s shareholders. For these reasons, the Company believes that the introduction is reasonable.

The number of Directors eligible to the Plan are six, provided that the Proposal 2 “Election of 9 Directors” is approved as originally proposed.

The Company has the Nomination and Compensation Committee as an optional advisory organization. The majority of the Committee is comprised by Independent Outside Directors and Independent Outside Audit & Supervisory Committee Members. The Committee deliberated the introduction of the Plan as well.

2. Amount and outline of the compensation under the Plan

(1) Outline of the Plan

Under the Plan, shares of the Company are acquired by a trust using money contributed by the Company as funds, and delivered and/or provided to the Directors through the trust. (Details are provided in (3) below.)

(i) Eligible Directors to be provided the Company’s shares under the Plan	Directors of the Company (excluding Outside Directors and Directors residing outside Japan)
---	---

(ii) Impact that the Company’s shares subject to the Plan have on the total issued shares	
Upper limit of contributions by the Company (as per (2) below)	Total of 250 million yen for the three fiscal years
Upper limit of the number of shares of the Company to be delivered to Directors (including shares subject to liquidation) (as per (3) below)	<ul style="list-style-type: none"> - The upper limit of the total number of shares of the Company that are delivered and/or provided to Directors for the three fiscal years will be 105,000 shares - The upper limit of the total number of points to be granted to Directors per fiscal year is 35,000 points. The percentage of the number of shares by converting one point = one share of the Company’s common stock to the total issued shares of the Company (as of March 31, 2019, after deducting the treasury shares) is approximately 0.15% - Shares of the Company will be acquired from the market or the Company (disposal of treasury shares); provided, however, that as for the Trust to be set in 2019 (as provided in (2) below), the shares will be acquired through the stock market, and will not be diluted.

(iii) Detail of business performance condition (as per (3) below)	<ul style="list-style-type: none"> - Varies between 0 – 200% based on the degree of attainment of performance targets under the Medium-Term Management Plan - The degree of attainment of the performance targets is evaluated using operating gross profit ratio and other factors
---	---

(iv) Timing of delivering the Company’s shares to Directors (as per (4) below)	At resignation from Director
--	------------------------------

(2) Upper limit of contributions by the Company

The period of the Plan will be the three fiscal years from the fiscal year ending March 31, 2020 to fiscal year ending March 31, 2022 (the “Plan Period”), which correspond to the three-year period of Medium-Term Management Plan. In the event that a trust period provided below is extended, the three fiscal years that correspond to the subsequent Medium-Term Management Plan.

The Company will contribute trust money, (*1) setting 250 million yen as its upper limit. The Company will establish a trust (the "Trust") for stock compensation to eligible Directors who satisfy the beneficiary requirements.

In accordance with the instruction from a trust caretaker, the Trust will acquire shares of the Company in the stock market or from the Company (disposal of treasury shares) using trust money (as for the Trust to be set in 2019, shares will be acquired through the stock market). During the Plan Period, the Company will grant points to Directors as provided in (3) below, and deliver and/or provide the corresponding number of shares of the Company from the Trust.

On the expiration of the trust period of the Trust, the Company may continue the Trust by modifying the trust agreement and making additional entrustment instead of setting up a new Trust. In such case, the trust period will be extended for another three years, and the Company will make additional contributions of the trust money for the upper limit of 250 million yen in total, and continue to grant points and deliver and/or provide the Company's shares to Directors for the extended trust period. However, in cases where such additional contributions are made, if there are any shares of the Company (excluding shares of the Company corresponding to the points granted to Directors, delivery and/or provision of which has not been completed yet) and money remaining in the trust property ("Residual Shares, etc.") as of the expiration of the trust period prior to the extension, the sum of the amount of Residual Shares, etc. and the additional trust money to be contributed will not exceed the upper limit of 250 million yen.

(*1) Trust money includes funds to pay trust fees and trust expenses, in addition to funds for the Trust to acquire shares.

(3) Calculation method and upper limit of the number of shares of the Company to be delivered to Directors

The number of shares of the Company to be delivered to Directors will be determined by number of cumulative points (*2) that are granted based on the attainment of performance targets for each fiscal year within the Plan Period and Directors' rank of positions.

One point corresponds to one share of the Company. When the number of shares in the Trust increases or decreases due to a stock split or reverse stock split, etc., the Company will adjust the number of shares of the Company to be delivered in accordance with the percentage of such increase or decrease.

(*2) Delivered by changing the basic points based on the rank of positions within the range of 0 – 200% according to the attainment of performance targets such as operating gross profit ratio for each eligible fiscal year

The upper limit of the number of shares to be delivered to Directors (including shares subject to liquidation) will be the number of points multiplying 35,000 points by the number of years of the Plan Period. The upper limit of the number of shares of the Company to be delivered to Directors from the Trust during the trust period will be the number of shares equivalent to the number of upper limit points. This upper limit of the number of shares to be delivered is established based on the recent stock prices and other indicators in light of the upper limit amount of the trust money in (2) above.

(4) Method and timing of delivering the shares of the Company to Directors

In case a Director that satisfies beneficiary requirements resigns (excluding the resignation due to death), the Director will be delivered with shares of the Company in the amount calculated based on (3) above by taking designated beneficiary finalization procedure. In such case, the Director will be delivered with shares of the Company in the amount equivalent to certain percentage of the number of cumulative points (shares less than one unit will be rounded up), and shares of the Company in the amount equivalent to the remaining cumulative points will be liquidated within the Trust, and the Trust provides the Director with money equivalent to the liquidation value.

In case of the death of a Director who satisfies the beneficiary requirements during trust period, as for the shares of the Company in accordance with the number of cumulative points that are granted at the time of death, all the shares will be liquidated within the Trust, and his or her heir will receive money equivalent to the liquidation value from the Trust. In addition, if the Director who satisfies the beneficiary requirements is transferred overseas during the trust period, shares of the Company in accordance with the number of cumulative points that is granted at the time of his or her transfer, all the shares will be liquidated within the Trust, and the Director will receive money equivalent to the liquidation value from the Trust.

(5) Voting rights in relation to the shares of the Company within the Trust

Voting rights of the shares of the Company in the Trust will not be exercised during the trust period to

ensure neutrality to corporate management.

(6) Other matters on the Plan

Other matters on the Plan will be determined at the Board of Directors meeting each time the Trust is set, the trust agreement is revised or additional contributions are made.