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(Securities Code: 8057)

September 24, 2019

To our shareholders:

Noboru Okubo,
President and Chief Executive Officer
UCHIDA YOKO CO., LTD.
4-7, Shinkawa 2-chome, Chuo-ku, Tokyo

Notice of the 81st Annual General Meeting of Shareholders

You are cordially invited to attend the 81st Annual General Meeting of Shareholders (the “Meeting”) of UCHIDA YOKO CO., LTD. (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting in person, you can exercise your voting rights by mail or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m. on Friday, October 11, 2019 (JST), following the “Instructions on Exercise of Voting Rights” (available in Japanese only). For your reference, the summary of the instructions on exercise of voting rights by mail or via the Internet is as follows.

[Voting by mail]

You can vote by mail by indicating your approval or disapproval of each proposal on the enclosed voting form and returning the form by postal mail.

[Voting via the Internet]

You can vote via the Internet by accessing the website for exercising voting rights specified by the Company (<https://www.web54.net>) and exercising your voting rights using the “Code for the exercise of voting rights” and the “Password” provided on the enclosed voting form in accordance with the directions on the screen.

- 1. Date and Time:** Saturday, October 12, 2019, at 10:00 a.m. (JST)
- 2. Venue:** Room number 801, 8F, Tekko Kaikan
2-10 Nihonbashi-kayabacho 3-chome, Chuo-ku, Tokyo

3. Objectives of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 81st fiscal year (from July 21, 2018 to July 20, 2019), as well as the results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 81st fiscal year (from July 21, 2018 to July 20, 2019)

Matters to be resolved

- Proposal No. 1:** Appropriation of Surplus
- Proposal No. 2:** Election of Nine (9) Directors
- Proposal No. 3:** Election of Two (2) Audit & Supervisory Board Members
- Proposal No. 4:** Election of One (1) Substitute Audit & Supervisory Board Member
- Proposal No. 5:** Renewal of Countermeasures to Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)
- Proposal No. 6:** Determination of Remuneration for Granting Restricted Shares to Directors (excluding Outside Directors)

4. Arrangements in Convening the Meeting

- (1) If you exercise your voting rights both by mail and via the Internet, the one exercised via the Internet will be deemed valid.
 - (2) If you exercise your voting rights more than once via the Internet, the last vote will be deemed valid.
- When you attend the Meeting, you are kindly requested to present the enclosed voting form at the reception. Please also bring this Notice with you.
 - Of the documents attached to the Notice, the items below are provided on the Company's website (<https://www.uchida.co.jp/>) based on laws and regulations and in accordance with the provisions of Article 15 of the Company's Articles of Incorporation, and are therefore not included in the attachments to this Notice of the General Meeting of Shareholders.
 - (i) Notes to Consolidated Financial Statements
 - (ii) Notes to Non-consolidated Financial StatementsThe Consolidated Financial Statements or the Non-consolidated Financial Statements stated in the attached documents are a part of the Consolidated Financial Statements or the Non-consolidated Financial Statements audited by the Accounting Auditor and the Audit & Supervisory Board Member in preparing their respective audit reports.
 - If any changes are made to items in the Reference Documents for the General Meeting of Shareholders, the Business Report, or to Consolidated Financial Statements and Non-consolidated Financial Statements, such changes will be posted on the Company's website (<https://www.uchida.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows.

Matters related to year-end dividend:

The Company aims for sound and sustainable growth to increase comprehensive shareholders' value over the long term. The Company's basic policy on returns of profits to shareholders is, on an assumption of steady dividends, to strike a balance with "strengthening the financial base" and "investment for realizing the Company's management strategies for the medium and long term," and to strive to further enhance returns to shareholders.

The Company proposes to allocate a year-end dividend for the 81st fiscal year of ¥90 per share, an increase of ¥15 over that of the previous fiscal year, taking into account the fact that recorded profit exceeded the initial forecasts.

(1) Type of dividend property

Cash

(2) Dividend property allotment to shareholders and total amount thereof

Dividends per common share of the Company: ¥90 (of which, an ordinary dividend is ¥90)

Total amount of dividends: ¥880,488,990

(3) Effective date of the dividend of surplus

October 16, 2019

Proposal No. 2: Election of Nine (9) Directors

At the conclusion of the Meeting, the terms of office of all eight (8) current Directors will expire. In that regard, the Company proposes to elect nine (9) Directors, increasing the number of Outside Directors by one (1) to further enhance the management system. The proposed candidates are as follows.

Candidate No.	Name	Current position and responsibility in the Company	
1	Noboru Okubo	President and Chief Executive Officer	<u>Reelection</u>
2	Shingo Akiyama	Director, Senior Executive Managing Officer, and Executive Manager of Corporate Planning & Administrative Management Group	<u>Reelection</u>
3	Masao Kikuchi	Director, Executive Managing Officer, General Manager of Educational Facilities Division, and General Manager of Eastern-Japan Regional Sales Division	<u>Reelection</u>
4	Toyotsugu Miyamura	Director, Executive Managing Officer, and General Manager of Educational ICT Division	<u>Reelection</u>
5	Toshiji Hayashi	Director, Senior Executive Officer, Vice Executive Manager of Corporate Planning & Administrative Management Group (Responsible for Finance), and General Manager of Group Management Department	<u>Reelection</u>
6	Satoshi Koyanagi	Director, Senior Executive Officer, Executive Manager of Sales Management Group, and General Manager of Corporate Strategy & Planning Division	<u>Reelection</u>
7	Hidenori Hirose	Outside Director	<u>Reelection</u> <u>Outside Director</u> <u>Independent Officer</u>
8	Kuniharu Takemata	Outside Director	<u>Reelection</u> <u>Outside Director</u> <u>Independent Officer</u>
9	Keiji Imajo		<u>New election</u> <u>Outside Director</u> <u>Independent Officer</u>

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	<div>Reelection</div> <div>Noboru Okubo (July 1, 1954)</div> <div>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</div>	Mar. 1979	Joined the Company	15,500
		Oct. 2003	Director, General Manager of Educational Systems Division	
		July 2005	Managing Director, Vice General Manager of Marketing Headquarters, and General Manager of Educational Systems Division	
		July 2008	Director, Senior Executive Managing Officer, General Manager of Marketing Headquarters, and General Manager of Educational Systems Division of Sales Headquarters	
		July 2010	Director, Senior Executive Managing Officer, and General Manager of Public Sector Headquarters	
		July 2013	Director, Senior Executive Managing Officer, and General Manager of General Sales Headquarters	
		July 2014	President and Chief Executive Officer (current position)	
		[Reasons for nomination as a candidate for Director] Mr. Noboru Okubo, having had success in recovering and improving performances of the Company while serving as the Company's President and Chief Executive Officer, is fulfilling his duties as President and Chief Executive Officer by making the most of his strong leadership while working toward accomplishing the goals set in the Company's group management. He is well versed in the overall operations of the Company and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.		
2	<div>Reelection</div> <div>Shingo Akiyama (September 14, 1955)</div> <div>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</div>	Mar. 1979	Joined the Company	3,600
		July 2011	Executive Officer, and General Manager of General Affairs Department	
		July 2012	Executive Officer, and General Manager of Administrative Headquarters	
		Oct. 2012	Director, Executive Officer, and General Manager of Administrative Headquarters	
		Oct. 2013	Director, Executive Managing Officer, and General Manager of Administrative Headquarters	
		Oct. 2016	Director, Senior Executive Managing Officer, and General Manager of Corporate Planning & Administrative Headquarters	
		July 2018	Director, Senior Executive Managing Officer, and Executive Manager of Corporate Planning & Administrative Management Group (current position)	
		[Reasons for nomination as a candidate for Director] Mr. Shingo Akiyama has been mainly engaged in the administrative field. Currently, toward optimizing management as Director, Senior Executive Managing Officer, and Executive Manager of Corporate Planning & Administrative Management Group, he is successfully fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on overall administration, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	<div>Reelection</div> <div>Masao Kikuchi (August 11, 1957)</div> <div>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</div>	Apr. 1981	Joined the Company	3,200
		July 2007	Executive Officer, and General Manager of Eastern-Japan Equipment Sales Department of Educational Systems Division	
		July 2008	Executive Officer, and General Manager of Facilities Sales Department of Educational Systems Division	
		July 2013	Executive Officer, and General Manager of Educational Facilities Division of Public Headquarters of General Sales Headquarters	
		July 2015	Senior Executive Officer, and General Manager of Educational Facilities Division of Sales Headquarters	
		Oct. 2016	Director, Executive Officer, and General Manager of Educational Facilities Division of Sales Headquarters	
		July 2018	Director, Executive Officer, General Manager of Educational Facilities Division, and General Manager of Northern-Japan Regional Sales Division	
		July 2019	Director, Executive Managing Officer, General Manager of Educational Facilities Division, and General Manager of Eastern-Japan Regional Sales Division (current position)	
	[Reasons for nomination as a candidate for Director] Mr. Masao Kikuchi has been mainly engaged in the sales field. Currently, he is successfully achieving great results mainly in public and school facilities business as Director, Executive Managing Officer, General Manager of Educational Facilities Division, and General Manager of Eastern-Japan Regional Sales Division, and fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on sales, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	<div>Reelection</div> <p>Toyotsugu Miyamura (August 27, 1957)</p> <p>Attendance at Board of Directors Meetings during the 81st fiscal year 12/12 (100%)</p>	<p>Apr. 1981 Joined the Company</p> <p>July 2011 Executive Officer, and General Manager of ICT Systems Eastern-Japan Sales Department of Educational ICT & Environment Solutions Division of Public Headquarters</p> <p>July 2013 Executive Officer, and General Manager of Educational ICT Division of Public Headquarters of General Sales Headquarters</p> <p>July 2015 Senior Executive Officer, and General Manager of Educational ICT Division of Sales Headquarters</p> <p>Oct. 2018 Director, Senior Executive Officer, and General Manager of Educational ICT Division</p> <p>July 2019 Director, Executive Managing Officer, and General Manager of Educational ICT Division (current position)</p>	2,100
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Toyotsugu Miyamura has been mainly engaged in the sales field. Currently, he is successfully achieving great results mainly in school ICT business as Director, Executive Managing Officer, and General Manager of Educational ICT Division, and fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on sales, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	<p>Reelection</p> <p>Toshiji Hayashi (June 5, 1959)</p> <p>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</p>	<p>Apr. 1983 Joined the Company</p> <p>July 2013 Executive Officer, and General Manager of Corporate Planning Department</p> <p>July 2014 Executive Officer, General Manager of Corporate Planning Control Department</p> <p>July 2015 Executive Officer, Vice General Manager of Corporate Planning & Administrative Headquarters, and General Manager of Group Management Department</p> <p>July 2016 Senior Executive Officer, Vice General Manager of Corporate Planning & Administrative Headquarters, and General Manager of Group Management Department</p> <p>Oct. 2016 Director, Executive Officer, Vice General Manager of Corporate Planning & Administrative Headquarters, and General Manager of Group Management Department</p> <p>July 2018 Director, Executive Officer, Vice Executive Manager of Corporate Planning & Administrative Management Group, and General Manager of Group Management Department</p> <p>Sept. 2018 Director, Senior Executive Officer, Vice Executive Manager of Corporate Planning & Administrative Management Group (Responsible for Finance), and General Manager of Group Management Department (current position)</p> <p>[Significant concurrent positions outside the Company] Director of UCHIDA ESCO Co., Ltd.</p>	3,200
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Toshiji Hayashi has been mainly engaged in accounting and finance. Currently, toward promoting finance and administration of group management as Director, Senior Executive Officer, Vice Executive Manager of Corporate Planning & Administrative Management Group (Responsible for Finance), and General Manager of Group Management Department, he is fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on finance, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<div>Reelection</div> <div>Satoshi Koyanagi (April 27, 1960)</div> <div>Attendance at Board of Directors Meetings during the 81st fiscal year 12/12 (100%)</div>	<div>Apr. 1983 Joined the Company</div> <div>July 2015 Executive Officer, Vice Executive Manager of Sales Management Group of Sales Headquarters, and General Manager of Corporate Planning Department of Corporate Planning & Administrative Headquarters</div> <div>Oct. 2017 Senior Executive Officer, Vice Executive Manager of Sales Management Group of Sales Headquarters, and General Manager of Corporate Strategy & Planning Division</div> <div>July 2018 Senior Executive Officer, Vice Executive Manager of Sales Management Group, and General Manager of Corporate Strategy & Planning Division</div> <div>Oct. 2018 Director, Senior Executive Officer, Executive Manager of Sales Management Group, and General Manager of Corporate Strategy & Planning Division (current position)</div>	800
	<div>[Reasons for nomination as a candidate for Director]</div> <div>Mr. Satoshi Koyanagi has been mainly engaged in sales and corporate planning. Currently, toward increasing the efficiency of corporate planning and business as Director, Senior Executive Officer, Executive Manager of Sales Management Group, and General Manager of Corporate Strategy & Planning Division, he is fulfilling the duties of said stations. He is well versed in the overall operations of the Company with particular focus on planning, and possesses the initiative, judgment, insight, etc., which are expected of management. As such, the Company believes he is qualified to serve as a Director.</div>		

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
7	<div><div>Reelection</div><div>Outside Director</div><div>Independent Officer</div></div> <p>Hidenori Hirose (June 11, 1945)</p> <p>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</p>	Mar. 1968	Joined The SEIYU, LTD. (“SEIYU”)	800
	May 1989	Director of SEIYU		
		May 1999	Director of FamilyMart Co., Ltd.	
		June 2003	President and Representative Director of Warehouse TERRADA	
		Oct. 2012	Outside Director of the Company (current position)	
	[Reasons for nomination as a candidate for Outside Director]			
	Mr. Hidenori Hirose has held positions such as President and Representative Director of Warehouse TERRADA and possesses the judgment and insight which are expected of management. As such, the Company believes he is qualified to supervise the Company’s management and provide advice as an Outside Director.			
8	<div><div>Reelection</div><div>Outside Director</div><div>Independent Officer</div></div> <p>Kuniharu Takemata (September 29, 1954)</p> <p>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</p>	Apr. 1978	Joined Electric Power Development Co., Ltd. (“J-Power”)	500
	June 2006	Executive Officer, and Department Director of Business Planning Department, J-Power		
		June 2007	Executive Managing Officer, and Department Director of Corporate Planning Department, J-Power	
		June 2009	Director, J-Power	
		June 2012	Director, and Executive Managing Officer, J-Power	
		Oct. 2016	Outside Director of the Company (current position)	
		June 2017	Outside Director of eREX Co., Ltd.	
		June 2018	Managing Director of eREX Co., Ltd. (current position)	
		[Significant concurrent positions outside the Company]		
		Managing Director of eREX Co., Ltd.		
	[Reasons for nomination as a candidate for Outside Director]			
	Mr. Kuniharu Takemata has held positions such as Director, and Executive Managing Officer of Electric Power Development Co., Ltd. and currently serves as Managing Director of eREX Co., Ltd. He possesses the judgment and insight which are expected of management. As such, the Company believes he is qualified to supervise the Company’s management and provide advice as an Outside Director.			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
9	<div> <div>New election</div> <div>Outside Director</div> <div>Independent Officer</div> </div> <p>Keiji Imajo (August 5, 1961)</p> <p>Attendance at Board of Directors Meetings during the 81st fiscal year - / -</p>	<p>Apr. 1985 Joined Kanegafuchi Chemical Industry Co., Ltd. (currently KANEKA CORPORATION)</p> <p>Jan. 2001 Joined Future Venture Capital Co., Ltd.</p> <p>June 2011 Representative Director and President of Future Venture Capital Co., Ltd.</p> <p>Jan. 2016 Representative Director and Chairman of the Board of Future Venture Capital Co., Ltd.</p> <p>June 2016 Director and Chairman of the Board of Future Venture Capital Co., Ltd.</p> <p>July 2017 Outside Director of JOHNNAN Corporation (current position)</p> <p>Dec. 2018 Outside Director of OSAKA YUKA INDUSTRY LTD. (current position)</p> <p>[Significant concurrent positions outside the Company]</p> <p>Outside Director of JOHNNAN Corporation</p> <p>Outside Director of OSAKA YUKA INDUSTRY LTD.</p>	0
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Mr. Keiji Imajo has been engaged in development operations at Kanegafuchi Chemical Industry Co., Ltd. (currently KANEKA CORPORATION) and held positions such as Representative Director and President of Future Venture Capital Co., Ltd. He possesses the judgment and insight which are expected of management. As such, the Company believes he is qualified to supervise the Company's management and provide advice as an Outside Director.</p>			

- Notes:
1. All candidates do not have any special interest with the Company.
 2. Mr. Hidenori Hirose, Mr. Kuniharu Takemata and Mr. Keiji Imajo are candidates for Outside Director.
 3. At the conclusion of the Meeting, Mr. Hirose's tenure as Outside Director of the Company will have been seven years and Mr. Takemata's tenure as Outside Director of the Company will have been three years.
 4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Hirose and Mr. Takemata to limit their liability for damages as provided for in Article 423, paragraph 1 of the same Act. The limit of liability for damages pursuant to the limited liability agreement is the aggregate sum of the amounts provided for in each item in Article 425, paragraph 1 of the Companies Act. If their election is approved, the Company plans to renew the respective agreements with each one of them. In addition, if the election of Mr. Imajo is approved, the Company plans to enter into the same agreement with him.
 5. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Hirose and Mr. Takemata have been appointed as an independent officer as provided for in the Securities Listing Regulations of the aforementioned exchange. If their election is approved, the Company plans for their appointment as an independent officer to continue. In addition, Mr. Imajo satisfies the requirements for independent officer as provided for by the aforementioned exchange, and if his election is approved, the Company plans to appoint him as an independent officer.

Proposal No. 3: Election of Two (2) Audit & Supervisory Board Members

At the conclusion of the Meeting, the terms of office of Audit & Supervisory Board Members Mr. Yasuhiro Tamura, Mr. Yuji Sumitomo and Mr. Tsutomu Nobechi will expire. In that regard, the Company proposes to elect two (2) Audit & Supervisory Board Members. The proposed candidates are as follows.

For your information, the Audit & Supervisory Board has approved this proposal.

Candidate No.	Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<div>Reelection</div> <div>Outside Audit & Supervisory Board Member</div> <div>Independent Officer</div> <p>Yasuhiro Tamura November 26, 1956</p> <p>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</p> <p>Attendance at Audit & Supervisory Board Meetings during the 81st fiscal year 9/9 (100%)</p>	<p>Apr. 1980 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>Nov. 1996 General Manager of Uguisudani Branch of The Asahi Bank, Ltd. (currently Resona Bank, Limited)</p> <p>Apr. 2001 General Manager of Finance Planning Division of The Asahi Bank, Ltd.</p> <p>Oct. 2003 Executive Officer, General Manager of Finance Planning Division of Resona Bank, Limited</p> <p>June 2005 Executive Officer, in charge of Operational Reform Division and in charge of Purchasing Strategy Division of Resona Holdings, Inc.</p> <p>June 2009 Director and Senior Managing Executive Officer, in charge of Corporate Business Division, in charge of Corporate Solutions Sales Division, and in charge of Public Sector Division of Resona Bank, Limited</p> <p>Apr. 2013 President and Representative Director of Resona Kessai Service Co., Ltd.</p> <p>Oct. 2015 Standing Audit & Supervisory Board Member of the Company (current position)</p>	0
<p>[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member]</p> <p>The Company believes that Mr. Yasuhiro Tamura is qualified to utilize his many years of experience in financial institutions, etc. and his abundant knowledge of finance in the Company's audit system.</p>			

Candidate No.	Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	<div>Reelection</div> <div>Outside Audit & Supervisory Board Member</div> <div>Independent Officer</div> <p>Yuji Sumitomo (September 30, 1957)</p> <p>Attendance at Board of Directors Meetings during the 81st fiscal year 16/16 (100%)</p> <p>Attendance at Audit & Supervisory Board Meetings during the 81st fiscal year 9/9 (100%)</p>	<p>Apr. 1981 Joined The Sumitomo Trust and Banking Co., Ltd. (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>Apr. 2001 Head of Corporate Office, Fukuoka Branch of The Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2003 Joint General Manager, Global Credit Supervision Department I of The Sumitomo Trust and Banking Co., Ltd.</p> <p>June 2005 Joint General Manager, Corporate Business Department I, Tokyo Chuo of The Sumitomo Trust and Banking Co., Ltd.</p> <p>Mar. 2008 General Manager, Loan Department of JAPAN POST INSURANCE Co., Ltd.</p> <p>Apr. 2011 Associate General Manager, Internal Audit Department of The Sumitomo Trust and Banking Co., Ltd.</p> <p>Aug. 2011 General Manager, Internal Audit Department of Sumishin Panasonic Financial Services Co., Ltd. (currently Sumitomo Mitsui Trust Panasonic Finance Co., Ltd.)</p> <p>Oct. 2015 Standing Audit & Supervisory Board Member of the Company (current position)</p>	0
<p>[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member]</p> <p>The Company believes that Mr. Yuji Sumitomo is qualified to utilize his many years of experience in financial institutions, etc. and his abundant knowledge of finance in the Company's audit system.</p>			

- Notes:
1. Each candidate does not have any special interest with the Company.
 2. Mr. Yasuhiro Tamura and Mr. Yuji Sumitomo are candidates for Outside Audit & Supervisory Board Member.
 3. At the conclusion of the Meeting, Mr. Tamura's and Mr. Sumitomo's tenures as Outside Audit & Supervisory Board Member of the Company will have been four years.
 4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Tamura and Mr. Sumitomo to limit their liability for damages as provided for in Article 423, paragraph 1 of the same Act. The limit of liability for damages pursuant to the limited liability agreement is the aggregate sum of the amounts provided for in each item in Article 425, paragraph 1 of the Companies Act. If their election is approved, the Company plans to renew the respective agreements with each one of them.
 5. The Company has submitted notification to the Tokyo Stock Exchange that Mr. Tamura and Mr. Sumitomo have been appointed as an independent officer as provided for in the Securities Listing Regulations of the aforementioned exchange. If their election is approved, the Company plans for their appointment as an independent officer to continue.

Proposal No. 4: Election of One (1) Substitute Audit & Supervisory Board Member

In order to prepare for a case in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, the Company proposes to elect one (1) substitute Audit & Supervisory Board Member. The proposed candidate is as follows.

For your information, the Audit & Supervisory Board has approved this proposal.

Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
<div style="border: 1px solid black; padding: 5px; text-align: center;"> New election Outside Audit & Supervisory Board Member Independent Officer </div> Akio Yamada February 24, 1955	Nov. 1978 Joined Peat, Marwick Mitchell & Co. (currently KPMG AZSA LLC) Apr. 1982 Registered as a Certified Public Accountant Aug. 2009 Partner of KPMG AZSA LLC July 2017 Opened Yamada Akio CPA Office (current position) June 2018 Outside Company Auditor of Nittan Valve Co., Ltd. (current position) June 2018 Auditor of Pfizer Health Research Foundation (current position) July 2018 Outside Auditor of Rakuten Insurance Holdings Co., Ltd. (current position) [Significant concurrent positions outside the Company] Certified Public Accountant of Yamada Akio CPA Office Outside Company Auditor of Nittan Valve Co., Ltd. Auditor of Pfizer Health Research Foundation Outside Auditor of Rakuten Insurance Holdings Co., Ltd.	0
[Reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member] The Company believes that Mr. Akio Yamada is qualified to utilize his professional insight and abundant experience in finance and accounting as a certified public accountant in the Company's audit system.		

- Notes:
1. The candidate does not have any special interest with the Company.
 2. Mr. Akio Yamada is a candidate for substitute Outside Audit & Supervisory Board Member.
 3. Although Mr. Yamada was not previously involved in corporate management, other than in the capacity of Outside Audit & Supervisory Board Member, based on the reasons for nomination as a candidate for substitute Outside Audit & Supervisory Board Member stated above, the Company has determined that he will be able to appropriately conduct his duties as Outside Audit & Supervisory Board Member due to his specialized knowledge and abundant experience regarding finance and accounting.
 4. If Mr. Yamada assumes the office of Audit & Supervisory Board Member, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with him to limit his liability for damages as provided for in Article 423, paragraph 1 of the same Act to the aggregate sum of the amounts provided for in each item in Article 425, paragraph 1 of the same Act.
 5. Mr. Yamada satisfies the requirements for independent officer as provided for by the Tokyo Stock Exchange, and if his election is approved and he assumes office as Outside Audit & Supervisory Board Member, the Company plans to appoint him as an independent officer.

Proposal No. 5: Renewal of Countermeasures to Large-Scale Acquisitions of Company Shares (Takeover Defense Measures)

The Company introduced “countermeasures to large-scale acquisitions of Company shares (takeover defense measures)” with the approval of the 69th Annual General Meeting of Shareholders held on October 13, 2007. After two renewals, the Company obtained the shareholders’ approval to renew partially amended countermeasures the 78th Annual General Meeting of Shareholders held on October 15, 2016. The effective period of the current plan is due to expire at the conclusion of the Meeting.

Accordingly, prior to the expiration of the effective period of the current plan, the Company’s Board of Directors has considered the state of the current plan, including whether or not it should be renewed from the perspective of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders. As a result of that consideration, at the Board of Directors meeting held on September 10, 2019, the Company decided, conditional upon the approval of the shareholders at the Meeting, to renew the countermeasures to large-scale acquisitions of Company shares (takeover defense measures) as set out in III below (the countermeasures after renewal, the “Plan”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b)(ii) of the Enforcement Regulations of the Companies Act) under the basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided for in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the “Basic Policy”) as set out in I below.

1. Reasons why the Plan is considered necessary

- (1) The Plan is one in which substantive decisions regarding its triggering or abolishment are made by a committee independent from the Company’s management team.

The Independent Committee under the Plan has an additional one member compared with before the renewal and is composed of two independent Outside Directors and two experts.

The operation of the Plan is such that if the Independent Committee determines that it is reasonable to obtain a resolution of the general meeting of shareholders even though a large purchaser has followed the procedures prescribed in the Plan, the Company’s Board of Directors will follow what is decided by the general meeting of shareholders. Transparency throughout the course of the procedures is secured by disclosing information to shareholders.

Taking these points into account, the Company believes that the Plan contains mechanisms for eliminating arbitrary decisions by the management team of the Company.

Further, the transparency of the Board of Directors will also be enhanced due to the ratio of independent Outside Directors in the Company’s Board of Directors becoming one third as a result of the new election of one independent Outside Director at the 81st Annual General Meeting of Shareholders.

- (2) The Plan prescribes that “a framework be put in place for securing sufficient information and time for shareholders to make an appropriate decision as well as for providing shareholders with opportunities for negotiation with purchasers.”

The Company will continue to endeavor to enhance its corporate value and the common interests of shareholders, but in view of factors such as the characteristics of the Company’s business platform and its business size, the Company is not necessarily able to reject the possibility of a large purchase of its shares. In particular, it is also expected that in the case of a large purchase of the shares of the Company by a purchaser who does not understand the unique business and resources that the Company has developed throughout its history, there would be a material impact on the Company’s management strategies for the medium and long term.

The Company believes that the Plan will be effective for shareholders even if such an event transpires, because the Plan would secure the time needed to sufficiently examine the content of a proposal by a purchaser.

- (3) The Company believes that the rules of the tender offer framework under the Financial Instruments and Exchange Act cannot be considered sufficient for securing the information and time necessary for shareholders to make a decision on whether the purchase is appropriate or for enabling negotiations on behalf of shareholders.

2. Effective term of the Plan

The Plan will be effective until the conclusion of the annual general meeting of shareholders held three years after the conclusion of the annual general meeting of shareholders at which a resolution approving the Plan is made. However, if a resolution to abolish the Plan is made by a general meeting of shareholders or the Board of Directors even before the expiration of the effective term, the Plan will be abolished at that time.

Therefore, the Company requests the shareholders' approval to delegate to the Company's Board of Directors the authority to decide matters relating to the gratis allotment of share options in accordance with the Plan, pursuant to the provisions of Article 11 of the Company's Articles of Incorporation.

Upon renewing the current plan and adopting the Plan, the requirements for determining whether it is reasonable to implement a gratis allotment of Share Options in III.2.(3) 'Requirements for Gratis Allotment of Share Options,' are to be partially amended, and certain formal revisions are to be made to wording; however, the basic contents of the Plan are the same as those of the current plan.

All four of the Audit & Supervisory Board Members of the Company (of whom three are Outside Audit & Supervisory Board Members) were present at the Board of Directors meeting where it was decided to adopt the Plan and expressed opinions consenting to the adoption of the Plan on the condition that the specific implementation of the Plan is performed appropriately.

I. Basic Policy Regarding the Persons Who Control Decisions on the Company's Financial and Business Policies

The Company believes that shareholders of the Company should be decided through free market transactions, and, accordingly, a decision on whether or not to accept a proposal to acquire a sufficient number of shares to control decisions on the Company's financial and business policies must ultimately be left to the discretion of each shareholder.

The Company considers that in order to ensure and enhance its corporate value and the common interests of its shareholders, it is essential to foster human resources from a medium and long term perspective, constantly adopt new technologies and designs, and maintain and grow relationships of trust with business partners as well as an excellent customer base.

However, there are some forms of large-scale acquisitions of shares that do not ensure or enhance the corporate value of the target company or in turn the common interests of its shareholders, including, without limitation: (i) those that threaten to cause obvious harm to the corporate value of the target company and in turn the common interests of its shareholders in light of matters such as the purpose of and the management policies after the acquisition; (ii) those that threaten to effectively coerce shareholders into selling their shares; and (iii) those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the conditions and other details of the acquisition or for the target company's board of directors to make an alternative proposal. Therefore, the Company believes that persons who would make a large-scale acquisition of the shares in the Company in an inappropriate manner as described above would not be appropriate as persons who control decisions on the Company's financial and business policies, and it is necessary to ensure the corporate value of the Company and in turn the common interests of its shareholders by taking the necessary and reasonable measures against large-scale acquisitions by such persons.

II. Special Measures to Make Effective Use of the Company's Assets, Form an Appropriate Corporate Group, and Otherwise Realize the Basic Policy

1. The Source of the Company's Corporate Value

In 2020, the Company group will mark the 110th anniversary of its founding. During that time, the Company group has constantly practiced sound management in its main businesses, and at present, it endeavors to achieve innovation in its main businesses and to create new businesses under its corporate philosophy, "through the creation of environments conducive to innovation and creativity, we play our part in building a better world for all and helping to deliver industrial prosperity and happiness for our employees," and its corporate group vision, "a customer-first approach to creating value from data and collaborating in the design of knowledge."

The sources of the corporate value of the Uchida Yoko group are as follows.

(1) Unique businesses and resources developed throughout the Company group's history

The Company group was founded in 1910 with its business dedicated to surveying and drawing tools, and it engaged in businesses that kept ahead of the times in order to contribute to improving office work efficiency, achieving a science-oriented nation, and promoting education. The Company group firmly established its business base through popular, original brands that enjoyed strong support both before and after the war, including such products as Hemmi bamboo slide rulers, Kent drawing sets, Kent educational tools, Toho magic ink, and USAC computers, and subsequently continued to form the corporate brand of the Uchida Yoko group by providing diverse solutions that met the changing times.

During this time, the Company group has fostered business relationships with a diverse range of customers throughout the country in the public and private sectors and has created a sales and services network that stretches across every part of the country. Additionally, the Company group has come to possess a unique business structure, with its base being ICT-related businesses that account for approximately 60% of its revenue and the rest coming from environmental construction-related businesses.

The Company group believes that by organically combining these unique businesses and resources that have been developed throughout its history, it is possible for the Company group to achieve new business expansion and to respond to market changes.

(2) Enhancement of corporate value by realizing the Company's management strategies for the medium and long term

The Company group develops its management strategies for the medium and long term to maximally utilize these unique businesses and resources developed throughout its history and to respond to future changes in the composition of society.

The economy of Japan is expected to grow due to factors such as increases in capital investment and inbound demand leading up to 2020, when the Tokyo 2020 Olympic and Paralympic Games will be held. However, due to the large effects of the declining birthrate, the composition of society and industry will greatly change after 2020 in such ways as a sharp drop in the working-age population. Therefore, the Company group anticipates that the environment surrounding the companies, local governments, and educational institutions that are the main customers of the Company group will necessitate significant changes.

Companies, public agencies, and the like will be required to improve productivity and achieve work-style reforms, including by promoting diversity. For schools and educational institutions, the national government is progressing with educational reforms from elementary and secondary education through to college education to raise people who will support society in the future, and learning method reforms such as the introduction of active learning will be necessary. Moreover, as regional stimulation measures to make effective use of the increase in inbound demand, the opportunities provided by the Tokyo 2020 Olympic and Paralympic Games, and the like, the development of gathering places and other city planning reforms will be an important point.

Therefore, the Company group has established a management policy of supporting its customers' work-style reforms, learning method reforms, and city planning reforms and is endeavoring to progress with the

cross-sectional restructuring of its core businesses in response to these new needs of society and to create a new business model utilizing cloud solution development, IoT, and big data, with ICT-related businesses that account for approximately two thirds of product revenue as a growth base.

Seeing these endeavors to address these large social issues as an opportunity for growth in the medium and long term, the Company group established its 15th medium term management plan, “Uchida 2020” (for the period from July 21, 2018 to July 20, 2021).

Under the 15th medium term management plan, looking towards 2020, the Company group endeavors to increase business efficiency and improve profitability by targeting demand for offices in the greater Tokyo area, demand for information infrastructure updates (upgrading to Windows 10), and demand for expanding education ICT.

At the same time, in order to newly establish a leading position among the competition that addresses the changes in the composition of society and industry anticipated after 2020, the Company group will begin preparations for establishing that position and for restructuring its core businesses. Specifically, the Company group has begun strengthening the base of the ICT businesses, reforming group management, endeavoring to develop demand based on customer assets, and promoting the creation of dynamism from synergies in each business group, thereby endeavoring to restructure its core businesses in a way that goes beyond the previous boundaries of the business segments of the Company group.

The Company group believes that realizing these management strategies for the medium and long term will contribute to its sustainable growth and the enhancement of its corporate value. In order to achieve these goals, it is essential to take measures with a long-term perspective and to obtain stable and sustainable growth for enhancing shareholder value.

(3) Corporate Governance

The Company endeavors to strengthen its corporate governance for the purposes of achieving swift decision making that addresses changes in the management environment, clarifying responsibilities, and improving the transparency of business. Specifically, the Company has introduced the executive officer system, thereby separating the management administration functions and business execution functions, in addition to which the Company has set the term of office of Directors at one year in order to firmly establish a flexible management system that can promptly respond to changes in the management environment and to clarify the management responsibilities of Directors. Additionally, Outside Directors provide various advice and recommendations from an objective perspective in regard to both decision making and supervision at Board of Directors meetings. At the Meeting, a proposal for the election of one additional Outside Director is to be put forth, and if all of the proposals for the election of Directors are approved, three of the nine Directors will be Outside Directors.

The measures set out above are only able to be achieved by maintaining good, continuing relationships with all stakeholders. In particular, the greatest resource of corporate management is people (employees), and the Company as a whole recognizes that the source of its corporate strength is people (employees) and has endeavored to foster human resources and create customers. The Company believes that its fundamental philosophy of supporting customer growth is achieved only by growing together with customers through a medium and long term management perspective centered around those human resources.

III. Measures to Prevent Decisions on the Company's Financial and Business Policies from Being Controlled by Persons Deemed Inappropriate Under the Basic Policy

1. Purpose of the Plan

The renewal by adopting the Plan is for the purpose of ensuring and enhancing the corporate value of the Group and, in turn the common interests of its shareholders in line with the Basic Policy set out in I. above.

The Board of Directors determined that it continues to be essential to have in place a framework for restraining large purchases that are contrary to the corporate value of the Company and the common interests of its shareholders on the occasion that the shares of the Company are subject to a large purchase by securing necessary time and information for shareholders to decide whether or not to accept the large purchase or for the Board of Directors to present an alternative proposal to the shareholders, and enabling the Board of Directors to have discussions, negotiations, or the like with the purchaser for the benefit of the shareholders.

2. Details of the Plan

(1) Plan Outline

(a) Purpose

The Plan is for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders on the occasion that an act of large-scale acquisition of the shares in the Company takes place by securing information and a period of time necessary and sufficient for shareholders to make appropriate decisions and opportunities for discussions, negotiations, or the like with the acquirer, etc. and taking other actions.

(b) Prescribed Procedures

The Plan sets out procedures necessary to achieve the purpose stated in (a) above such as requesting to a person who conducts an act of acquisition of the share certificates, etc. of the Company or any similar act, or a proposal for such act (an "Acquirer"; such act, an "Acquisition") to provide information in advance, when such Acquisition is to take place (please see (2) 'Procedures for the Plan' below for details).

(c) Implementation of Gratis Allotment of Share Options

In cases such as where an Acquirer conducts an Acquisition of the Company's share certificates, etc. without following the procedures set out in the Plan, or an Acquisition threatens to cause obvious harm to the corporate value of the Company and the common interests of its shareholders (please see (3) 'Requirements for Gratis Allotment of Share Options' below for the details of requirements for the implementation of measures), the Company will allot share options (the main terms of which are outlined in (4) 'Outline of Gratis Allotment of Share Options' below; "Share Options") with (a) an exercise condition that does not allow the Acquirer to exercise rights, and (b) an acquisition provision to the effect that the Company may acquire the share options in exchange for the Company's shares from persons other than the Acquirer by means of a gratis allotment of share options to all shareholders, except the Company, at that time.

If a gratis allotment of Share Options were to take place in accordance with the Plan and all shareholders other than the Acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those Share Options, the ratio of voting rights pertaining to the Company's shares held by the Acquirer may be diluted by up to a third of all voting rights.

(d) Use of the Independent Committee

In order to eliminate arbitrary decisions by the Board of Directors on matters such as the implementation or non-implementation of the gratis allotment of Share Options or the acquisition of Share Options in accordance with the Plan, these matters are to be decided through an objective judgment by the Independent Committee, which is composed of outside parties who are highly independent from the Company (please see (5) 'Establishment of the Independent Committee' below for details). In addition, if the Independent Committee recommends that, when implementing a gratis allotment of Share Options, a general meeting of shareholders be convened and the intent of the shareholders in regard to the implementation of the gratis allotment of Share Options be confirmed, the

Board of Directors will convene that general meeting of shareholders. Moreover, in the course of these procedures, the Company will ensure the transparency of the procedures by disclosing information to shareholders.

(2) Procedures for the Plan

(a) Targeted Acquisitions

The Plan will be applied in cases where an Acquisition that falls under (i) or (ii) below takes place. The Acquirer will be required to follow the procedures prescribed in the Plan.

- (i) An acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)¹ of a holder (*hoyuusha*)² totaling at least 20% of the share certificates, etc. (*kabuken tou*)³ issued by the Company; or
- (ii) A tender offer (*koukai kaitsuke*)⁴ that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)⁵ and the ownership ratio of share certificates, etc. of a specially related party (*tokubetsu kankei-sha*)⁶ totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁷ issued by the Company.

(b) Request to the Acquirer for Provision of Information

An Acquirer who conducts an Acquisition will be requested to submit to the Company before effecting the Acquisition a document that contains information set out in the items below ("Essential Information") and other matters such as an undertaking that the Acquirer will comply with the procedures set out in the Plan upon effecting the Acquisition (collectively, "Acquisition Document") in the form prescribed by the Company.

If the Board of Directors receives an Acquisition Document, it will promptly provide it to the Independent Committee. If the Independent Committee, having received the Acquisition Document, determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period as appropriate and request, either itself or through the Board of Directors or the like, that the Acquirer submit additional Essential Information. In this case, the Acquirer must submit such additional Essential Information within the reply period.

¹ Defined in Article 27-23.4 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

² Including persons described as a holder under Article 27-23.3 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors). The same applies throughout this Proposal.

³ Defined in Article 27-23.1 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal unless otherwise provided for.

⁴ Defined in Article 27-2.6 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

⁵ Defined in Article 27-2.8 of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

⁶ Defined in Article 27-2.7 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3.2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person other than Issuer are excluded from the persons described in Article 27-2.7(i) of the Financial Instruments and Exchange Act. The same applies throughout this Proposal.

⁷ Defined in Article 27-2.1 of the Financial Instruments and Exchange Act.

- (i) Details (including name, capital composition, financial position, terms of any previous transactions which are similar to the Acquisition, results of these transactions, impacts of these past transactions on the corporate value of the target company) of the Acquirer and its group (including joint holders⁸, specially related parties, and (if the Acquirer is a fund) each partner and its members).
- (ii) The purpose, method and terms of the Acquisition (including information on the amount and type of consideration for the Acquisition, the timeframe of the Acquisition, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
- (iii) The basis for the calculation of the purchase price of the Acquisition (including facts and assumptions based on which the calculation has been made, calculation methods, numerical information used for the calculation, and the details of synergies that are expected to be brought about by a set of transactions relating to the Acquisition, and the details of those synergies that are to be allocated to minority shareholders).
- (iv) Financial support for the Acquisition (including the names of providers of funds (including all indirect providers of funds) for the Acquisition, financing methods and the terms of any related transactions, etc.).
- (v) Post-Acquisition management policy, business plan, and, capital and dividend policies for the Group.
- (vi) Post-Acquisition policies for treating and dealing with the Company's employees, business partners, and clients of the Company, and other stakeholders of the Company.
- (vii) Specific measures to avoid any conflict of interest with other shareholders in the Company.
- (viii) Any other information that the Independent Committee reasonably considers necessary.

If it is determined that the Acquirer has commenced the Acquisition in a manner that is not in compliance with the procedures set out in the Plan, the Independent Committee will, as a general rule, recommend the Board of Directors to implement a gratis allotment of Share Options as set out in (d)(i) below, except if there are special circumstances based on which the Independent Committee should continue to request the Acquirer to submit Acquisition Documents and Essential Information and have discussions, negotiations, or the like with the Acquirer.

(c) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Requesting the Board of Directors to Provide Information

When an Acquisition Document and any Essential Information additionally requested by the Independent Committee have been submitted by an Acquirer, in order to compare and examine the content of the Acquisition Document and Essential Information against the management plans, corporate evaluations, and the like by the Board of Directors from the perspective of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee may set an appropriate reply period (in principle, limited to 60 days maximum) in consideration of the time needed for the Board of Directors to collect information or consider corporate evaluations or the like (including consideration by outside experts, as necessary) and request the Board of Directors to promptly submit its opinion regarding the terms of the Acquisition by the Acquirer (including a statement that an opinion is temporarily withheld; the same applies below), the materials on which the opinion is based, an alternative proposal (if any), and any other information, materials, or the like deemed necessary by the Independent Committee.

⁸ Defined in Article 27-23.5 of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23.6 of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Board of Directors). The same applies throughout this Proposal.

(ii) Consideration by Independent Committee

If the Independent Committee determines that the Acquirer and (if the Independent Committee requested the Board of Directors to provide information, materials, or the like as set out in (i) above) the Board of Directors have provided sufficient information, materials, and the like (including those additionally requested to be provided) in order to begin the consideration of the terms of the Acquisition and the like, the Independent Committee will set a consideration period, in principle limited to 60 days maximum (however, in cases such as those stated in (d)(iii) below, the Independent Committee may extend that period by resolving to do so) (the “Independent Committee Consideration Period”), and notify the Acquirer and the Board of Directors to that effect. During the Independent Committee Consideration Period, the Independent Committee will consider the terms of the Acquisition by the Acquirer, gather information on and compare and examine management plans, business plans, and other policies for management by the Acquirer and the Board of Directors, consider an alternative plan to be presented by the Board of Directors, and conduct other actions. Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will, either directly itself or indirectly through the Board of Directors or the like, discuss and negotiate with the Acquirer or present the alternative plan presented by the Board of Directors to the Company’s shareholders, or conduct similar actions.

If the Independent Committee, either directly itself or indirectly through the Board of Directors or the like, requests the Acquirer to provide materials for consideration or any other information, discuss and negotiate, or conduct other actions, the Acquirer must promptly respond to such request.

In order to ensure that the Independent Committee’s decision contributes to the Company’s corporate value and the common interests of its shareholders, the Independent Committee may, at the cost of the Company, obtain advice from independent third parties (including financial advisors, certified public accountants, attorneys, consultants, and other experts).

(iii) Information Disclosure to Shareholders

The Company will, at the time determined appropriate by the Independent Committee, disclose information to shareholders on the fact that an Acquirer has emerged, the fact that an Acquisition Document has been submitted by the Acquirer, the fact that the Independent Committee Consideration Period has commenced, the fact that the Board of Directors has presented an alternative plan to the Independent Committee, an outline of Essential Information, and other matters that the Independent Committee determines appropriate.

(d) Judgment of the Independent Committee

If an Acquirer emerges, the Independent Committee will make a recommendation to the Board of Directors or extend the Independent Committee Consideration Period as follows. If the Independent Committee makes a recommendation to the Board of Directors or an extension set out in (i) through (iii) below, or in other cases where the Independent Committee determines it to be appropriate, the Company will promptly disclose information on the fact that such recommendation or resolution has been made, the outline thereof, and other matters that the Independent Committee determines appropriate (if the Independent Committee Consideration Period is extended, including the period of the extension and an outline of the reasons for extension).

(i) If implementation of gratis allotment of Share Options is recommended

If the Acquirer does not comply with the procedures set out in the Plan or if, as a result of the consideration of the terms of the Acquisition by the Acquirer or discussions, negotiations, or the like with the Acquirer, the Independent Committee determines that the Acquisition by the Acquirer falls under any of the requirements set out in (3) ‘Requirements for Gratis Allotment of Share Options’ below and it is reasonable to implement a gratis allotment of Share Options, then regardless of whether or not the Independent Committee Consideration Period has started or ended, the Independent Committee will recommend the implementation of a gratis allotment of Share Options to the Board of Directors.

However, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Share Options, if the Independent Committee determines that either of the events in (A) or (B) below applies, it may, during the period until the day immediately prior to the Exercise Period Commencement Date for the Share Options (defined in (f) of (4) 'Outline of Gratis Allotment of Share Options' below), cancel the gratis allotment of Share Options (if it is before the gratis allotment becoming effective) or make a new recommendation that the Company will acquire the Share Options for no consideration (if it is after the gratis allotment becoming effective).

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- (B) There has been a change or the like in the facts or other matters on which the recommendation decision was made, and the Acquisition by the Acquirer does not fall under any of the requirements set out in (3) 'Requirements for Gratis Allotment of Share Options' below or, even if it does, it is not reasonable to implement a gratis allotment of Share Options or accept exercise of Share Options.

Even if the Independent Committee determines that it is reasonable to implement a gratis allotment of Share Options, if it also determines that it is reasonable to ask the shareholders to pass a resolution for the implementation of a gratis allotment of Share Options at a general meeting of shareholders, it shall recommend that the Board of Directors convene a general meeting of shareholders and refer a proposal for the implementation of the gratis allotment of Share Options to the meeting.

(ii) If non-implementation of gratis allotment of Share Options is recommended

If the Independent Committee, as a result of the consideration of the terms of the Acquisition by the Acquirer or discussions, negotiations, or the like with the Acquirer, determines that the Acquisition by the Acquirer does not fall under any of the requirements set out in (3) 'Requirements for Gratis Allotment of Share Options' below or, even if it does, it is not reasonable to implement a gratis allotment of Share Options, then regardless of whether or not the Independent Committee Consideration Period has started or ended, the Independent Committee will recommend the non-implementation of the gratis allotment of Share Options to the Board of Directors.

However, even after the Independent Committee has already made a recommendation for the non-implementation of the gratis allotment of Share Options, if there is a change in the facts or other matters on which the decision on the recommendation was made and the Independent Committee determines that the Acquisition by the Acquirer falls under any of the requirements set out in (3) 'Requirements for Gratis Allotment of Share Options' below and it is reasonable to implement a gratis allotment of Share Options, the Independent Committee may make a new decision, including a new recommendation that the Company should implement the gratis allotment of Share Options, and make that recommendation to the Board of Directors.

(iii) If the Independent Committee Consideration Period is extended

If the Independent Committee does not make a recommendation regarding the implementation or non-implementation of a gratis allotment of Share Options (including a recommendation to convene a general meeting of shareholders and put forth a proposal regarding the implementation of a gratis allotment of Share Options) by the end of the initial Independent Committee Consideration Period, the Independent Committee shall pass a resolution to extend the Independent Committee Consideration Period to the extent reasonable (however, not exceeding 30 days) as necessary for taking actions such as the consideration of the terms of the Acquisition by the Acquirer, discussion and negotiation with the Acquirer, and consideration of an alternative proposal.

If the Independent Committee Consideration Period is extended pursuant to the above resolution, the Independent Committee will continue gathering information, considering relevant matters, and conducting other such actions and use its best efforts to make a recommendation regarding the implementation or non-implementation of a gratis allotment of Share Options (including a recommendation to convene a general meeting of shareholders and put forth a proposal regarding the implementation of a gratis allotment of Share Options) within the extended period.

(e) Resolutions by the Board of Directors and Holding of General Meeting of Shareholders

The Board of Directors will promptly pass a resolution as an organization under the Companies Act relating to the implementation or non-implementation of a gratis allotment of Share Options (including cancellation of a gratis allotment of Share Options) respecting to the maximum extent any recommendation made by the Independent Committee set out above.

In addition, if the Board of Directors receives a recommendation from the Independent Committee that the Board of Directors should convene a general meeting of shareholders and put forth a proposal regarding the implementation of a gratis allotment of Share Options, the Board of Directors shall promptly convene a general meeting of shareholders and refer a proposal for the implementation of the gratis allotment of Share Options to the meeting so that it is able to hold a general meeting of shareholders in the shortest period practically possible unless it is in practice extremely difficult to hold a general meeting of shareholders. If a resolution for the implementation of the gratis allotment of Share Options (a resolution pursuant to Article 11, Paragraph 1 of the Company's Articles of Incorporation) is passed at the general meeting of shareholders, the Board of Directors shall perform the necessary procedures for the gratis allotment of Share Options in accordance with the decision of that general meeting of shareholders (if a resolution to delegate to the Board of Directors the determination of matters pertaining to the gratis allotment of Share Options is passed at the general meeting of shareholders, the Board of Directors shall pass a resolution for the implementation of the gratis allotment of Share Options). However, if the proposal for the implementation of the gratis allotment of Share Options is rejected at the general meeting of shareholders, the Board of Directors shall pass a resolution for the non-implementation of the gratis allotment of Share Options.

After the commencement of the procedures under the Plan, the Acquirer shall not give effect to the Acquisition until the Board of Directors passes a resolution for the implementation or non-implementation of the gratis allotment of Share Options or, if a general meeting of shareholders is held as set out above, until the proposal for the gratis allotment of Share Options is passed or rejected at that general meeting of shareholders.

If the Board of Directors passes a resolution for the implementation or non-implementation of the gratis allotment of Share Options or a resolution to convene a general meeting of shareholders described above, or the general meeting of shareholders passes a resolution for the implementation of the gratis allotment of Share Options, the Board of Directors will promptly disclose information on an outline of the resolutions and other matters that the Board of Directors considers appropriate.

(3) Requirements for Gratis Allotment of Share Options

The Company plans to implement a gratis allotment of Share Options if an Acquisition by an Acquirer falls under any of the requirements set out below and it is determined reasonable to implement a gratis allotment of Share Options, based on the resolution by the Board of Directors or the general meeting of shareholders set out in (e) of (2) 'Procedures for the Plan' above. As set out in (d) of (2) 'Procedures for the Plan' above, a determination as to whether any of the following requirements applies to an Acquisition and whether it is reasonable to implement a gratis allotment of Share Options must be made through a judgment by the Independent Committee.

- (a) The Acquisition is not in compliance with the procedures for providing information set out in (b) of (2) 'Procedures for the Plan' above or for securing the Independent Committee Consideration Period, or other procedures set out in the Plan.
- (b) The Acquisition threatens to cause obvious harm to the corporate value of the Company and the common interests of its shareholders through any of the following acts or similar acts:
 - (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company at a high price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
 - (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.

- (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share price created by the temporarily high dividends.
- (v) An act such as an acquisition of the shares in the Company solely for the purpose of inflating the share price and forcing the Company's stakeholders, etc. to buy the shares at a high price even though the Acquirer does not actually intend to participate in the Company's management.
- (c) The Acquisition threatens to effectively coerce shareholders into selling shares, such as a coercive two-tiered tender offer (meaning an acquisition of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable for shareholders or unclear).
- (d) The terms of the Acquisition (including the amount and type of consideration, timeframe of the Acquisition, legality of the Acquisition method, feasibility of the Acquisition being effected, post-Acquisition management policy and business plan, and policies for treating the Company's other shareholders, employees, clients, business partners, and other stakeholders of the Company after the Acquisition) are inadequate or inappropriate in light of the Company's intrinsic value.
- (e) The Acquisition materially threatens to oppose the corporate value of the Company or the common interests of shareholders, by ways such as damaging the Company's relationships with employees, clients, business partners, and the like or the Company's social credibility or brand value, which are indispensable to the generation of the Company's corporate value.

(4) Outline of Gratis Allotment of Share Options

The following is an outline of the gratis allotment of Share Options to be implemented under the Plan. (Please see Attachment 1 'Terms and Conditions for Gratis Allotment of Share Options' for the details of Share Options.)

(a) Number of Share Options

The number of Share Options to be allotted upon implementation of a gratis allotment of Share Options is a number to be separately determined in a resolution by the Board of Directors or by the general meeting of shareholders regarding the gratis allotment of Share Options (the "Gratis Allotment Resolution"), which must not exceed the number equivalent to twice as many as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on an allotment date (the "Allotment Date") that is separately determined in the Gratis Allotment Resolution.

(b) Shareholders Eligible for Allotment

The Company will allot the Share Options for no consideration to shareholders, other than the Company, who are stated or recorded in the Company's most recent register of shareholders on the Allotment Date, at the ratio of up to two Share Options, as separately determined in the Gratis Allotment Resolution, for each share in the Company held.

(c) Effective Date of Gratis Allotment of Share Options

The effective date of the gratis allotment of Share Options will be separately determined in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of Share Options

The number of shares in the Company to be acquired upon exercise of each Share Option⁹ (these shares constitute “book-entry transfer shares” provided for in Article 128.1 of the Act on Book-Entry Transfer of Corporate Bonds and Shares, to which the provisions of the same Act apply) (the “Applicable Number of Shares”) shall be one share, unless otherwise adjusted.

(e) Amount to be Contributed upon Exercise of Share Options

Contributions upon exercise of the Share Options are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Share Options will be an amount to be separately determined in the Gratis Allotment Resolution, which must be within the range of no less than one yen and no more than an amount equivalent to half the market value per share in the Company. “Market value” means the average closing price (including quotations) of the Company’s shares in regular trading on the Tokyo Stock Exchange over a 90-day period (excluding dates on which no closing price exists) until the day immediately prior to the Gratis Allotment Resolution, and any fraction less than one yen will be rounded up to the nearest whole yen.

(f) Exercise Period of Share Options

The commencement date of the exercise period will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period is hereinafter referred to as the “Exercise Period Commencement Date”), and the period will be a period from one month to three months long as separately determined in the Gratis Allotment Resolution. However, if the Company acquires Share Options in accordance with the provisions of (i)(ii) below, the exercise period of the Share Options so acquired will be until the business day immediately prior to the acquisition date. In addition, if the last day of the exercise period is a non-business day of the institution that handles payment of money to be paid upon the exercise of the Share Options, the previous business day will be the last day of the exercise period.

(g) Conditions for Exercise of Share Options

As a general rule, the following parties may not exercise the Share Options (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders¹⁰;
- (II) Joint holders of Specified Large Holders;
- (III) Specified Large Purchasers¹¹;
- (IV) Specially related parties of Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Share Options of any party falling under (I) through (IV) without the approval of the Board of Directors; or

⁹ Even if the Company becomes a “company with class shares” (Article 2, Item 13 of the Companies Act) in the future, (i) shares in the Company to be issued upon the exercise of Share Options and (ii) shares to be delivered in exchange for the acquisition of the Share Options are the same class of shares as those that the Company has actually issued at the time of holding the Meeting (i.e., shares of common stock).

¹⁰ “Specified Large Holder” means, in principle, a party who is deemed by the Board of Directors to be a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20%.

¹¹ “Specified Large Purchaser” means, in principle, a person who is deemed by the Board of Directors to be a person who makes a public announcement of purchase, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies throughout this Note 11) of share certificates, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies throughout this Note 11) issued by the Company through a tender offer and whose ownership ratio of share certificates, etc. in respect of such share certificates, etc. owned by such person after such purchase, etc. (including similar ownership as prescribed in Article 7.1 of the Order for Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ownership ratio of share certificates, etc. of a specially related party.

(VI) Any Affiliated Party¹² of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Share Options may not as a general rule exercise the Share Options (provided, however, that some of the nonresidents, such as persons to whom exemption provisions of the applicable foreign laws and ordinances apply, may exercise the Share Options, and the Share Options held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (i)(ii) below). Please see Attachment 1 ‘Terms and Conditions for Gratis Allotment of Share Options’ for details.

(h) Assignment of Share Options

Any acquisition of the Share Options by assignment requires the approval of the Board of Directors.

(i) Acquisition of Share Options by the Company

- (i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors deems that it is appropriate for the Company to acquire the Share Options, the Company may, on a day separately determined by the Board of Directors, acquire all of the Share Options for no consideration.
- (ii) On a date separately determined by the Board of Directors, the Company may acquire all of the Share Options that have not been exercised on or before the business day immediately prior to such date determined by the Board of Directors and are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the Applicable Number of Shares for each Share Option. The Company may acquire the Share Options on more than one occasion.

Please see Attachment 1 ‘Terms and Conditions for Gratis Allotment of Share Options’ for the definitions of the terms used above and details.

(5) Establishment of the Independent Committee

The Company will have the Independent Committee that has been established for the purpose of eliminating arbitrary decisions by the Board of Directors on matters such as the implementation or non-implementation of a gratis allotment of Share Options under the Plan and as an organization that objectively makes substantive decisions on the operation of the Plan for shareholders. If the renewal by adopting the Plan is approved at the Meeting, the Independent Committee after the renewal will be composed of members who are highly independent from the Company’s management team: two Outside Directors of the Company (the Company has notified the Tokyo Stock Exchange that both of those Outside Directors are independent directors) and two outside experts. (Standards for the election of the members of the Independent Committee, requirements for resolutions and matters to be resolved at the meetings of the Independent Committee, and other related matters are described in Attachment 2 ‘Outline of the Rules of the Independent Committee,’ and the profiles of the persons who are scheduled to assume office as the members of the Independent Committee after the renewal by adopting the Plan are described in Attachment 3 ‘Names and Profiles of the Members of the Independent Committee.’)

If any Acquisition were to be actually conducted, the Independent Committee shall make a substantive decision on whether or not the Acquisition would have a detrimental effect on the corporate value of the Company and the common interests of its shareholders, and the Board of Directors shall pass a resolution as an organization under the Companies Act by taking into consideration the decision to the maximum extent as set out in (2) ‘Procedures for the Plan’ above.

¹² An “Affiliated Party” of a given party means a person who is deemed by the Board of Directors to be a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3.3 of the Enforcement Regulations of the Companies Act) of other corporations or entities.

(6) Effective Period and Abolition of and Amendment to the Plan

The period during which the authority to determine matters regarding a gratis allotment of Share Options under the Plan is delegated to the Board of Directors according to the resolution of the Meeting (the “Effective Period”) will be the period until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years after the conclusion of the Meeting.

However, if, before the expiration of the Effective Period, (i) a general meeting of shareholders of the Company resolves to withdraw the above delegation to the Board of Directors made with respect to the determination of matters regarding a gratis allotment of Share Options for the Plan or (ii) the Board of Directors composed of Directors elected at a general meeting of shareholders of the Company resolves to abolish the Plan, the Plan will be abolished at that time.

Further, the Board of Directors may, subject to the approval of the Independent Committee, revise or amend the Plan even during the Effective Period of the Plan, in cases where the revision or amendment is not contrary to the purpose of the delegation made by the resolution of the Meeting (such as cases where any law, ordinance, or rule of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition in the Plan, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, and cases where the revision or amendment does not cause any disadvantage to the Company’s shareholders).

If the Plan is abolished, revised or amended, the Company will promptly disclose the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

The details of the Plan are set out in III. above, but the impact on shareholders and investors and the decisions and reasoning by the Board of Directors regarding each measure above are as follows. Shareholders are therefore requested to approve this Proposal after taking these matters into consideration.

1. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors Upon Renewal by Adopting the Plan

Upon the renewal by adopting the Plan, there will be no direct or material impact on shareholders and investors because the Board of Directors will only be delegated the authority to determine a gratis allotment of Share Options according to the resolution of the general meeting of shareholders, and no actual gratis allotment of Share Options will be implemented.

(2) Impact on Shareholders and Investors at the Time of Gratis Allotment of Share Options

If the Board of Directors or the general meeting of shareholders of the Company resolves to make a gratis allotment of Share Options, the Company will allot Share Options for no consideration to each shareholder as of the Allotment Date to be separately determined in the Gratis Allotment Resolution at the ratio of up to two Share Options, as separately determined in the Gratis Allotment Resolution, per share in the Company held by the shareholder. If any shareholder does not make payment of money or otherwise follow procedures for the exercise of Share Options detailed in (b) of (3) ‘Procedures that are Required to be Followed by Shareholders Due to Gratis Allotment of Share Options’ below within the exercise period of the Share Options, the value of shares in the Company held by that shareholder as a whole will be diluted by the exercise of the Share Options by other shareholders. However, the Company may acquire Share Options from shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company by the procedures set out in (c) of (3) ‘Procedures that are Required to be Followed by Shareholders Due to Gratis Allotment of Share Options’ below. If the Company follows this acquisition process, the shareholders other than the Non-Qualified Parties will receive shares in the Company without exercising the Share Options or making payment of the amount of money equivalent to the prescribed exercise price of the Share Options, and, in this case, although the value per share in the Company held by each shareholder will be diluted, the economic value of the shares in the Company held by all shareholders as a whole will not be diluted as a general rule.

In addition, even after the Board of Directors resolves to make a gratis allotment of Share Options, the Company may, by respecting any recommendation of the Independent Committee described in (d)(i) of

III.2.(2) 'Procedures for the Plan' above to the maximum extent, (i) (on or before the effective date of the gratis allotment of Share Options) cancel the gratis allotment of Share Options, or (ii) (after the effective date of the gratis allotment of Share Options and until the day immediately prior to the Exercise Period Commencement Date of the Share Options) acquire Share Options for no consideration. In such cases, no dilution of the value per share in the Company will result, and it is possible that shareholders or investors who have sold, bought, or otherwise traded the shares in the Company expecting to see such a dilution in the value per share in the Company will be affected by a fluctuation in the share price.

(3) Procedures that are Required to be Followed by Shareholders Due to Gratis Allotment of Share Options

(a) Procedures for Gratis Allotment of Share Options

If the Board of Directors or the general meeting of shareholders of the Company resolves to implement a gratis allotment of Share Options, the Company will give a public notice regarding the Allotment Date for the gratis allotment of Share Options. In this case, shareholders who are stated or recorded in the Company's most recent register of shareholders will become share option holders as a matter of course on the effective date of the gratis allotment of Share Options, so no procedures, such as applying for such gratis allotment, will be necessary.

(b) Procedures for Exercising Share Options

The Company will deliver, as a general rule, a written request for the exercise of the Share Options (in the form prescribed by the Company and containing necessary matters such as the terms and number of Share Options for exercise and the exercise date for the Share Options, an account for transferring book-entry transfer shares, as well as representations and warranties regarding matters such as that the shareholders are not Non-Qualified Parties, indemnity clauses and other covenants) and other documents necessary for the exercise of the Share Options to shareholders who are stated or recorded in the Company's most recent register of shareholders on the Allotment Date. After the gratis allotment of Share Options, the shareholders will be issued, as a general rule, one share in the Company in exchange for each Share Option after (i) submitting the written request for the exercise of the Share Options and other necessary documents in the manner prescribed by the Company during the exercise period of Share Options and before the acquisition of the Share Options by the Company taking effect, (ii) these documents arriving at the location for accepting exercise requests for the Share Options, and (iii) paying an amount of money equivalent to the exercise price to be separately determined in the Gratis Allotment Resolution, which must be within the range of no less than one yen and no more than half the market value per share in the Company, for each Share Option, at the location for accepting exercise requests for the Share Options.

(c) Procedures for Acquisition of Share Options by the Company

If the Board of Directors determines to acquire Share Options, the Company will acquire the Share Options in accordance with the statutory procedures on the date separately determined by the Board of Directors.

If, in this case, the Company acquires the Share Options from the shareholders other than Non-Qualified Parties and deliver shares in the Company in exchange for the Share Options, the shareholders concerned will come to receive one share in the Company in principle as consideration for the acquisition by the Company of those Share Options, without paying the amount equivalent to the exercise price. However, in such case, the shareholders concerned will be separately requested to submit, in the form prescribed by the Company, a document that contains necessary matters such as an account for transferring book-entry transfer shares, representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, indemnity clauses and other covenants.

In addition, the Company will disclose information to or notify all of its shareholders with respect to the particulars of the allotment method, exercise method and method for acquisition by the Company in relation to the Share Options after these matters are determined in the Gratis Allotment Resolution, so we request that shareholders check these details at that time.

2. Decisions and Reasoning by the Board of Directors Regarding Each Measure Above

- (1) Decisions and Reasoning Regarding the Special Measures to Make Effective Use of the Company's Assets, Form an Appropriate Corporate Group, and Otherwise Realize the Basic Policy (measures set out in II. above)

As set out in II. above, the Company has implemented such measures for enhancing the corporate value and strengthening its corporate governance practices as specific measures to continually and persistently enhance the Company's corporate value and the common interests of the Company's shareholders, and these measures will contribute to the realization of the Basic Policy.

Therefore, these measures comply with the Basic Policy and are not detrimental to the common interests of the Company's shareholders, and are not implemented for the purpose of maintaining the positions of corporate officers of the Company.

- (2) Decisions and Reasoning Regarding the Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by a Person Viewed as Inappropriate under the Basic Policy (measures set out in III. above)

- (a) The Plan is in Line with the Basic Policy

The Plan is a mechanism to maintain the corporate value of the Company and the common interests of its shareholders by ensuring the necessary time and information is made available for the shareholders to decide whether or not to accept the Acquisition of share certificates, etc. of the Company and for the Board of Directors to present an alternative proposal to the shareholders, and by enabling the Board of Directors to have discussions, negotiations, or the like with the Acquirer for the benefit of the shareholders when the Acquisition is to be effected. As above, the Plan is in compliance with the Basic Policy.

- (b) The Measures are not Detrimental to Common Interests of Shareholders and do not Aim to Maintain Positions of Corporate Officers of the Company

For the following reasons, the Company believes that the measures to prevent control by a person viewed as inappropriate under the Basic Policy would not be detrimental to the common interests of the Company's shareholders, and that the measures have not been implemented for the purpose of maintaining the positions of corporate officers of the Company.

- (i) Satisfying Requirements of the Guidelines for Takeover Defense Measures

The Plan satisfies all of the three principles set out in the Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 and is designed based on "Takeover Defense Measures in Light of Recent Environmental Changes" published on June 30, 2008 by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry.

- (ii) Placing High Value on Shareholders' Intent (Resolution at General Meeting of Shareholders and Sunset Clause)

The renewal by adopting the Plan will be effected when the resolution for delegation regarding the Plan is made at the Meeting.

Further, as set out in III.2.(6) 'Effective Period and Abolition of and Amendment to the Plan' above, the Plan is subject to a so-called sunset clause setting the Effective Period of approximately three years and if, even before the expiration of the Effective Period of the Plan, (i) a general meeting of shareholders of the Company resolves to withdraw the resolution for delegation above or (ii) the Board of Directors composed of Directors elected at a general meeting of shareholders of the Company resolves to abolish the Plan, the Plan will be abolished at that time. In this regard, whether it is appropriate to continue to adopt the Plan depends on the intent of the Company's shareholders.

(iii) Disclosure of Information and Emphasis on Decisions by Highly Independent Outside Parties

Upon the renewal by adopting the Plan, the Company will continue to have the Independent Committee make substantive decisions on the operation of the implementation of the gratis allotment of Share Options or other matters in order to eliminate arbitrary decisions by the Board of Directors for shareholders.

If an Acquisition of shares in the Company were to be actually conducted, the Independent Committee would, as set out in III.2.(2) 'Procedures for the Plan' above, and in accordance with the Rules of the Independent Committee, make a substantive decision on whether or not the Acquisition would have a detrimental effect on the corporate value of the Company and the common interests of its shareholders. Then, the Board of Directors would, by taking into consideration the decision to the maximum extent, pass a resolution as an organization under the Companies Act.

In this way, the Independent Committee will strictly monitor the Board of Directors so that the Board of Directors will not arbitrarily implement a gratis allotment of Share Options, and outlines of its decisions will be disclosed to the shareholders, thereby ensuring a structure under which the Plan is operated so that it contributes to the corporate value of the Company and the common interests of its shareholders.

If the renewal by adopting the Plan is approved by the Meeting, the Independent Committee after the renewal will be composed of members who are highly independent from the Company's management team: two Outside Directors of the Company (the Company has notified the Tokyo Stock Exchange that both of those Outside Directors are independent directors) and outside experts. Standards for the election of the members of the Independent Committee, requirements for resolutions and matters to be resolved at the meetings of the Independent Committee, and other related matters are described in Attachment 2 'Outline of the Rules of the Independent Committee,' and the profiles of the persons who are scheduled to assume office as the members of the Independent Committee after the renewal by adopting the Plan are described in Attachment 3 'Names and Profiles of the Members of the Independent Committee.'

(iv) Establishment of Reasonable and Objective Requirements

As set out in (d) of III.2.(2) 'Judgment of the Independent Committee' and III.2.(3) 'Requirements for Gratis Allotment of Share Options' above, the Company believes that the Plan is established so that any gratis allotment of Share Options will not be implemented unless the prescribed reasonable and specific objective requirements have been satisfied, and ensures a structure to eliminate arbitrary implementation by the Board of Directors.

(v) Obtaining Advice of Outside Experts

As set out in (c) of III.2.(2) 'Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal' above, if an Acquirer emerges, the Independent Committee may obtain the advice of independent third parties (including financial advisors, certified public accountants, attorneys, consultants, or other experts) at the cost of the Company. This is a mechanism to even more securely enhance the objectivity and fairness of the decisions made by the Independent Committee.

(vi) No Dead-Hand or Slow-Hand Takeover Defense Measures

As stated in III.2.(6) 'Effective Period and Abolition of and Amendment to the Plan' above, the Plan is designed with a framework under which it may be abolished by a person who acquires a large number of share certificates, etc. in the Company through the election at a general meeting of shareholders of Directors nominated by that person and through a resolution of the Board of Directors attended by the so-elected Directors. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors are replaced, the triggering of the measure cannot be stopped). Also, as the Company has not adopted a system of staggered terms of office, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that all members of the Board of Directors cannot be replaced at once).

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Attachment 1

Terms and Conditions for Gratis Allotment of Share Options

I. Decisions on Matters Relating to Gratis Allotment of Share Options

(1) Details and Number of Share Options

The details of share options to be allotted to each shareholder (individually and collectively, “Share Options”) are based on the matters stated in II. below, and the number of Share Options to be allotted will be a number to be separately determined in a resolution by the Board of Directors or a resolution at a general meeting of shareholders regarding the gratis allotment of Share Options (the “Gratis Allotment Resolution”), which must not exceed a number equivalent to twice as many as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on an allotment date (the “Allotment Date”) that is separately determined in the Gratis Allotment Resolution.

(2) Shareholders Eligible for Allotment

The Company will allot Share Options for no consideration to each shareholder, other than the Company, who is stated or recorded in the Company’s latest register of shareholders on the Allotment Date, at the ratio of up to two Share Options, as separately determined in the Gratis Allotment Resolution, per share in the Company held by the shareholder.

(3) Effective Date of Gratis Allotment of Share Options

The effective date of the gratis allotment of Share Options will be separately determined in the Gratis Allotment Resolution.

II. Details of Share Options

(1) Number of Shares to be Acquired upon Exercise of Share Options

- 1) The number of shares to be acquired upon exercise of each Share Option (the “Applicable Number of Shares”) shall be one share. However, if the Company implements a share split or share consolidation, the Applicable Number of Shares will be adjusted in accordance with the following formula and any fraction less than one share resulting from the adjustment will be rounded down, and no adjustment by money shall be made.

$$\text{Applicable Number of Shares after adjustment} = \text{Applicable Number of Shares before adjustment} \times \text{ratio of share split or consolidation}$$

- 2) The Applicable Number of Shares after the adjustment will apply: (i) in the event of a share split, from and after the day immediately following the record date for the share split; and (ii) in the event of a share consolidation, from and after the effective date of the share consolidation.
- 3) In addition to the provisions set out in 1) above, if the Company effects an act that causes or may cause a change in the total number of issued shares (excluding the number of shares in the Company held by the Company) such as a gratis allotment of shares, merger, or company split, and an adjustment of the Applicable Number of Shares is necessary, the Company will make a reasonable adjustment of the Applicable Number of Shares after taking into consideration the conditions for and other matters relating to the gratis allotment of shares, merger, company split, or other acts.

(2) Amount of Contributions upon Exercise of Share Options

- 1) Contributions upon exercise of the Share Options are to be in cash, and the amount is the Exercise Price (defined in 2) below) multiplied by the Applicable Number of Shares.

- 2) The amount per share in the Company to be contributed upon exercise of the Share Options (the “Exercise Price”) will be an amount separately determined in the Gratis Allotment Resolution, which must be within the range of no less than one yen and no more than an amount equivalent to half the market value per share in the Company. “Market value” means the average closing price (including quotations) of the Company’s shares in regular trading on the Tokyo Stock Exchange over a 90-day period (excluding dates on which no closing price exists) until the day immediately prior to the Gratis Allotment Resolution, and any fraction less than one yen will be rounded up to the nearest whole yen.

(3) Exercise Period of Share Options

The commencement date of the exercise period will be a date separately determined in the Gratis Allotment Resolution, and the period will be a period from one month to three months long as separately determined in the Gratis Allotment Resolution. However, if the Company acquires Share Options in accordance with the provisions of section (7)2) below, the exercise period of the Share Options so acquired will be until the business day immediately prior to the acquisition date. In addition, if the last day of the exercise period is a non-business day of the institution that handles payment of money to be paid upon the exercise of the Share Options, the previous business day will be the last day of the exercise period.

(4) Conditions for Exercise of Share Options

- 1) The following parties may not exercise the Share Options (the parties falling under (i) through (vi) below are collectively referred to as “Non-Qualified Parties”):
 - (i) Specified Large Holders;
 - (ii) Joint holders of Specified Large Holders;
 - (iii) Specified Large Purchasers;
 - (iv) Specially related parties of Specified Large Purchasers;
 - (v) Any transferee of, or successor to, the Share Options of any party falling under (i) through (iv) without the approval of the Board of Directors; or
 - (vi) Any Affiliated Party of any party listed in (i) through (v).

The terms used above are defined as follows:

- (i) “Specified Large Holder” means, in principle, a party who is a holder (including a party who is included in holders under Article 27-23.3 of the Financial Instruments and Exchange Act) of share certificates, etc. (as defined in Article 27-23.1 of the Financial Instruments and Exchange Act; the same applies hereinafter unless otherwise prescribed), issued by the Company and whose holding ratio of share certificates, etc. (as defined in Article 27-23.4 of the Financial Instruments and Exchange Act) in respect of such share certificates, etc. is considered to be at least 20% by the Board of Directors.
- (ii) “Joint holder” means, in principle, a joint holder as defined in Article 27-23.5 of the Financial Instruments and Exchange Act, including a party deemed by the Board of Directors to be a joint holder under Article 27-23.6 of the Financial Instruments and Exchange Act.
- (iii) “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies in this (iii)) of share certificates, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same applies in this (iii)) issued by the Company through a tender offer (as defined in Article 27-2.6 of the Financial Instruments and Exchange Act) and whose ownership ratio of share certificates, etc. (as defined in Article 27-2.8 of the Financial Instruments and Exchange Act; the same applies hereinafter), in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7.1 of the Order for Enforcement of the Financial Instruments and Exchange Act) is considered by the Board of Directors to be at least 20% when combined with the ownership ratio of share certificates, etc., of a specially related party.

- (iv) “Specially related party” means, in principle, a specially related party as defined in Article 27-2.7 of the Financial Instruments and Exchange Act (including a party who is considered to fall under the above by the Board of Directors). However, parties provided for in Article 3.2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates, etc. by Person other than Issuer are excluded from the parties described in Article 27-2.7, Item (1) of the Financial Instruments and Exchange Act.
 - (v) An “Affiliated Party” of a given party means a person who is considered by the Board of Directors to substantially control, be controlled by, or be under common control with such given party, or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3.3 of the Ordinance for Enforcement of the Companies Act) of other corporations or entities.
- 2) Notwithstanding 1) above, the parties listed in (i) through (iv) below are not Specified Large Holder or Specified Large Purchaser:
- (i) the Company, its subsidiaries (as defined in Article 8.3 of the Regulations concerning Terminology, Forms and Method of Preparation of Financial Statements, etc.) or its affiliates (as defined in Article 8.5 of the Regulations concerning Terminology, Forms and Method of Preparation of Financial Statements, etc.);
 - (ii) a party that the Board of Directors recognizes as a party that became a Specified Large Holder as set forth in 1)(i) above with no intention to control the Company and that ceased to be a Specified Large Holder as set forth in 1)(i) above due to a disposal of the share certificates, etc. of the Company held within ten (10) days after becoming a Specified Large Holder as set forth in 1)(i) above (provided, however, that the ten (10) day period may be extended by the Board of Directors);
 - (iii) a party that the Board of Directors recognizes as a party that involuntarily became a Specified Large Holder as set forth in 1)(i) above by the Company acquiring treasury stock or for any other reason (excluding cases where the party thereafter newly acquires the Company’s share certificates, etc. at its own discretion); or
 - (iv) a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company’s corporate value or the common interests of shareholders. (The Board of Directors may separately recognize that a party that it has recognized as a Non-Qualified Party is not contrary to the Company’s corporate value or the common interests of shareholders. If the Board of Directors determines that an acquisition or holding is not contrary to the Company’s corporate value or common interests of shareholders under certain conditions, such recognition will be effective to the extent that these conditions are satisfied).
- 3) Under the applicable foreign laws and ordinances, if a party located within a jurisdiction of such laws and ordinances is required for the purposes of exercising the Share Options to (i) perform certain procedures, (ii) satisfy certain conditions (including prohibition of exercise for a certain period of time or submission of specified documents), or (iii) both perform such procedures and satisfy such conditions (collectively, the “Governing Law Exercise Procedures and Conditions”), such party may exercise the Share Options only if the Board of Directors recognizes that it has fully performed or satisfied the Governing Law Exercise Procedures and Conditions, and such party may not exercise the Share Options if the Board of Directors does not recognize that it has satisfied the Governing Law Exercise Procedures and Conditions. The Company shall bear no obligation to implement or satisfy any Governing Law Exercise Procedures and Conditions which are required in order for the party located in such jurisdiction to exercise the Share Options. In addition, if a party located in such jurisdiction is not permitted to exercise the Share Options under such laws and ordinances, the party located in such jurisdiction may not exercise the Share Options.
- 4) Notwithstanding 3) above, a party located in the United States may exercise the Share Options, only if (i) such party represents and warrants that it is an accredited investor as defined in Rule 501(a) of the U.S. Securities Act of 1933, and (ii) such party covenants to resell the shares of the Company to be acquired upon exercise of the Share Options held by such party only through a regular transaction at the Tokyo Stock Exchange (not on the basis of any previous arrangements and without previous

solicitation). In such case only, the Company shall perform or satisfy the Regulation D of the U.S. Securities Act of 1933 and the Governing Law Exercise Procedures and Conditions under applicable U.S. state laws that are required to be performed or satisfied by the Company for exercise of the Share Options by a party located in the United States. A party located in the United States shall not exercise the Share Options if the Board of Directors determines that such party is not permitted to legally exercise the Share Options under the U.S. Securities Act due to a change in the law of the United States or some other reason, even though such party satisfies the conditions as described in (i) and (ii) above.

- 5) A holder of the Share Options may exercise the Share Options only if the holder submits to the Company a written statement in which the holder undertakes representations and warranties, including, but not limited to, the fact that the holder is not a Non-Qualified Party, nor a party that has any intention to exercise the Share Options on behalf of a Non-Qualified Party and that the holder has satisfied the conditions for the exercise of the Share Options, provisions for indemnification and other matters prescribed by the Company and any written statement required under the laws and ordinances.
- 6) Even if a holder of the Share Options is unable to exercise the Share Options in accordance with the provisions of this section (4), the Company shall not be liable to such holder of the Share Options for damages or any other obligations.

(5) Capital and Capital Reserve to Be Increased Upon Issuance of Shares by Exercise of Share Options

The capital and capital reserve to be increased upon issuance of shares by exercise of the Share Options shall be the amount separately determined in the Gratis Allotment Resolution.

(6) Restriction on Assignment of Share Options

- 1) Any acquisition of the Share Options by assignment requires the approval of the Board of Directors.
- 2) If a party who intends to assign the Share Options is located outside Japan and is unable to exercise the Share Options in accordance with the provisions of sections (4)3) and (4)4) (excluding a Non-Qualified Party), then the Board of Directors shall determine if it gives such approval as described in section 1) above considering the following matters:
 - (i) whether or not a written undertaking prepared and signed or sealed by the transferor and transferee (including provisions for representations and warranties with respect to the matters described in (ii), (iii) and (iv), provisions for indemnification, and provisions for penalties) is submitted with respect to the acquisition by assignment of all or part of the Share Options by a person located in such jurisdiction;
 - (ii) whether or not it is clear that the transferor and transferee are not Non-Qualified Parties;
 - (iii) whether or not it is clear that the transferee is not located in such jurisdiction and does not intend to accept the Share Options for a party located in such jurisdiction;
 - (iv) whether or not it is clear that the transferee does not intend to accept the Share Options for a Non-Qualified Party.

(7) Acquisition of Share Options by the Company

- 1) At any time on or before the date immediately prior to the first date of the exercise period of Share Options, if the Board of Directors deems that it is appropriate for the Company to acquire the Share Options, the Company may, on a date separately determined by the Board of Directors, acquire all of the Share Options for no consideration.
- 2) On a date separately determined by the Board of Directors, the Company may acquire all of the Share Options that are held by parties other than Non-Qualified Parties that have not been exercised by the business day immediately prior to that date determined by the Board of Directors and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of

Shares for each Share Option. The Company may conduct such acquisition of the Share Options on several occasions.

- (8) Delivery of the Share Options and the Conditions Thereof in the Case of Merger (Only in the Case Where the Company is Extinguished by the Merger), Absorption-Type Company Split, Incorporation-Type Company Split, Share Exchange, or Share Transfer

The delivery of the Share Options and the conditions thereof in the case of merger (only in the case where the Company is extinguished by the merger), absorption-type company split, incorporation-type company split, share exchange, or share transfer will be separately determined in the Gratis Allotment Resolution.

- (9) Issuance of Certificates of Share Options

No certificates of Share Options will be issued.

- (10) Revision Due to Amendment to Laws and Ordinances

The provisions of the laws and ordinances referred to above are those in force as of September 10, 2019. If the meanings of the provisions or terms as set forth in each item above require revision due to the enactment, amendment or abolishment of laws and ordinances after September 10, 2019, the Board of Directors may differently read the meanings of the provisions or terms as set forth in each item above to the reasonable extent as required, taking into consideration the purposes of such enactment, amendment or abolishment.

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Attachment 2

Outline of the Rules of the Independent Committee

- The Independent Committee shall be established by resolution of the Board of Directors.
- The Independent Committee shall comprise of no less than three members elected by the Board of Directors and independent from the management that executes the business of the Company and fall into any of the three categories, namely, (i) Outside Directors of the Company, (ii) Outside Audit & Supervisory Board Member of the Company, or (iii) other outside experts. However, such experts must be experienced corporate managers, persons with knowledge of the investment banking industry or the business areas engaged in by the Company, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or persons of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.
- Unless otherwise determined by a resolution of the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the final fiscal year ending within three years after the conclusion of the Meeting. If a member of the Independent Committee who is an Outside Director or Outside Audit & Supervisory Board Member ceases to be a Director or an Audit & Supervisory Board Member (excluding the case where such member is reappointed as a Director or an Audit & Supervisory Board Member), his or her term of office as a member of the Independent Committee will expire at the same time.
- The Independent Committee shall make decisions on the matters listed below and make recommendations to the Board of Directors containing the details of and reasons for the recommendation. Respecting such recommendations of the Independent Committee to the maximum extent, the Board of Directors shall make resolutions on the implementation or non-implementation of the gratis allotment of Share Options as an organization under the Companies Act (however, if the proposal regarding the implementation of the gratis allotment of Share Options is submitted to the Company's general meeting of shareholders, the Board of Directors shall be subject to the resolution of such general meeting of shareholders). Each member of the Independent Committee and each Director of the Company must make such decisions solely with a view to whether or not the corporate value of the Company and the common interests of its shareholders will be enhanced, and they must not serve the purpose of their own interests or those of the management of the Company.
 - (i) The implementation or non-implementation of the gratis allotment of Share Options (including convocation of a general meeting of shareholders for the submission of a proposal regarding the implementation of the gratis allotment of Share Options to the Company's general meeting of shareholders).
 - (ii) The cancellation of the gratis allotment of Share Options or the gratis acquisition of Share Options.
 - (iii) Any other matters that are for determination by the Board of Directors in respect to which it has consulted the Independent Committee.
- In addition to the matters prescribed above, the Independent Committee shall conduct the matters listed below.
 - (i) Determination of whether the Acquisition is a case where the Plan applies to or not.
 - (ii) Decisions on information to be provided to the Independent Committee from the Acquirer as well as the Board of Directors, and the time limit of such provision.
 - (iii) Examination and consideration of the terms of the Acquirer's Acquisitions.
 - (iv) Negotiations and discussions with the Acquirer
 - (v) Request for submission of an alternative proposal from the Board of Directors, review of the alternative proposal and its presentation
 - (vi) Decision on extension of the Independent Committee Consideration Period

- (vii) Approval of revision or amendment of the Plan.
 - (viii) Any other matters that the Plan prescribes that the Independent Committee may conduct.
 - (ix) Any matters that the Board of Directors separately determines that the Independent Committee may conduct.
- If the content of the Acquisition Document or information provided has been found insufficient as Essential Information, the Independent Committee shall request the Acquirer to additionally provide such information. Upon submission from the Acquirer of the Acquisition Document and the information additionally requested by the Committee, the Independent Committee may also request the Board of Directors to provide its opinion over the details of the Acquisition proposed by the Acquirer, evidence that supports such opinion, alternative proposals (if any,) and other information, materials, and the like considered necessary by the Committee as appropriate, within a certain period of time.
 - The Independent Committee shall also discuss and negotiate with the Acquirer, directly or indirectly via the Board of Directors or the like, or present shareholders with the alternative proposals submitted by the Board of Directors if necessary, for altering the details of the Acquisition proposed by the Acquirer with a view to ensuring and enhancing the corporate value of the Company and the common interests of its shareholders.
 - The Independent Committee may, in order to collect necessary information, request the Company's Directors, Audit & Supervisory Board Members, employees or other persons whom the Independent Committee considers necessary, to attend a meeting of the Independent Committee, and to explain the matters requested by the Independent Committee.
 - The Independent Committee may, at the Company's expense, obtain the advice of independent third parties (including financial advisers, certified public accountants, lawyers, consultants and other experts) and conduct similar actions.
 - Each member of the Independent Committee may convene a meeting of the Independent Committee at the time of the Acquisition or at any other times.
 - In principle, a resolution may pass with a majority of the members present provided that all members of the Independent Committee are in attendance. However, if any member of the Independent Committee is unable to attend due to an accident or other unavoidable circumstance, a resolution may be made with the attendance of a majority of the members, and by a majority of the voting rights thereof.

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Attachment 3

Names and Profiles of the Members of the Independent Committee

The following four persons are scheduled to be the members of the Independent Committee after the renewal by adopting the Plan.

Hidenori Hirose

Career summary:

1945	Born
Mar. 1968	Joined The SEIYU, LTD. (“SEIYU”)
May 1989	Director of SEIYU
May 1999	Director of FamilyMart Co., Ltd.
June 2003	President and Representative Director of Warehouse TERRADA
Oct. 2012	Outside Director of the Company (current position)

Mr. Hidenori Hirose is an Outside Director of the Company, as defined in Article 2, Item 15 of the Companies Act. Mr. Hirose does not have any business relationship with, or special interest in, the Company. The Company has notified the Tokyo Stock Exchange that Mr. Hirose is an independent officer of the Company.

Kuniharu Takemata

Career summary:

1954	Born
Apr. 1978	Joined Electric Power Development Co., Ltd. (“J-Power”)
June 2006	Executive Officer, and Department Director of Business Planning Department, J-Power
June 2007	Executive Managing Officer, and Department Director of Corporate Planning Department, J-Power
June 2009	Director, J-Power
June 2012	Director, and Executive Managing Officer, J-Power
Oct. 2016	Outside Director of the Company (current position)
June 2017	Outside Director of eREX Co., Ltd.
June 2018	Managing Director of eREX Co., Ltd. (current position)

Mr. Kuniharu Takemata is an Outside Director of the Company, as defined in Article 2, Item 15 of the Companies Act. Mr. Takemata does not have any business relationship with, or special interest in, the Company. The Company has notified the Tokyo Stock Exchange that Mr. Takemata is an independent officer of the Company.

Toshikuni Hirai

Career summary:

1942	Born
Apr. 1965	Joined Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd)
June 1992	Director of Mitsubishi Bank., Ltd. (currently MUFG Bank, Ltd)
June 1996	Full-time Audit & Supervisory Board Member of Bank of Tokyo-Mitsubishi UFJ, Ltd. (currently MUFG Bank, Ltd)
June 1998	Representative Director, Executive Vice President of Chiyoda Corporation
June 2001	Vice President of INTEC Inc.
Oct. 2006	Director, Vice President and joint Chief Executive Officer of IT Holdings Corporation
June 2007	Audit & Supervisory Board Member of GUNZE LIMITED
July 2007	Executive Director of incorporated foundation Japan Philharmonic Orchestra (currently public interest incorporated foundation Japan Philharmonic Orchestra)
July 2014	President & CEO of public interest incorporated foundation Japan Philharmonic Orchestra (current position)

Mr. Toshikuni Hirai does not have any business relationship with, or special interest in, the Company.

Naoto Nakamura

Career summary:

1960	Born
Oct. 1982	Passed Bar Exam
Mar. 1983	Graduated from Hitotsubashi University Faculty of Law
Apr. 1985	Graduated from The Legal Training and Research Institute of the Supreme Court of Japan
	Registered as Attorney at Dai-Ni Tokyo Bar Association, Joined Mori Sogo (currently Mori Hamada & Matsumoto)
Apr. 1998	Established Hibiya Park, Partner of the law firm
Feb. 2003	Established Nakamura Law Firm (currently Nakamura Tsunoda & Matsumoto) (current position)

Mr. Naoto Nakamura does not have any business relationship with, or special interest in, the Company.

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Proposal No. 6: Determination of Remuneration for Granting Restricted Shares to Directors (excluding Outside Directors)

The Company proposes to allot common shares of the Company subject to provisions including those concerning the fixed Transfer Restriction Period (to be defined later) and those concerning justifiable reasons for the gratis acquisition of the shares by the Company, (hereinafter “restricted shares”), to Directors of the Company (excluding Outside Directors; hereinafter the “Eligible Directors”) as follows, with the purpose of providing them an incentive to sustainably enhance the Company’s corporate value and to further promote shared value with shareholders.

Accordingly, the Company proposes to establish a total amount of up to not more than ¥100 million per year for monetary remuneration claims, separate from the amount of remuneration for Directors, to be paid to the Eligible Directors as remuneration, etc. in the form of restricted shares. The specific timing and allotment of the payment for each Eligible Director shall be decided by the Board of Directors.

The amount of remuneration for Directors of the Company was approved at the 68th Annual General Meeting of Shareholders held on October 14, 2006, that the maximum amount shall be not more than ¥500 million per year (including Outside Directors; provided, however, that employee salaries of Directors who concurrently serve as employees are excluded).

The number of Directors is currently eight (including two Outside Directors), and subject to the approval and adoption of Proposal No. 2 as originally proposed, the number of Directors will be nine (including three Outside Directors).

The total number of restricted shares allotted to Eligible Directors shall be not more than 40,000 shares per year. However, if, on or after the date of the resolution on this proposal, the Company performs a share split (including a gratis allotment of shares) or a share consolidation of its common shares, any other reason arises necessitating an adjustment to the total number of the allotted shares, the relevant total number of the restricted shares may be reasonably adjusted.

1. Allotment of and Payment for Restricted Shares

The Company shall pay monetary remuneration claims within the aforementioned annual amount to the Eligible Directors as remuneration in the form of restricted shares in accordance with the resolution of the Board of Directors of the Company. Each Eligible Director shall receive an allotment of restricted shares by making a payment in all of the monetary remuneration claims in the form of property contributed in kind.

The amount to be paid in per share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors regarding the allotment of shares (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous for Eligible Directors receiving the restricted shares.

Furthermore, payment of the aforementioned monetary remuneration claims is conditional upon the agreement of each Eligible Director regarding the aforementioned payment of property contributed in kind and their conclusion of a restricted share allotment agreement including the provisions stipulated in 2. below.

2. Provisions of the Restricted Shares Allotment Agreement

(1) Provisions for Transfer Restrictions

Eligible Directors may not transfer, create a pledge, create a transfer security interest, or otherwise dispose in any way to a third party (hereinafter the “Transfer Restrictions”) of the restricted shares allotted to each Eligible Director (hereinafter the “Allotted Shares”) for a period between three (3) and thirty (30) years as specified by the Board of Directors of the Company (hereinafter the “Restriction Period”).

(2) Lifting of Transfer Restrictions

The Company shall lift the Transfer Restrictions of all of the Allotted Shares held by each Eligible Director who has received an allotment of restricted shares upon the expiration of the Restriction Period on the condition that the Eligible Director has continued to hold the position of Director of the Company from the first day of the Restriction Period until the date of the first General Meeting of Shareholders of the Company occurring thereafter.

However, if each Eligible Director retires from the position of Director before the expiration of the Restriction Period due to the reason the Board of Directors deems justifiable, the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed.

(3) Gratis Acquisition of Restricted Shares

In the event that an Eligible Director who has received an allotment of restricted shares retires as Director of the Company between the first day of the Restriction Period and the day prior to the date of the first General Meeting of Shareholders of the Company occurring thereafter, the Company shall automatically implement a gratis acquisition of the Allotted Shares unless the Board of Directors of the Company accepts that there is a just reason for retirement.

Any Allotted Shares for which the Transfer Restrictions have not been lifted in accordance with the provisions stipulated in (2) above at the expiration of the Restriction Period stipulated in (1) above shall automatically be acquired by the Company through an implementation of a gratis acquisition.

(4) Treatment during Reorganization, etc.

If, during the Restriction Period, proposals relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company.