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(Securities code: 6800)

June 6, 2017

To Shareholders with Voting Rights:

Takayuki Tokuma
Representative Director, President
and Executive Officer
Yokowo Co., Ltd.
5-11, Takinogawa 7-chome,
Kita-ku, Tokyo, Japan

NOTICE OF THE 79TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders,

You are cordially invited to attend the 79th Ordinary General Meeting of Shareholders of Yokowo Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights by either of the following methods. Please read the Reference Documents for the General Meeting of Shareholders (described hereinafter) and exercise your voting rights by 5:40 p.m. on Wednesday, June 28, 2017 Japan time.

[If you wish to exercise your voting rights by postal mail (in writing)]

Please indicate your vote for or against each Proposal on the enclosed Voting Rights Exercise Form and send it back so that it is received by the aforementioned exercise deadline.

[If you wish to exercise your voting rights via the Internet]

Please access the voting website (<http://www.evotep.jp>), use the "log-in ID" and "temporary password" presented on the enclosed Voting Rights Exercise Form and enter your vote for or against each Proposal by following the instructions displayed on the screen.

- 1. Date and Time:** Thursday, June 29, 2017 at 10:00 a.m. JST
- 2. Venue:** 1st floor Main Hall at Kita-ku Takinogawa Kaikan, located at 23-3, Nishigahara 1-chome, Kita-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be Reported:**
 1. The Business Report, Consolidated Financial Statements for the Company's 79th Fiscal Year (from April 1, 2016 to March 31, 2017) and results of audits by the Accounting Auditor and Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 79th Fiscal Year (from April 1, 2016 to March 31, 2017)

Proposals to be Resolved:

- Proposal No. 1:** Distribution of Surplus
- Proposal No. 2:** Election of Five Directors
- Proposal No. 3:** Election of One Audit & Supervisory Board Member
- Proposal No. 4:** Revision of Compensation for Directors
- Proposal No. 5:** Continued Implementation of Measures against Large-Scale Purchases of the Company's Shares, etc. (Anti-takeover Measures)

4. Notice of Information Disclosure through the Internet

The Company, pursuant to the provisions of applicable laws and regulations and Article 16 of the Articles of Incorporation of the Company, discloses certain matters specified below that constitute part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements through the website of the Company (<http://www.yokowo.co.jp>). Accordingly, they are not included in the documents attached to this notice.

- (1) “System necessary to ensure that the execution of duties by the Directors complies with laws and regulations and the Articles of Incorporation, and other systems necessary to ensure properness of operations of the Company,” and “Basic policy concerning persons who control the decisions on the Company’s financial and business policies” of the Business Report
- (2) Notes to the Consolidated Financial Statements
- (3) Notes to the Non-consolidated Financial Statements

Therefore, the documents attached to this Notice constitute only part of the Consolidated and Non-consolidated Financial Statements audited by the Accounting Auditor in preparing its Audit Report and part of the Business Report, Consolidated and Non-consolidated Financial Statements audited by Audit & Supervisory Board Members in preparing their Audit Report.

Notes:

- 1) For those attending, please present the enclosed Voting Rights Exercise Form to the reception upon arrival at the meeting.
- 2) Any updates to the Reference Documents for the General Meeting of Shareholders, Business Report, or Consolidated and Non-consolidated Financial Statements will be posted on the Company's website (<http://www.yokowo.co.jp>).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Distribution of Surplus

1. Matters concerning year-end dividends

Based on the recognition that providing superior returns to shareholders is one of the highest management priorities, the Company's basic policy is to continue to pay stable dividends to shareholders, determining the specific amount of dividend for each fiscal year by taking into consideration the maintenance of internal reserves to be used for capital investment in production facilities in growing businesses, investment for technological development in new businesses, and investment for market development.

With respect to the operating results for the current fiscal year, the Company marked the highest consolidated sales for the third consecutive fiscal year, and posted a large increase in operating income at 2,516 million yen, up 138.0% from the previous fiscal year. In addition, both ordinary income and profit attributable to owners of parent exceeded the adjusted forecasts announced in February 2017 due to the posting of foreign exchange gains and a temporary decrease in tax expenses due to the addition of deferred tax assets, among other factors.

However, the Company believes that in order to achieve its medium-term management target “Minimum 8”—i.e., *secure a sales growth rate, a minimum operating profit margin, and a return on equity of 8%*—and fulfill this target steadily into the future, it is indispensable to further improve its profit levels through aggressive investment and efficient management that translate into a higher level of progressiveness, growth potential and profitability.

Based on the aforementioned basic policy, the Company hereby proposes its year-end dividend for the fiscal year ended March 31, 2017 as follows, considering the operating results for the current fiscal year and comprehensively taking into account the internal reserves necessary for the next fiscal year and beyond, as well as financial stability and the expected business expansion.

(1) Type of dividend property: Cash

(2) Matters concerning allotment of dividend property to shareholders and total amount

12 yen per share of common stock, for a total of 241,451,880 yen

Because an interim dividend of 6 yen per share was paid out, the annual dividend for the fiscal year ended March 31, 2017 will be 18 yen per share (consolidated dividend payout ratio of 15.1%).

(3) Effective date of distribution of surplus

June 30, 2017 (Friday)

2. Matters concerning distribution of surplus

The Company proposes as follows with respect to the voluntary retained earnings referred to below, given that they have already served their purpose as originally intended.

(1) Item of surplus to be decreased and amount thereof

Reserve for retirement allowance: 83,000,000 yen

(2) Item of surplus to be increased and amount thereof

Retained earnings brought forward: 83,000,000 yen

Proposal No. 2: Election of Five Directors

The terms of office of all five Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, shareholders are requested to elect five Directors.

The candidates for Directors are as follows.

It should be noted that no material conflict of interest exists between any of the five candidates for Directors and the Company.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
1	<p>Takayuki Tokuma (June 13, 1954)</p> <p>Reappointed</p> <p>Number of the Company's shares held: 263,855 shares</p>	<p>August 1988 Joined the Company</p> <p>April 1993 General Manager, Europe and United States Sales Department</p> <p>June 1995 Director</p> <p>September 1995 Director, General Manager, Car Antenna Business Division</p> <p>April 1997 Director, in charge of Business Planning Department</p> <p>April 1999 Director, in charge of PCC business</p> <p>October 2001 Director, in charge of Business Planning Department</p> <p>June 2003 Executive Officer</p> <p>June 2004 Managing Director</p> <p>December 2004 Managing Director and Antenna System Company President</p> <p>June 2006 Director, Managing Executive Officer, and Antenna System Company President</p> <p>April 2007 Representative Director, President and Executive Officer (to present)</p> <p><Reasons for nomination as candidate for Director></p> <p>Mr. Takayuki Tokuma has led the business expansion/evolution of the Company's primary businesses, including the development/sales promotion of micro antennas as General Manager/Company President of the vehicle communication equipment business, as well as advancing into the BGA socket area of the circuit testing connector business, overseas sales promotion of the PCC business (current fine connector business) and start-up of the medical device business as the officer in charge of the supervision of overseas business/Business Planning Department/CTC business/PCC business, and thus has a thorough understanding of all businesses. Currently, he supervises the whole group as President and Executive Officer, bearing the slogans of "multilayered business" and "permanent evolution."</p> <p>The Board of Directors of the Company would like Mr. Tokuma to continuously take responsibility for the business execution of the Company in the next period, which is expected to be a phase of further business expansion, and thus proposes that he be elected as Director.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
2	<p>Kouichi Fukagawa (March 28, 1953)</p> <p>Reappointed</p> <p>Number of the Company's shares held: 42,502 shares</p>	<p>April 2005 Joined the Company General Manager, Connector Company Business Planning Department</p> <p>June 2006 Executive Officer and General Manager, Connector Company Business Planning Department</p> <p>April 2007 Executive Officer and Chief Officer of Management Planning H.Q.</p> <p>April 2013 Chairman, Information Security Committee</p> <p>June 2013 Managing Executive Officer and Chief Officer of Management Planning H.Q.</p> <p>June 2015 Director, Managing Executive Officer and Chief Officer of Management Planning H.Q.</p> <p>June 2016 Director, Senior Managing Executive Officer and Chief Officer of Management Planning H.Q.</p> <p>April 2017 Director, Senior Managing Executive Officer and General Manager, LTCC Business Division (to present)</p>
		<p><Reasons for nomination as candidate for Director></p> <p>Mr. Kouichi Fukagawa, as the executive officer in charge of the circuit testing connector business, has led the business acquisition, introduction of new technologies, acquisition of new customers of said business, and has promoted the business model restructuring of the vehicle communication equipment business, as well as the full-scale start-up of new businesses including the ceramic business. He, as Chairman of the Information Security Committee, has also contributed to the establishment/enhancement of the information security structure of the Group as a whole, and contributed to the improvement of awareness thereof by promoting the acquisition of ISO 27001 certification, the international standard for information security, for the Company and its major subsidiaries. As the General Manager of the LTCC Business Division since April 2017, he has been putting his efforts into launching the mass production of larger quantity of new LTCC products.</p> <p>The Board of Directors of the Company would like Mr. Fukagawa to continuously take responsibility for promoting group-wide undertakings and innovation of the business structure, and thus proposes that he be elected as Director.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
3	<p>Kenji Yokoo (August 22, 1960)</p> <p>Newly appointed</p> <p>Number of the Company's shares held: 77,761 shares</p>	<p>April 1985 Joined the Company</p> <p>April 1998 Chubu Branch Manager, VCCS Business Division</p> <p>October 2002 General Manager, VCCS Business Division</p> <p>December 2004 Managing Director, YOKOWO MANUFACTURING OF AMERICA LLC</p> <p>June 2007 Executive Officer and Chief Officer of Administration Management H.Q.</p> <p>November 2016 Vice Chairman of The Tomioka Chamber of Commerce and Industry, Gunma Prefecture (to present)</p> <p>April 2017 Managing Executive Officer and Chief Officer of Administration Management H.Q. (to present)</p>
		<p><Reasons for nomination as candidate for Director></p> <p>Mr. Kenji Yokoo gained experience in administrative operations in general at the Company and its domestic and foreign subsidiaries, and then served as the Chubu Branch Manager, General Manager and Managing Director of a US subsidiary in the vehicle communication equipment business—the Company's mainstay business—and made a significant contribution towards the Company's business expansion by taking the initiative in opening new accounts with customers who are now major clients. Since his appointment to Executive Officer and Chief Officer of the Administration Management H.Q., he has been playing a leading role in enhancing the Company's global framework by promoting measures for company-wide profit structure reform as well as personnel innovation measures, based on his experience at domestic and foreign subsidiaries and his experience in supervising businesses.</p> <p>The Board of Directors of the Company would like Mr. Yokoo to take responsibility for further enhancing and innovating the management structure of the Group, which continues to grow in terms of business scale and field, and thus proposes that he be elected as Director.</p>

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
	<p>Shuji Ohashi (November 23, 1938)</p> <p>Reappointed Candidate for Outside Director</p> <p>Number of the Company's shares held: 0 shares</p>	<p>April 1961 Joined Japan Management Association</p> <p>May 1975 Registered as Certified Public Accountant</p> <p>Representative of Shuji Ohashi Certified Public Accountant Office (to present)</p> <p>June 1991 Managing Director, JMA Consultants, Inc.</p> <p>September 1993 President & CEO, JMAC AMERICA, INC.</p> <p>June 2001 Advisor, JMA Consultants, Inc. (to present)</p> <p>June 2013 Outside Director, Seven Bank, Ltd. (to present)</p> <p>June 2014 Outside Director of the Company (to present)</p>
4		<ol style="list-style-type: none"> 1. Reasons for nomination as candidate for Outside Director Mr. Shuji Ohashi has a broad range of knowledge including accounting expertise from his activities in business management consulting over the years, and also from personally managing a consulting firm in the U.S. The Company would like him to continue drawing on his broad knowledge and wealth of experience in corporate management to monitor and supervise the Company's management, and thus proposes that he be elected as Outside Director. 2. Term of office as Outside Director Mr. Shuji Ohashi will have been in office as Outside Director for a period of 3 years at the conclusion of this Ordinary General Meeting of Shareholders. 3. Independence of candidate for Outside Director <ol style="list-style-type: none"> (1) There are no business relationships between the Shuji Ohashi Certified Public Accountant Office which Mr. Ohashi represents and the Company. (2) While the Group has transactions, including the payment of fees for correspondence courses for our employees and general purpose seminars, with JMA Consultants, Inc., for which Mr. Ohashi serves as Advisor, Japan Management Association, parent company thereof, and its group companies, such transactions are general in nature and the total amount of such transactions within the most recent five years before the end of the current fiscal year is 3,955,000 yen. (3) There are no matters to be disclosed other than the above with respect to his independence. (4) Based on the above, the Company has determined Mr. Ohashi to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Mr. Ohashi is approved as proposed, the Company will continue to designate him as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange. 4. Activities as Outside Director during the current period <ol style="list-style-type: none"> (1) He attended fifteen out of the seventeen Board of Directors Meetings (Attendance rate: 88.2%) and gave advice and recommendations based on his broad knowledge and abundant experience in corporate management, in addition to monitoring and supervising the Company's management. (2) He attended sixteen out of the eighteen Audit & Supervisory Board Meetings, had prior guidance and exchanged opinions on the agenda of the Board of Directors Meetings with Outside Audit & Supervisory Board Members, and shared the matters that were reported or deliberated by the Audit & Supervisory Board to the extent necessary. 5. Overview of limited liability agreement entered into with the Company The Company, pursuant to Article 30 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Mr. Shuji Ohashi. The limit of liability for damages based on this agreement is 4 million yen or the amount prescribed by laws and regulations, whichever is higher.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions																				
5	<p data-bbox="236 297 489 353">Kuniko Muramatsu (September 1, 1958)</p> <p data-bbox="252 383 489 472">Reappointed <u>Candidate for Outside Director</u></p> <p data-bbox="244 539 489 618">Number of the Company's shares held: 0 shares</p>	<table border="0" style="width: 100%;"> <tr> <td style="width: 20%;">October 1983</td> <td>Joined Texas Instruments Japan Limited</td> </tr> <tr> <td>January 1999</td> <td>General Manager, Japan Communications Department, Member of Strategic Leadership Team, Texas Instruments Japan Limited</td> </tr> <tr> <td>November 2003</td> <td>Senior Manager, Ethics & Diversity Office, Chief Ethics Officer, Texas Instruments Japan Limited</td> </tr> <tr> <td>September 2009</td> <td>Resigned from Texas Instruments Japan Limited</td> </tr> <tr> <td>October 2009</td> <td>Senior Research Fellow, Business Ethics Research Center (to present)</td> </tr> <tr> <td>January 2010</td> <td>Representative Director, Wellness Systems Institute (to present)</td> </tr> <tr> <td>January 2014</td> <td>Director, Japan Professional Football League (J. League) (to present)</td> </tr> <tr> <td>April 2016</td> <td>Director and Chair of the Board, NPO GEWEL (to present)</td> </tr> <tr> <td>June 2016</td> <td>Outside Director, C'BON COSMETICS Co., Ltd. (to present)</td> </tr> <tr> <td></td> <td>Outside Director of the Company (to present)</td> </tr> </table> <p data-bbox="252 674 1407 1928"> 1. Reasons for nomination as candidate for Outside Director Ms. Kuniko Muramatsu held various posts including General Manager of the Public Relations Department, Member of the Business Strategy Team, General Manager of the Corporate Ethics Office and the officer in charge of diversity promotion at a foreign-affiliated semiconductor maker, and now runs a company which she established after resigning from said company, utilizing her experience, and is engaged in supporting the improvement of corporate ethics and the promotion of diversity, whereas she also serves as Director at a nonprofit incorporated association and nonprofit organizations. The Company would like her to monitor and supervise the management of the Company and provide advice and recommendations to the Company by leveraging her extensive knowledge regarding corporate ethics and diversity promotion, and practical experience at business organization, and thus proposes that she be elected as Outside Director. 2. Term of office as Outside Director Ms. Kuniko Muramatsu will have been in office as Outside Director for a period of one year at the conclusion of this Ordinary General Meeting of Shareholders, 3. Independence of candidate for Outside Director (1) There are no business relationships between the Company and Wellness Systems Institute, for which Ms. Muramatsu serves as Representative Director. (2) While the Company had transactions with Texas Instruments Japan Limited ("TI Japan") regarding the sale from the Company of inspection tools for semiconductor testing until December 2013, the amount involved accounted for less than 1% of the Group's annual consolidated sales and less than 1% of TI Japan's annual operating costs. Furthermore, the Company has had no transactions with TI Japan since January 2014. (3) The Company has continuous business relationships with Texas Instruments Incorporated ("TI US"), the parent company of TI Japan, regarding the sale from the Company of inspection tools for semiconductor testing, whereas the amount involved accounts for less than 2% of the Group's annual consolidated sales and less than 1% of the annual operating costs of TI US. (4) There are no matters to be disclosed other than the above with respect to her independence. (5) Based on the above, the Company has determined Ms. Muramatsu to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Ms. Muramatsu is approved as proposed, the Company will continue to designate her as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange. 4. Activities as Outside Director during the current period (1) She attended all thirteen Board of Directors Meetings held since her appointment to Outside Director of the Company on June 29, 2016 (Attendance rate: 100.0%) and gave advice and recommendations based on her extensive knowledge regarding corporate ethics and diversity promotion and practical experience at business organization, etc., in addition to monitoring and supervising the Company's management. (2) She attended eleven out of the fourteen Audit & Supervisory Board Meetings held since her appointment to Outside Director of the Company, had prior guidance and exchanged opinions on the agenda of the Board of Directors Meetings with Outside Audit & Supervisory Board Members, and shared the matters that were reported or deliberated by the Audit & Supervisory Board to the extent necessary. 5. Overview of limited liability agreement entered into with the Company The Company, pursuant to Article 30 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Ms. Kuniko Muramatsu. The limit of liability for damages based on this agreement is 4 million yen or the amount prescribed by laws and regulations, whichever is higher. </p>	October 1983	Joined Texas Instruments Japan Limited	January 1999	General Manager, Japan Communications Department, Member of Strategic Leadership Team, Texas Instruments Japan Limited	November 2003	Senior Manager, Ethics & Diversity Office, Chief Ethics Officer, Texas Instruments Japan Limited	September 2009	Resigned from Texas Instruments Japan Limited	October 2009	Senior Research Fellow, Business Ethics Research Center (to present)	January 2010	Representative Director, Wellness Systems Institute (to present)	January 2014	Director, Japan Professional Football League (J. League) (to present)	April 2016	Director and Chair of the Board, NPO GEWEL (to present)	June 2016	Outside Director, C'BON COSMETICS Co., Ltd. (to present)		Outside Director of the Company (to present)
October 1983	Joined Texas Instruments Japan Limited																					
January 1999	General Manager, Japan Communications Department, Member of Strategic Leadership Team, Texas Instruments Japan Limited																					
November 2003	Senior Manager, Ethics & Diversity Office, Chief Ethics Officer, Texas Instruments Japan Limited																					
September 2009	Resigned from Texas Instruments Japan Limited																					
October 2009	Senior Research Fellow, Business Ethics Research Center (to present)																					
January 2010	Representative Director, Wellness Systems Institute (to present)																					
January 2014	Director, Japan Professional Football League (J. League) (to present)																					
April 2016	Director and Chair of the Board, NPO GEWEL (to present)																					
June 2016	Outside Director, C'BON COSMETICS Co., Ltd. (to present)																					
	Outside Director of the Company (to present)																					

Proposal No. 3: Election of One Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Tooru Furuta will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of one Audit & Supervisory Board Member is proposed. If elected, the term of office of the Audit & Supervisory Board Member will be until the conclusion of the 83rd Ordinary General Meeting of Shareholders scheduled to be held in June 2021.

This Proposal has been approved by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions
<p>Tooru Furuta (November 11, 1946)</p> <p>Reappointed <u>Candidate for Outside Audit & Supervisory Board Member</u></p> <p>Number of the Company's shares held: 0 shares</p>	<p>April 1970 Joined Toshiba Denki Kigu Co., Ltd.</p> <p>June 2000 Director and Head of General Affairs Department, Toshiba Electric Appliances Co., Ltd.</p> <p>June 2003 Representative Director, Living Industrial Co., Ltd.</p> <p>March 2005 Resigned from Toshiba Electric Appliances Co., Ltd. and Living Industrial Co., Ltd.</p> <p>July 2005 Representative Director, President, Gunma Sougou Staff Co., Ltd. (to present)</p> <p>April 2007 Appointed to Labor Tribunal Commissioner (Special Official of Maebashi District Court)</p> <p>June 2009 Outside Audit & Supervisory Board Member of the Company (to present)</p> <p>March 2016 Resigned from Labor Tribunal Commissioner</p>
<p>1. Reasons for nomination as candidate for Outside Audit & Supervisory Board Member</p> <p>Mr. Tooru Furuta has a wealth of experience from consistently engaging in operations in the fields of personnel and general affairs, such as personnel affairs, recruitment, labor affairs, general affairs and compliance at a group company of a listed company, in addition to serving as a Labor Tribunal Commissioner from April 2007 to the end of March 2016 while engaging in corporate management. The Company would like him to continue monitoring, auditing and giving advice for improving its management by making the most of his experience to date, and thus proposes that he be elected to Outside Audit & Supervisory Board Member.</p> <p>2. Term of office as Outside Audit & Supervisory Board Member</p> <p>Mr. Tooru Furuta will have been in office for a period of eight years at the conclusion of this Ordinary General Meeting of Shareholders.</p> <p>3. Independence of candidate for Outside Audit & Supervisory Board Member</p> <p>(1) There are no business relationships between the Company and Gunma Sougou Staff Co., Ltd., for which Mr. Furuta serves as Representative Director and President.</p> <p>(2) There are no matters to be disclosed other than the above with respect to his independence.</p> <p>(3) Based on the above, the Company has determined Mr. Furuta to be highly independent from the Company and persons who execute the business of the Company. In the event that the election of Mr. Furuta is approved as proposed, the Company will continue to designate him as an independent officer as prescribed in the Securities Listing Regulations of the Tokyo Stock Exchange.</p> <p>4. Activities as Outside Audit & Supervisory Board Member during the current period</p> <p>(1) He attended all seventeen Board of Directors Meetings (Attendance rate: 100.0%) and gave advice and recommendations based on his broad knowledge and abundant experience in corporate management, in addition to monitoring and supervising the Company's management.</p> <p>(2) In addition to attending all eighteen Audit & Supervisory Board Meetings (Attendance rate: 100.0%), receiving reports and engaging in deliberations, he had prior guidance and exchanged opinions on the agenda of the Board of Directors Meetings with Outside Directors, and shared the matters that were reported or deliberated by the Audit & Supervisory Board with Outside Directors to the extent necessary.</p> <p>5. Overview of limited liability agreement entered into with the Company</p> <p>The Company, pursuant to Article 36, Paragraph 2 of the Company's Articles of Incorporation, has entered into a limited liability agreement, as prescribed in Article 423, Paragraph 1 of the Companies Act, with Mr. Tooru Furuta. The limit of liability for damages based on this agreement is 4 million yen or the amount prescribed by laws and regulations, whichever is higher.</p>	

Proposal No. 4: Revision of Compensation for Directors

The amount of compensation for Directors of the Company has been capped at 280 million yen per year (including the amount of compensation for Outside Directors capped at 10 million yen per year, but not including the employee salary portion for Directors concurrently serving as employees) to date since approved at the 76th Ordinary General Meeting of Shareholders held on June 27, 2014. On the other hand, bonuses for Directors are to be paid by resolution of the General Meeting of Shareholders separately from the aforementioned amount of compensation.

Shareholders are requested to approve this Proposal, which enables the payment of bonuses for Directors by resolution of the Board of Directors in addition to the compensation for Directors up to the aforementioned amount, and increases the limit on the compensation to Outside Directors to 20 million yen per year, given that there are two highly independent Outside Directors (accounting for 40% of the Board of Directors) who are in office and enhancements are steadily being made to the Company's corporate governance as reflected in the comments being made and discussions being held in a lively manner at the Board of Directors Meetings, among others.

At present, there are five Directors (including two Outside Directors); if Proposal No.2 is approved, there will be five Directors (including two Outside Directors).

Proposal No. 5: Continued Implementation of Measures against Large-Scale Purchases of the Company's Shares, etc. (Anti-takeover Measures)

"Measures against Large-Scale Purchases of the Company's Shares, etc." (hereinafter referred to as "existing Plan") have been in place to date since the approval of their continued implementation by shareholders at the 76th Ordinary General Meeting of Shareholders of the Company held on June 27, 2014.

As the effective term of the existing Plan is until the conclusion of this Ordinary General Meeting of Shareholders, the Company had been examining how the existing Plan ought to be in view of maintaining and improving its corporate value and the common interests of its shareholders, including whether or not to continue its implementation. As a result, the Company decided at the meeting of its Board of Directors held on May 23, 2017 to amend some of the words and phrases of the existing Plan, and subject to approval by shareholders, continue its implementation ("Measures against Large-Scale Purchases of the Company's Shares, etc." which the Company will continue to implement shall hereinafter be referred to as "the Plan"). If this Proposal is approved by shareholders at this Ordinary General Meeting of Shareholders, the effective term of the Plan will be until the conclusion of the Ordinary General Meeting of Shareholders of the Company scheduled to be held in June 2020. Of note, this decision is in accordance with the "Basic policy concerning persons who control the decisions on the Company's financial and business policies" stated in Appendix 1.

At the meeting of the Board of Directors in which the Plan was decided, all three Audit & Supervisory Board Members of the Company including two outside Audit & Supervisory Board Members were present, and expressed their opinion that, conditional upon the appropriate implementation of the Plan in concrete terms, the Plan is reasonable as Measures against Large-Scale Purchases of the Company's Shares, etc.

Accordingly, the Company requests shareholders to approve the continued implementation of the Plan.

1. Summary of the Plan

(1) Objective and necessity of the Plan

The Board of Directors of the Company believes that in cases where large-scale purchases of the Company's shares are to be performed, it is necessary to secure information and time required for shareholders to determine whether such purchases are appropriate or not, enable the Board of Directors of the Company to negotiate with the purchaser for shareholders, and establish, in accordance with its basic policy, a certain policy on how to respond to cases in which large-scale purchase rules are observed and cases in which large-scale purchase rules are not observed.

(2) Establishment of large-scale purchase rules

In the Plan, the Company will require that necessary information be provided and time be secured for shareholders to examine large-scale purchases in the context of "large-scale purchase rules" (hereinafter referred to as "Rules") to be observed by a purchaser, etc. who is seeking to acquire shares accounting for 20% or more of the number of outstanding Company shares (hereinafter referred to as "Purchaser, etc.>").

(3) Procedures to confirm shareholders' intention and launch of countermeasures

In cases where the Purchaser, etc. complies with the Rules but the Board of Directors of the Company, as a result of its examination, objects to the purchase proposal by said Purchaser, etc., procedures to confirm its shareholders' intention (general meeting to confirm shareholders' intention, etc.) on launching countermeasures (i.e., gratis allotment of subscription rights to shares (*shinkabu yoyakuen*)) will be implemented. However, if the Board of Directors of the Company is in favor of said purchase proposal on the grounds that it will help maximise the Company's corporate value, countermeasures will not be launched. Conversely, even in cases where the Purchaser, etc. complies with the Rules, if it is reasonably determined that said purchase proposal will impair the Company's corporate value and in turn, the common interests of its shareholders, countermeasures may be launched exclusively by resolution of the Board of Directors, without taking the procedures to confirm its shareholders' intention.

(4) Effective term of the Plan

The effective term of the Plan shall be until the conclusion of the Ordinary General Meeting of Shareholders of the Company scheduled to be held in June 2020.

(5) Modification and abolition of the Plan

The Plan may be modified by resolution of the General Meeting of Shareholders of the Company, even before the expiry of the aforementioned effective term.

On the other hand, the Plan may be abolished by resolution of the General Meeting of Shareholders of the Company to abolish the Plan; in addition, the Plan may be abolished by resolution of the Board of Directors consisting of Directors elected at the General Meeting of Shareholders of the Company.

2. Description of the Plan

(1) Objective and necessity of the Plan

The Board of Directors of the Company believes that in cases where large-scale purchases of the Company's shares, etc. are to be performed, it is necessary to secure information and time required for shareholders and investors to determine whether such purchases are appropriate or not, enable the Board of Directors of the Company to negotiate with the purchaser for shareholders and investors, and establish, in accordance with its basic policy, a certain policy on how to respond to cases in which large-scale purchase rules are observed and cases in which large-scale purchase rules are not observed. For this reason, the Board of Directors of the Company has decided to continue the implementation of the Plan, subject to approval by shareholders at this Ordinary General Meeting of Shareholders.

As described below, the Plan formulates rules to be observed by anyone who intends to perform large-scale purchases of the Company's shares, etc., clarifies the possibility that anyone who intends to perform large-scale purchases may incur losses in certain cases where the Company takes countermeasures, and by properly disclosing such matters, gives a warning to anyone who intends to perform large-scale purchases of the Company's shares, etc. that do not contribute to the Company's corporate value, and in turn, the common interests of its shareholders.

Of note, in order to eliminate arbitrary judgment by the Board of Directors of the Company upon launching countermeasures, the Plan requires that in certain cases, either a vote among shareholders at the general meeting to confirm shareholders' intention or a vote in writing be selected and taken as procedures to confirm shareholders' intention, and that transparency be ensured by the timely disclosure of information to shareholders and investors.

Major shareholders of the Company as at March 31, 2017 are as shown on page 41 (Japanese version only) of the documents attached to this Notice "II. Matters concerning the Company's Shares 4. Major Shareholders (Top 10 Shareholders)". As of this point in time, the Company has not received any proposal for large-scale purchases of the Company's shares, etc.

(2) Procedures concerning the Plan

(a) Large-scale purchases within the scope of the Plan

The Plan is applicable to cases in which purchases of the Company's shares corresponding to 1) or 2) below or acts similar thereto (excluding those approved by the Board of Directors of the Company; said acts shall hereinafter be referred to as "Large-scale Purchases") are performed. Anyone who performs or proposes Large-scale Purchases (hereinafter referred to as "Purchaser, etc.") shall abide by the predetermined procedures in the Plan.

- 1) Purchase of shares, etc.*¹ of which the Company is the issuer whereby the ownership ratio of shares, etc.*³ of the holder*² becomes 20% or higher
- 2) Tender offer*⁵ for shares, etc.*⁴ of which the Company is the issuer whereby the sum of the ownership ratio of shares, etc.*⁶ subject to tender offer and the ownership ratio of shares, etc. of the specially related party*⁷ thereof becomes 20% or higher

Notes *1: This shall mean "Share Certificates, etc." provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act. Unless otherwise provided for, the same shall apply hereinafter. If there is any revision of laws and regulations cited in the Plan (including changes in the name of laws and regulations and the establishment of new laws and regulations, etc. that replace old laws and regulations, etc.), the clauses of laws and regulations, etc. cited in the Plan shall be reinterpreted as the clauses of laws and regulations, etc. that effectively replace the clauses of such laws and regulations, etc. after said revision unless otherwise provided for by the Board of Directors of the Company.

*2: This shall mean "holder" provided for in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act, and shall include persons included in holders pursuant to Paragraph 3 of said Article. The same shall apply hereinafter.

- *3: This shall mean “Ownership Ratio of Share Certificates, etc.” provided for in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
- *4: This shall mean “Share Certificates, etc.” provided for in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act. The same shall apply in 2) below.
- *5: This shall be as defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
- *6: This shall mean “Ownership Ratio of Share Certificates, etc.” provided for in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.
- *7 This shall mean “Specially Related Party” as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act (including persons deemed to correspond thereto by the Board of Directors of the Company); provided, however, that persons set forth in item 1 of said Paragraph shall exclude persons specified in Article 3, Paragraph 1 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer. The same shall apply hereinafter.

(b) Prior explanation of purchase prospectus to the Company

Prior to the execution of Large-scale Purchases, the Purchaser, etc. will be required to submit to the Board of Directors of the Company, in Japanese and in the form specified by the Company, a document stating such matters as a written pledge that said Purchaser, etc. will observe the procedures prescribed in the Plan upon performing Large-scale Purchases (hereinafter referred to as "Purchase Prospectus").

Specifically, the Purchaser, etc. will be required to put the following information in Purchase Prospectus.

1) Profile of Purchaser, etc.

(i) Name and address or location

(ii) Job title and name of representative

(iii) Objective and description of business of the company, etc.

(iv) Profile of major shareholders or major capital investors (top 10 in terms of shareholding or capital contribution ratio)

(v) Point of contact in Japan

(vi) Governing incorporation law

2) The number of shares, etc. of the Company currently held by the Purchaser, etc. and the trading status of shares, etc. of the Company by the Purchaser, etc. over the 60-day period before the submission of the Purchase Prospectus

3) Outline of the Large-scale Purchases proposed by the Purchaser, etc. (including the class and number of shares, etc. of the Company which the Purchaser, etc. plans to acquire by Large-scale Purchases and the purpose of Large-scale Purchases (if the purpose is acquisition of control or participation in management, pure investment or cross-shareholding, transfer, etc. of shares, etc. of the Company after Large-scale Purchases, material proposal^{*8} or other such purpose, a statement to that effect and the description thereof; if there is more than one purpose, all purposes must be stated)).

Note *8: This shall mean “Material Proposal” provided for in Article 27-26, Paragraph 1 of the Financial Instruments and Exchange Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments and Exchange Act and Article 16 of the Cabinet Office Ordinance on Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc. Unless otherwise provided for, the same shall apply hereinafter.

(c) Provision of Necessary Information

In cases where the “Purchase Prospectus” referred to in (b) above has been submitted, the Purchaser, etc. will be required to follow the procedures below, and provide the Company with necessary and sufficient information in Japanese for shareholders and investors to make a decision and for the Board of Directors of the Company to conduct an evaluation, examination, etc. with respect to the Large-scale Purchases (hereinafter referred to as "Necessary Information").

Firstly, the Company will send, to the point of contact of the Purchaser, etc. referred to in (b) 1) (v) above, an information list stating the information to be submitted initially within ten (10) business days^{*9} (not including the first day) from the day on which the “Purchase Prospectus” was provided. The Purchaser, etc. will be required to submit sufficient information to the Company as per the information list.

Note *9: Business day shall mean a day other than the days set forth in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.

In cases where it is reasonably determined by the Board of Directors of the Company that the information provided by the Purchaser, etc. as per the information list is insufficient for the shareholders and investors to make a decision and for the Board of Directors of the Company to conduct an evaluation, examination, etc. in light of the nature and manner, etc. of Large-scale Purchases, a reasonable deadline will be set with respect to the Purchaser, etc., within which the Purchaser, etc. will be required to provide additional information requested separately by the Board of Directors of the Company.

Regardless of the nature and manner, etc. of the Large-scale Purchases, information relating to the following items shall be included as part of the information list as a general rule.

- 1) Details (including specific name, capital composition, description of business, financial position, name and career summary of officers, etc.) of the Purchaser, etc. and its group (in the case of a joint holder^{*10}, a specially related party and a fund, including partners and other members)

Note *10: This shall mean "Joint Holder" provided for in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Act, including those recognized by the Board of Directors of the Company to correspond to a Joint Holder pursuant to Paragraph (6) of said Article. The same shall apply hereinafter.

- 2) The purpose (details of the purpose disclosed in the Purchase Prospectus), method and nature of the Large-scale Purchases (including whether or not there is any intention to participate in management, the type and amount of consideration for the Large-scale Purchases, the timing of the Large-scale Purchases, the structure of related transactions, the number of shares, etc. slated to be purchased, the ownership ratio of shares, etc. after the purchase, etc., and the legality of the method of the Large-scale Purchases).
- 3) The basis of calculation of the consideration for Large-scale Purchases (including facts assumed for calculation, calculation method, background to calculation, numerical information used in calculation, description of synergies expected to arise from the series of transactions concerning the Large-scale Purchases, and in cases where a third party's opinion has been obtained upon calculation, the name of said third party, the summary of such opinion and how the amount was determined in consideration of such opinion)
- 4) The source of funds for Large-scale Purchases (including the specific name of the provider of funds (including those who are effectively providing the funds), financing method, and the description of related transactions)
- 5) Whether or not there is any communication of intention with any third party upon making Large-scale Purchases, and if there is such communication, what is communicated and the profile of such third party
- 6) In cases where there is a lending agreement, collateral agreement, sell-back agreement, purchase/sale option or other important agreement or arrangement relating to the shares, etc. of the Company already held by the Purchaser, etc. (hereinafter referred to as "Collateral Agreement, etc."), the specifics of said Collateral Agreement, etc. such as the type of agreement, the counterparty to agreement and quantity of shares, etc. subject to agreement
- 7) In cases where the Purchaser, etc. has a plan to conclude a Collateral Agreement, etc. or form any other consensus with a third party in relation to the shares, etc. of the Company which are slated to be acquired in the Large-scale Purchases, the specifics of such consensus such as the type of consensus planned, the counterparty to agreement and quantity of shares, etc. subject to agreement
- 8) The management policy, business plan, capital policy and dividend policy of the Company and its group after the Large-scale Purchases
- 9) Policy on the treatment, etc. of the Company's employees, labor union, clients, customers, local communities and other stakeholders concerning the Company after the Large-scale Purchases
- 10) Specific measures to avoid conflicts of interest with other shareholders of the Company
- 11) Other information that is reasonably deemed to be necessary by the Board of Directors of the Company

Of note, the Board of Directors of the Company will disclose, at a time deemed appropriate, the fact that a proposal for Large-scale Purchases has been made by the Purchaser, etc., the outline thereof, the outline of Necessary Information and other information deemed necessary for shareholders and investors to make a decision, if any.

Also, if the Necessary Information provided by the Purchaser, etc. is deemed to have been sufficient by the Board of Directors of the Company, the Board of Directors will give notice to the Purchaser, etc. to that effect (hereinafter referred to as "Notice of Completion of Information Provision") and promptly disclose such fact.

(d) Examination of nature of Large-scale Purchases, negotiation with Purchaser, etc. and examination of alternative proposal

1) Examination task by the Board of Directors of the Company

After giving the Notice of Completion of Information Provision, the Board of Directors of the Company will set, depending on the difficulty of the evaluation of the Large-scale Purchases, an examination period not exceeding sixty (60) days in cases where all shares of the Company are to be purchased through tender offer in which consideration is to be in the form of cash in Japanese yen only or an examination period not exceeding ninety (90) days in the case of other Large-scale Purchases (hereinafter referred to as "Board's Examination Period") and promptly disclose such Period.

Based on the information, materials, etc. provided by the Purchaser, etc. during the Board's Examination Period, and while obtaining the advice of outside experts, etc. (financial advisers, certified public accountants, lawyers, consultants and other experts) as necessary, the Board of Directors of the Company will perform such tasks as examining the nature of the Large-scale Purchases by the Purchaser, etc., considering an alternative proposal by the Board of Directors of the Company, collecting information on the respective business plans, etc. of the Purchaser, etc. and the Board of Directors of the Company and comparing and examining their business plans, etc. in view of protecting and enhancing the Company's corporate value and the common interests of its shareholders. During the Board's Examination Period, if the Board of Directors of the Company makes a request for the provision of examination materials or other information, discussion, negotiation, etc., the Purchaser, etc. shall promptly meet such request.

2) Disclosure of information to shareholders and stakeholders

During the Board's Examination Period, the Board of Directors of the Company will promptly disclose information regarding the fact that a proposal for Large-scale Purchases has been made by the Purchaser, etc., the outline thereof, the outline of Necessary Information and other circumstances as well as the opinion of the Board of Directors of the Company. Also, as necessary, the Board of Directors of the Company may negotiate with the Purchaser, etc. and present its alternative proposal to shareholders and investors.

(3) Policy on how to respond to cases in which Large-scale Purchases are performed

(a) Cases in which the Large-scale Purchases involve a Purchaser, etc. who fails to provide the information prescribed in (2) "Procedures concerning the Plan" (b), secure the Board's Examination Period or observe other procedures prescribed in the Plan (hereinafter referred to as "Large-scale Purchase Rules")

In cases where the Purchaser, etc. is deemed to have commenced Large-scale Purchases without abiding by the Large-scale Purchase Rules, the Board of Directors of the Company may retaliate against the Large-scale Purchases by launching countermeasures in the form of gratis allotment of subscription rights to shares (*shinkabu yoyakuken*), unless there are special circumstances in which the Board of Directors of the Company should continue to request the submission of the Purchase Prospectus and Necessary Information and hold discussions/negotiations with the Purchaser, etc.

(b) Cases in which the Purchaser, etc. has complied with the Large-scale Purchase Rules

In cases where the Purchaser, etc. has complied with the Large-scale Purchase Rules, shareholders' intention as to whether or not to launch the countermeasures will be confirmed as stated in (4) "Procedures to Confirm Shareholders' Intention" below as a general rule; provided, however, that this shall not apply in the cases referred to in (i) and (ii) below.

(i) Cases in which the Purchaser, etc. has complied with the Large-scale Purchase Rules and such Large-scale Purchases are deemed to help maximize the Company's corporate value and the common interests of its shareholders, or cases in which such Large-scale Purchases are deemed not to substantially impair the Company's corporate value and the common interests of its shareholders

In principle, the Board of Directors of the Company will not launch countermeasures against the Large-scale Purchases. Whether to accept or reject the Large-scale Purchases will be up to shareholders, in consideration of the nature of the proposal of said Large-scale Purchases, the opinion of the Board of Directors of the Company on such proposal, alternative proposal and other such factors.

- (ii) Cases in which the Purchaser, etc. has complied with the Large-scale Purchase Rules but such Large-scale Purchases are deemed to substantially impair the Company's corporate value and the common interests of its shareholders

In cases where such Large-scale Purchases are deemed to substantially impair the Company's corporate value and the common interests of its shareholders and the launch of countermeasures is deemed reasonable, the Board of Directors of the Company shall execute the procedures prescribed in (4) below in order to confirm shareholders' intention as to whether or not they are in favor of the nature of the countermeasures and whether or not to launch such countermeasures.

Of note, in cases where any of the patterns referred to in 1) through 5) below is deemed to apply to such Large-scale Purchases, such Large-scale Purchases shall be deemed to substantially impair the Company's corporate value and the common interests of its shareholders as a general rule, and countermeasures may be launched against the Large-scale Purchases without holding a general meeting to confirm shareholders' intention.

- 1) Cases in which the Purchaser, etc. is deemed to be acquiring or attempting to acquire shares, etc. of the Company despite having no intention to actually participate in company management, for the purpose of simply driving up the share price and making the Company or persons related to the Company buy back the shares, etc. of the Company at a high price (so-called "green mailer")
- 2) Cases in which the Purchaser, etc. is deemed to be acquiring shares, etc. of the Company for the purpose of transferring the assets of the Company or its group companies such as intellectual property rights, know-how, company secrets, major clients, customers etc. that are necessary for the business management of the Company or its group companies to said Purchaser, etc. or its group companies, etc. by temporarily taking control of the Company's management
- 3) Cases in which the Purchaser, etc. is deemed to be acquiring shares, etc. of the Company for the purpose of pledging the assets of the Company or its group companies as collateral for debt of said Purchaser, etc. or its group companies, etc. or using them as funds for repaying such debt after taking control of the Company's management
- 4) Cases in which the Purchaser, etc. is deemed to be acquiring shares, etc. of the Company for the purpose of making the Company or its group companies sell or otherwise dispose of real estate, securities and other expensive assets, etc. that are not directly related to their businesses for the time being in order to make the Company pay high dividends temporarily by using the gains on the disposal thereof or to seek an opportunity to sell shares, etc. of the Company at a high price when the share price surges on the back of temporary high dividends
- 5) Cases in which the method of purchasing shares, etc. of the Company proposed by the Purchaser, etc. is deemed to put shareholders at the risk of having their opportunities or freedoms in making a judgment restricted and effectively being forced into selling the shares, etc. of the Company, such as so-called "coercive two-tiered takeover" (meaning the purchasing of shares, etc. by tender offer, etc. without offering to purchase all shares, etc. of the Company in the initial offer while making the terms of purchase in the second offer less favorable or unclear)

(4) Procedures to Confirm Shareholders' Intention

In the cases referred to in (b) (ii) above and in the cases referred to in (b) (i) above where it is deemed necessary by the Board of Directors of the Company, the Board of Directors of the Company shall select and take either a vote among shareholders at the general meeting to confirm shareholders' intention or a vote in writing as Procedures to Confirm Shareholders' Intention on whether or not to launch the countermeasures. The general meeting to confirm shareholders' intention may be convened at the same time as the Ordinary General Meeting of Shareholders or the Extraordinary General Meeting of Shareholders.

If shareholders' intention is to be confirmed, the Board of Directors of the Company will promptly set the record date for determining shareholders who are entitled to exercise voting rights (hereinafter referred to as "Voting Record Date"). Shareholders who are entitled to vote in the Procedures to Confirm Shareholders' Intention shall be shareholders who are recorded in the last shareholder register on the Voting Record Date, and one vote shall equal to one voting right.

The Voting Record Date shall be the earliest day after the expiry of the Board's Examination Period that can be set in light of the affairs concerning the determination of shareholders based on relevant laws and regulations and the notification to all shareholders by the Japan Securities Depository Center, Incorporated, and public notice shall be given no later than two (2) weeks before the Voting Record Date.

The Board of Directors of the Company shall, before the determination of the Voting Record Date, decide whether to confirm shareholders' intention by a general meeting to confirm shareholders' intention or by vote in writing, and promptly disclose information on such decision. If a vote is to be taken at a general meeting to confirm shareholders' intention, resolution shall require the attendance of shareholders holding at least one-third of the votes of all shareholders and the adoption/rejection thereof shall be determined by the majority of votes of the shareholders present. In cases where a vote is to be taken in writing, resolution shall require voting by shareholders holding at least one-third of the votes of all shareholders and the adoption/rejection thereof shall be determined by the majority of votes of the shareholders who voted in writing. If the prescribed number of votes in favor of launching the countermeasures has been obtained in the Procedures to Confirm Shareholders' Intention, shareholders shall be deemed to have approved of said countermeasures. If the prescribed number of votes in favor of launching the countermeasures has been obtained at the general meeting to confirm shareholders' intention or by vote in writing, the Board of Directors of the Company will pass a resolution to launch the countermeasures and execute necessary procedures in accordance with such decision. On the other hand, if the prescribed number of votes in favor of launching the countermeasures could not be obtained, the Board of Directors of the Company shall pass a resolution not to launch the countermeasures.

If a general meeting to confirm shareholders' intention has been convened or a vote in writing has been taken, the Board of Directors of the Company will promptly disclose information on the voting results and other matters deemed appropriate by the Board of Directors of the Company.

Of note, even if the Purchaser, etc. has complied with the Large-scale Purchase Rules and Procedures to Confirm Shareholders' Intention have been initiated, when it has become evident that the Large-scale Purchases would be detrimental to protecting and enhancing the Company's corporate value and the common interests of its shareholders before the confirmation of shareholders' intention is completed, the Board of Directors of the Company may suspend the Procedures to Confirm Shareholders' Intention and retaliate against the Large-scale Purchases at any time.

(5) Cancellation of countermeasures or suspension of launch of countermeasures

Even after the Board of Directors of the Company has passed a resolution to launch countermeasures or has launched countermeasures in accordance with the procedures referred to in (4) above, the Board of Directors of the Company shall cancel the countermeasures or suspend the launch of the countermeasures in cases where: (a) the Purchaser, etc. has cancelled the Large-scale Purchases; or (b) there have been changes in the facts, etc. on which the judgment of whether or not to launch the countermeasures was premised and a situation has arisen where the launch of countermeasures is deemed unreasonable in view of protecting and enhancing the Company's corporate value and the common interests of its shareholders.

If the Board of Directors of the Company has passed a resolution on the above, the Board of Directors of the Company shall promptly disclose information on the outline of said resolution and other matters deemed appropriate by the Board of Directors of the Company.

(6) Commencement of Large-scale Purchases

The Purchaser, etc. shall abide by the procedures prescribed in the Plan, and may not commence Large-scale Purchases until the Board of Directors passes a resolution to launch or not to launch the countermeasures.

Of note, in the event that the Purchaser, etc. has breached the above and commenced Large-scale Purchases, the Board of Directors of the Company may launch countermeasures on the grounds of such act alone.

(7) Effective term, abolition and modification of the Plan

The effective term of the Plan shall be the three-year period until the conclusion of the Ordinary General Meeting of Shareholders scheduled to be convened in June 2020, if approved at this Ordinary General Meeting of Shareholders slated to be held on June 29, 2017.

However, in cases where a resolution to modify or abolish the Plan has been passed at the General Meeting of Shareholders of the Company even before the expiry of said effective term, the Plan shall be modified or abolished at that point in time in accordance with said resolution. Also, in cases where a resolution to abolish the Plan has been passed by the Board of Directors consisting of Directors elected at the General Meeting of Shareholders of the Company, the Plan shall be abolished at that point in time.

Of note, the Board of Directors of the Company may amend or modify the Plan to the extent that such amendment or modification does not go against the Plan or to the extent deemed reasonably necessary due to changes in the Companies Act, the Financial Instruments and Exchange Act or other laws and regulations, changes in regulations of financial instruments exchanges or changes in the interpretation or implementation thereof, or changes in tax system, judicial precedents, etc.

In cases where the Plan has been abolished or modified, the Company will promptly disclose information on the fact of such abolition or modification and (in the case of modification) the description of such modification and other matters deemed appropriate by the Board of Directors of the Company.

3. Reasonableness of the Plan

(1) The Plan meets all conditions in the Guidelines Regarding Takeover Defense

The Plan adheres to all three principles prescribed 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 (i.e., principle of protecting and enhancing corporate value and shareholders’ common interests, principle of prior disclosure and shareholders’ will and principle of ensuring the necessity and reasonableness of defensive measures), and is based on the “Takeover Defense Measures in Light of Recent Environmental Changes” released by the Corporate Value Study Group on June 30, 2008.

(2) The Plan is continued for the purpose of protecting and enhancing the common interests of shareholders

In the event that Large-scale Purchases of the Company’s shares, etc. are performed, the Plan makes it possible to secure information and time needed for shareholders and investors to make a judgment as to whether or not to accept such Large-scale Purchases or opportunities to accept the presentation of an alternative proposal by the Board of Directors of the Company, among others. The Plan is continued for the purpose of protecting and enhancing the Company’s corporate value and in turn, the common interests of its shareholders.

(3) The Plan places importance on shareholders’ intention

As explained in 2. (7) “Effective term, abolition and modification of the Plan” above, the Plan is to be continued subject to approval by resolution of this Ordinary General Meeting of Shareholders. If a resolution to modify or abolish the Plan is passed at the General Meeting of Shareholders even before the expiry of the effective term of the Plan, the Plan will be modified or abolished in accordance with such resolution.

Furthermore, if Large-scale Purchases are performed in accordance with the Large-scale Purchase Rules, shareholders’ intention as to whether or not to launch countermeasures will be confirmed, and shareholders will be required to directly make the decision on the execution of the countermeasures according to the Plan.

(4) The Plan sets reasonable and objective requirements for launching countermeasures

Under the Plan, as described in 2. (2) “Procedures concerning the Plan” and 2. (3) “Policy on how to respond to cases in which Large-scale Purchases are performed” above, countermeasures are designed so as not to be launched unless predetermined reasonable and objective launching requirements are met, and a structure is in place to prevent the countermeasures from being launched arbitrarily by the Board of Directors of the Company.

(5) Opinions of third-party experts are obtained

As stated in 2. (2) “Procedures concerning the Plan” (d) above, the Plan is structured to ensure a higher degree of fairness and objectivity in the judgment of the Board of Directors of the Company by making it possible to obtain opinions of an independent third party when a Purchaser, etc. appears.

(6) The Plan is not a “dead-hand” or “slow-hand” anti-takeover measure

As described in 2. (7) “Effective term, abolition and modification of the Plan” above, the Plan can be abolished by the Board of Directors consisting of Directors elected at the General Meeting of Shareholders of the Company, so it is possible for a person who has purchased large quantities of the Company’s share certificates, etc. to designate Directors at the General Meeting of Shareholders of the Company and abolish the Plan through the Board of Directors consisting of such Directors. Therefore, the Plan is not a dead-hand anti-takeover measure (i.e., an anti-takeover measure of which launch is unstoppable even if the majority of the members of the Board of Directors are replaced).

Also, given that the Company has not adopted a staggered board system, the Plan is not a “slow-hand” anti-takeover measure (i.e., an anti-takeover measure in which halting the launch will be time-consuming as the members of the Board of Directors cannot be replaced at once).

4. Impact on shareholders and investors

(1) Impact of continuation of the Plan on shareholders and investors

The Plan is aimed at providing shareholders with information required for making a decision as to whether or not to accept Large-scale Purchases and the opinion, etc. of the Board of Directors of the Company that is currently in charge of the Company’s management, and also guaranteeing shareholders the opportunity to be presented with an alternative proposal. We believe that by doing so, shareholders will be able to acquire sufficient information and make an appropriate decision as to whether to accept or reject the Large-scale Purchases, which will translate into protecting the common interests of shareholders. We thus believe that the establishment of the Plan will serve as the premise for shareholders and investors to make an appropriate investment decision and contribute to the common interests of shareholders and investors.

As explained in 2. (3) “Policy on how to respond to cases in which Large-scale Purchases are performed”, the Company’s policy on how to respond to such Purchases varies depending on whether or not the Purchaser, etc. observes the Plan, so shareholders and investors are advised to keep a close eye on the actions of the Purchaser, etc.

(2) Impact of gratis allotment of subscription rights to shares (*shinkabu yoyakuken*) on shareholders

In cases where a resolution to execute the gratis allotment of subscription rights to shares (hereinafter referred to as “Gratis Allotment of Subscription Rights to Shares”) has been passed at the Board of Directors of the Company or the general meeting to confirm shareholders’ intention, Subscription Rights to Shares will be allotted free of charge to shareholders at an allotment date prescribed separately at a ratio specified separately in the resolution on the Gratis Allotment of Subscription Rights to Shares by the Board of Directors not exceeding one Subscription Right to Shares per share held. If shareholders fail to pay money in the amount of the prescribed exercise price, etc. or perform other procedures for the exercise of Subscription Rights to Shares stated in (3) “Procedures for shareholders associated with Gratis Allotment of Subscription Rights to Shares” below during the exercise period, the Company’s shares held by such shareholders will be diluted by the exercise of the Subscription Rights to Shares by other shareholders. However, through (3) “Procedures for shareholders associated with Gratis Allotment of Subscription Rights to Shares” below, the Company may acquire the Subscription Rights to Shares from shareholders other than the specified Purchaser, etc. and in exchange thereof, grant the Company’s shares. If the Company has taken such acquisition procedures, shareholders other than the specified Purchaser, etc. will receive the Company’s shares without having to exercise the Subscription Rights to Shares or pay money in the amount equivalent to the prescribed exercise price, so dilution will not occur with respect to the Company’s shares held.

However, the Purchaser, etc. may be affected in some way as a result of the launch of such countermeasure in terms of legal rights or financial gains.

Of note, the Company may cancel the Gratis Allotment of Subscription Rights to Shares by the day on which the Subscription Rights to Shares come into effect, or execute the gratis acquisition of Subscription Rights to Shares that had been allotted free of charge after the effective date of the Gratis Allotment of Subscription Rights to Shares and before the day prior to the first day of the exercise period of the Subscription Rights to Shares. In such cases, no dilution will occur with respect to the share value per share, so shareholders and investors who have executed trades based on the assumption that share value per share would be diluted may incur losses proportionate to share price fluctuations.

(3) Procedures for shareholders associated with Gratis Allotment of Subscription Rights to Shares

Shareholders recorded in the last shareholder register as at the allotment date of the Subscription Rights to Shares will be entitled to the subscription rights to shares as a matter of course on the effective date of the Gratis Allotment of Subscription Rights to Shares, so there is no need to take application procedures, etc.

Of note, a document for requesting the exercise the Subscription Rights to Shares (which shall be in the form prescribed by the Company including the description and number of the Subscription Rights to Shares to be exercised, necessary matters such as the exercise date of the Subscription Rights to Shares, a representation and warranty clause, indemnification clause and other covenants about the conditions of exercise of the Subscription Rights to Shares being fulfilled by the actual shareholder, etc.) and other documents required for the exercise of the Subscription Rights to Shares will be sent to shareholders. After the Gratis Allotment of Subscription Rights to Shares, shareholders may be required to exercise the Subscription Rights to Shares within the exercise period of the Subscription Rights to Shares. In doing so, submission of the necessary documents followed by the payment of one yen or more per Subscription Right to Share to the payment handling location will result in the issuance of one share of the Company per Subscription Right to Shares as a general rule.

In cases where the Board of Directors of the Company has decided to acquire the Subscription Rights to Shares, the Company may acquire the Subscription Rights to Shares at a date specified separately by the Board of Directors of the Company and in exchange thereof, grant the Company's shares to shareholders, in accordance with procedures stipulated by law. In such cases, said shareholders may be required to separately submit a form prescribed by the Company including a representation and warranty clause, indemnification clause and other covenants about the conditions of exercise of the Subscription Rights to Shares being fulfilled by the actual shareholder, etc.

In addition to the above, a public announcement or notification of the details of allotment method, exercise method and method of acquisition by the Company will be provided to shareholders after the resolution on the Gratis Allotment of Subscription Rights to Shares by the Board of Directors of the Company; shareholders are thus advised to confirm such details.

(Appendix 1)

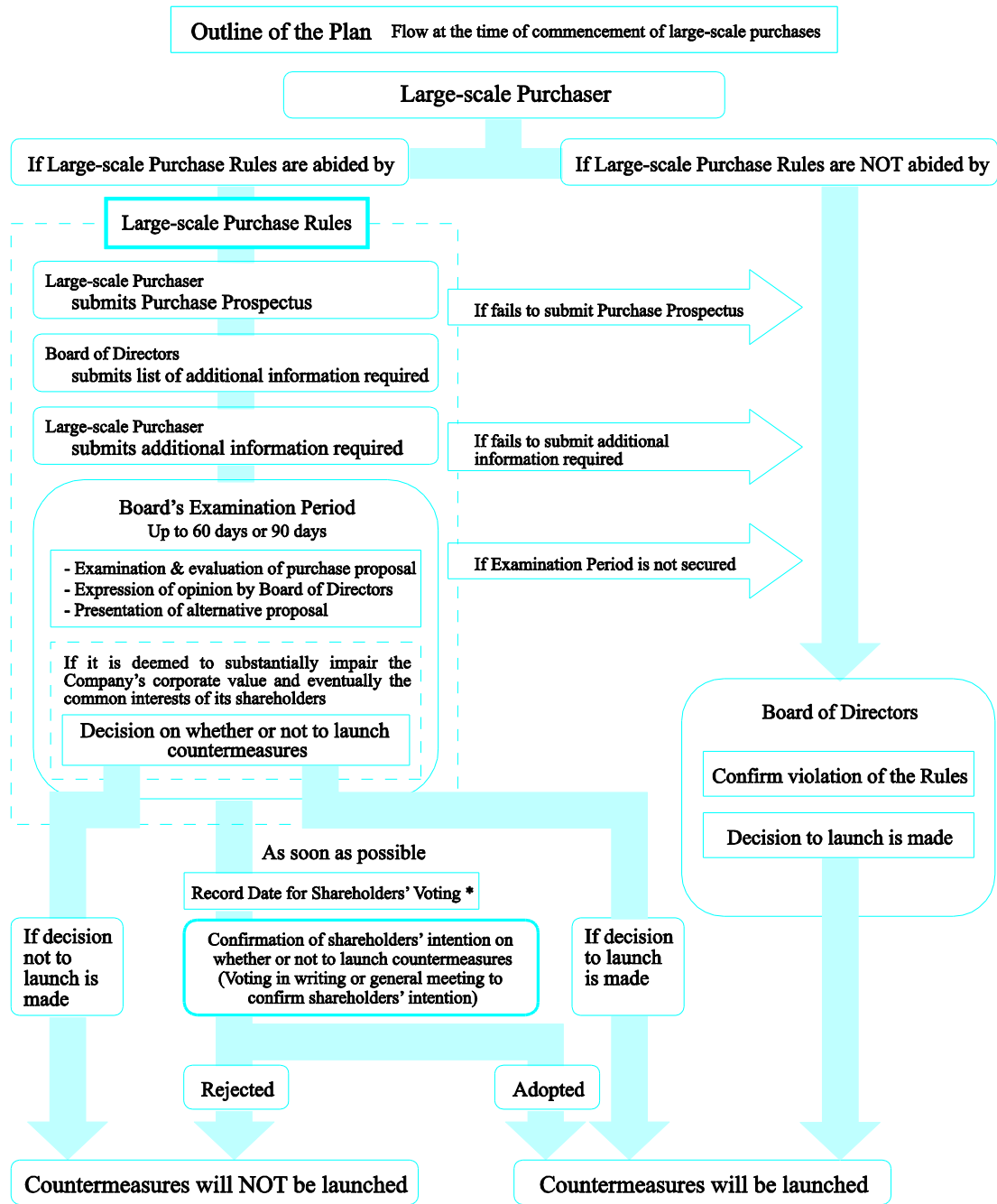
Basic policy concerning persons who control the decisions on the Company's financial and business policies

Shareholders and investors are allowed to freely trade shares of the Company, a listed company. Even if a proposal for large-scale purchases has been made or any act similar thereto has been performed with respect to the Company's shares, the Company will not categorically deny such proposal or act; the Company believes that it should ultimately be judged by reflecting shareholders' intention as a whole, provided that it contributes to the Company's corporate value, and in turn, the common interests of its shareholders.

However, proposals for large-scale purchases of shares may include, for example, offers with the risk of impairing the corporate value of the Company's group and in turn, the common interests of its shareholders such as those with the possibility of not being able to maintain a good relationship with stakeholders, offers that cannot be deemed to adequately reflect the value of the Company's group, or offers in which information needed for shareholders to make the ultimate decision is not provided adequately.

The Board of Directors of the Company believes that in response to such proposals, it needs to secure necessary time and information, negotiate with the person proposing large-scale purchases of shares and perform other such tasks for shareholders, as responsibilities entrusted by shareholders.

(Appendix 2)



* Public notice of the record date for shareholders' voting shall be issued no later than two weeks before said record date.

(Appendix 3)

Overview of Gratis Allotment of Subscription Rights to Shares (*shinkabu yoyakuken*)

In cases where the gratis allotment of subscription rights to shares (*shinkabu yoyakuken*) is to be executed as a countermeasure launched under the Plan, such gratis allotment shall be as summarized below.

1. Number of Subscription Rights to Shares

The number of Subscription Rights to shares shall be the number specified separately in the resolution on the Gratis Allotment of Subscription Rights to Shares by the Board of Directors of the Company (hereinafter referred to as "Resolution on Gratis Allotment of Subscription Rights to Shares"), not exceeding the same number as the final total number of outstanding shares of the Company as at the allotment date specified separately in the Resolution on Gratis Allotment of Subscription Rights to Shares (hereinafter referred to as "Allotment Date") (provided, however, that the number of treasury shares of the Company at said point in time shall be deducted).

2. Shareholders Entitled to Allotment

Shareholders recorded in the last shareholder register of the Company as at the Allotment Date will be allotted the Subscription Rights to Shares free of charge at a ratio specified separately in the Resolution on Gratis Allotment of Subscription Rights to Shares by the Board of Directors of the Company not exceeding one Subscription Right to Shares per common share of the Company held (excluding common treasury shares of the Company).

3. Effective Date of Gratis Allotment of Subscription Rights to Shares

The effective date shall be the day specified separately in the Resolution on Gratis Allotment of Subscription Rights to Shares by the Board of Directors of the Company.

4. Class and Number of Shares underlying Subscription Rights to Shares

The class of shares underlying the Subscription Rights to Shares shall be common shares of the Company, and the number of underlying shares per Subscription Right to Shares (hereinafter referred to as "Number of Underlying Shares" shall be one share unless adjusted separately.

5. Value of Property to be Contributed upon Exercise of Subscription Rights to Shares

Money shall be subject to contribution upon the exercise of the Subscription Rights to Shares, and the value of property to be contributed per Company share upon the exercise of the Subscription Rights to Shares shall be one yen or more.

6. Conditions of Exercise of Subscription Rights to Shares

- (i) Specified large-scale holder^{*11}
- (ii) Joint holder of specified large-scale holder
- (iii) Specified large-scale purchaser^{*12}
- (iv) Specially related party of a specified large-scale purchaser
- (v) A person who has received the Subscription Rights to Shares by transfer or inheritance from a person referred to in any of the items from (i) to (iv) above without obtaining the approval of the Board of Directors of the Company
- (vi) An associate of a person referred to in any of the items from (i) to (v) above^{*13} (a person referred to in any of the items from (i) to (vi) shall hereinafter be collectively referred to as "Specified Purchaser, etc.")

In principle, the aforementioned persons shall not be entitled to exercise the Subscription Rights to Shares. In principle, persons who need to take prescribed procedures upon exercising the Subscription Rights to Shares under applicable foreign laws and regulations shall not be entitled to exercise the Subscription Rights to Shares. However, among the aforementioned persons, certain persons who can use exemption clauses, etc. under such applicable foreign laws and regulations will be entitled to exercise the Subscription Rights to Shares, and their Subscription Rights to Shares will be subject to acquisition by the Company for which the consideration is the Company's shares as described in 8. below.

7. Transfer of Subscription Rights to Shares

Acquisition of the Subscription Rights to Shares by transfer shall require the approval of the Board of Directors of the Company.

8. Acquisition of Subscription Rights to Shares by the Company

- (1) In cases where the Board of Directors of the Company has determined that it would be unreasonable to keep launching the countermeasures after commencing the procedures to launch the countermeasures, the Company may halt the launch of the countermeasures. Specifically, the Company may cancel the Gratis Allotment of Subscription Rights to Shares by the day on which the Subscription Rights to Shares come into effect, or execute the gratis acquisition of all Subscription Rights to Shares on a day specified separately by the Board of Directors of the Company after the day on which the Subscription Rights to Shares come into effect, until the day prior to the first day of the exercise period of the Subscription Rights to Shares.

(2) On a day specified separately by the Board of Directors of the Company, the Company may acquire all Subscription Rights to Shares held by anyone other than the Specified Purchaser, etc. that had not been exercised by the business day prior to such day specified separately by the Board of Directors of the Company, and in exchange thereof, grant the shares of the Company in the Number of Underlying Shares per Subscription Right to Shares.

9. Exercise Period, etc. of Subscription Rights to Shares

The exercise period of the Subscription Rights to Shares and other necessary matters shall be specified separately in the Resolution on Gratis Allotment of Subscription Rights to Shares by the Board of Directors of the Company.

Notes *11: “Specified large-scale holder” shall mean a holder of shares, etc. of which the Company is the issuer whose ownership ratio of such shares, etc. is 20% or higher or a person who is deemed by the Board of Directors of the Company to correspond to such holder; provided, however, that such person whose acquisition/holding of the shares, etc. of the Company is deemed by the Board of Directors of the Company not to be detrimental to the Company’s corporate value and the common interests of its shareholders and other persons specified separately in the Resolution on Gratis Allotment of Subscription Rights to Shares by the Board of Directors of the Company shall not correspond to a specified large-scale holder.

*12: “Specified large-scale purchaser” shall mean a person who has given a public notice about making a purchase, etc. (as defined in Article 27-2, Paragraph (1) of the Financial Instruments and Exchange Act; hereinafter the same shall apply in this Note) of shares, etc. (as defined in Article 27-2, Paragraph (1) of said Act; hereinafter the same shall apply in this Note) of which the Company is the issuer through tender offer whose ownership ratio of shares, etc. with respect to shares, etc. under his/her ownership (including cases provided for in Article 7, Paragraph (1) of the Order for Enforcement of the Financial Instruments and Exchange Act as being equivalent thereto) after such large-scale purchases is deemed by the Board of Directors of the Company to become 20% or higher when combined with the ownership ratio of shares, etc. of the specially related party of such person; provided, however, that such person whose acquisition/holding of the shares, etc. of the Company is deemed by the Board of Directors of the Company not to be detrimental to the Company’s corporate value and the common interests of its shareholders and other persons specified separately in the Resolution on Gratis Allotment of Subscription Rights to Shares by the Board of Directors of the Company shall not correspond to a specified large-scale purchaser.

*13: “Associate” of a particular person means a person deemed by the Board of Directors of the Company to effectively have control over such person, be controlled by such person or be under joint control with such person (including those deemed to correspond thereto by the Board of Directors of the Company) and a person who is deemed to act in collaboration with such person by the Board of Directors. Of note, “control” shall mean “controls decisions on the financial and business policies” of other companies, etc. (as defined in Article 3, Paragraph (3) of the Ordinance for Enforcement of the Companies Act).

[End of document]