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(Stock Exchange Code 4975)
June 9, 2017

To Shareholders with Voting Rights:

Keiji Ozawa
Representative Director, Chairman and CEO
JCU CORPORATION
8-1 Higashiueno 4-chome, Taito-ku,
Tokyo, Japan

**NOTICE OF
THE 57TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 57th Annual General Meeting of Shareholders of JCU CORPORATION (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form. If exercising your voting rights in writing, please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:30 p.m. on Tuesday, June 27, 2017, Japan time.

- 1. Date and Time:** Wednesday, June 28, 2017, at 10:00 a.m. Japan time
(The reception desk opens at 9:30 a.m.)
- 2. Place:** Conference room at the Head Office of the Company located at
TIXTOWER UENO 16F, 8-1 Higashiueno 4-chome, Taito-ku, Tokyo, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the Company's 57th Fiscal Year (April 1, 2016–March 31, 2017) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 57th Fiscal Year (April 1, 2016–March 31, 2017)
 - Proposals to be resolved:**
 - Proposal 1:** Election of eleven (11) Directors
 - Proposal 2:** Election of two (2) Audit & Supervisory Board Members
 - Proposal 3:** Determination of Compensation to Directors (Excluding External Directors) to Allot Restricted Stock
 - Proposal 4:** Continuation of the Response Measures to Large-Scale Purchases of the Company Shares (Takeover Defenses)

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- Of the documents that should be provided along with this convocation, matters that should be included in the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements are posted on the Company's Web site (<http://www.jcu-i.com/>), based on laws and regulations and provisions of the Articles of Incorporation of the Company, therefore these are not included in the attached document to this convocation.
The Consolidated Financial Statements and the Non-consolidated Financial Statements that were audited by the Company's Audit & Supervisory Board Members and the Accounting Auditor to prepare audit reports are the financial statements included in the attached documents to this convocation, as well as matters that should be included in the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<http://www.jcu-i.com/>).
- We are advocating the Cool Biz campaign. Shareholders are expected to attend the meeting in casualwear.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of eleven (11) Directors

The terms of office of all eleven (11) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of eleven (11) Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	[Reappointment] Keiji Ozawa (October 11, 1950)	<p>April 1974 Joined the Company</p> <p>April 1999 General Manager of Osaka Branch</p> <p>January 2002 General Manager of Sales Promotion Department</p> <p>September 2004 Executive Officer and General Manager of Management Planning Office</p> <p>June 2007 Director, Managing Executive Officer and General Manager of Administration Headquarters</p> <p>June 2008 Senior Managing Director, Senior Executive Officer and General Manager of Administration Headquarters</p> <p>June 2009 Director, Vice President and General Manager of Administration Headquarters</p> <p>June 2010 Representative Director, President and COO</p> <p>June 2014 Representative Director and Vice Chairman</p> <p>February 2016 Representative Director, Chairman and CEO (present position)</p> <p>[Significant concurrent positions]</p> <p>Chairman of JCU SHANGHAI TRADING CORPORATION</p> <p>Chairman of JCU TAIWAN CORPORATION</p> <p>Representative Director of JCU KOREA CORPORATION</p> <p>Chairman of JCU SHENZHEN TRADING CORPORATION</p> <p>Chairman of JCU BEIJING TRADING CORPORATION</p> <p>Chairman of SAKURAROKU SPRING SHANGHAI INTERNATIONAL CO., LTD.</p>	41,800
<p>(Reasons for selection as candidate for Director)</p> <p>Mr. Keiji Ozawa has held various positions in the sales and administrative departments. He was appointed as Vice President in 2009, and promoted to Representative Director, President and COO in 2010. In view of the sudden passing of Mr. Yoshimasa Kasuya in February 2016, he was appointed as Representative Director, Chairman and CEO of the Company. With his high level of expertise as a top executive and great insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	[Reappointment] Ryoichi Kimizuka (August 28, 1955)	<p>April 1982 Joined the Company</p> <p>April 2000 Senior Researcher of Electronic Chemical Department of Central Laboratory</p> <p>April 2003 General Manager of Central Laboratory</p> <p>September 2004 Executive Officer and General Manager of Central Laboratory</p> <p>April 2007 Executive Officer and General Manager of Chemical Development Laboratory of Research & Development Center</p> <p>June 2008 Director, Managing Executive Officer and General Manager of Research & Development Center</p> <p>June 2010 Managing Director, Managing Executive Officer and General Manager of Research & Development Center</p> <p>June 2011 Senior Managing Director, Senior Managing Executive Officer and General Manager of Research & Development Center</p> <p>April 2014 Representative Director and Vice President</p> <p>June 2014 Representative Director, President and COO</p> <p>April 2017 Representative Director, President, COO and CTO (present position)</p> <p>[Significant concurrent positions] Representative Director and President, JCU (THAILAND) CO.,LTD. Representative Director and President, JCU VIETNAM CORPORATION Director and President, JCU CHEMICALS INDIA PVT. LTD. President of PT. JCU Indonesia</p>	73,200
(Reasons for selection as candidate for Director)		<p>Mr. Ryoichi Kimizuka has led the Company's Research & Development Center for many years, and possesses extensive knowledge of outstanding technology and products. He was promoted to Representative Director, President and COO in 2014. With his high level of expertise and great insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.</p>	

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
3	[Reappointment] Kanji Kobayashi (February 22, 1957)	<p>April 1980 Joined the Company</p> <p>April 2003 General Manager of Head Office Chemical Sales and Marketing Department of Sales and Marketing Headquarters</p> <p>April 2010 Assistant General Manager of Domestic Sales and Marketing Headquarters</p> <p>June 2010 Executive Officer and Assistant General Manager of Domestic Sales and Marketing Headquarters</p> <p>June 2013 Director, Managing Executive Officer and Assistant General Manager of Chemical Business Headquarters</p> <p>June 2014 Managing Director, Managing Executive Officer and Assistant General Manager of Chemical Business Headquarters</p> <p>April 2015 Managing Director, Managing Executive Officer and General Manager of Management Strategy Office</p> <p>April 2016 Managing Director, Managing Executive Officer and General Manager of Sales and Marketing Headquarters</p> <p>June 2016 Senior Managing Director, Senior Managing Executive Officer and General Manager of Sales and Marketing Headquarters (present position)</p>	9,600
<p>(Reasons for selection as candidate for Director)</p> <p>Mr. Kanji Kobayashi has held various key positions mainly in the Company's sales department, and has led the Company's sales and marketing operations for many years. He is also experienced in carrying out Director and Executive Officer duties. With his high level of expertise and great insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.</p>			
4	[Reappointment] Masashi Kimura (February 9, 1958)	<p>March 1980 Joined EBARA DENSAN LTD.</p> <p>April 2004 General Manager of Printed Circuit Chemicals Department of EBARA DENSAN LTD.</p> <p>April 2010 Joined the Company as General Manager of DENSAN</p> <p>August 2010 Vice President of JCU (THAILAND) CO., LTD.</p> <p>June 2013 Executive Officer</p> <p>April 2016 Executive Officer and General Manager of Management Strategy Office</p> <p>June 2016 Director, Managing Executive Officer and General Manager of Management Strategy Office (present position)</p>	1,200
<p>(Reasons for selection as candidate for Director)</p> <p>Mr. Masashi Kimura has held various key positions in EBARA DENSAN LTD. including General Manager of Printed Circuit Chemicals Department. He joined the Company in 2010, in line with a partial transfer of operations to the Company. Regarding his duties in the Company, he has been appointed as the Vice President of JCU (THAILAND) CO., LTD. With his high level of expertise and great insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
5	[Reappointment] Shinji Hayashi (July 30, 1958)	April 1981 Joined the Company	4,800
		August 2004 General Manager of Electronic Technology Department of Central Laboratory	
April 2006 General Manager of Second Development Office of Central Laboratory			
April 2009 General Manager of New Product and New Market Development Department of Research & Development Center			
April 2010 General Manager of New Business Technology Department of Research & Development Center			
June 2013 Director, Managing Executive Officer and Assistant General Manager of Research & Development Center			
April 2014 Director, Managing Executive Officer and General Manager of Research & Development Center			
June 2014 Managing Director, Managing Executive Officer and General Manager of Research & Development Center (present position)			
(Reasons for selection as candidate for Director) Mr. Shinji Hayashi has led the Company's Research & Development Center for many years, and possesses extensive knowledge of outstanding technology and products. He is also experienced in carrying out Director and Executive Officer duties. With his high level of expertise and great insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.			
6	[Reappointment] Akihisa Omori (October 2, 1965)	January 1990 Joined the Company	2,400
		April 2010 General Manager of Osaka Branch	
June 2012 General Manager of Management Strategy Office			
April 2014 Managing Executive Officer and General Manager of Management Strategy Office			
June 2014 Director, Managing Executive Officer and General Manager of Management Strategy Office			
April 2015 Director and Managing Executive Officer			
June 2016 Managing Director and Managing Executive Officer (present position)			
[Significant concurrent positions] President of JCU INTERNATIONAL, INC.			
(Reasons for selection as candidate for Director) Mr. Akihisa Omori has held various key positions mainly in the Company's sales department, and is currently the President of JCU INTERNATIONAL, INC. With his high level of management expertise and great insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	
7	[Reappointment] Takanori Arata (May 13, 1967)	September 2006 June 2009 April 2014 June 2014 April 2015 April 2016 June 2016	Joined the Company General Manager of Accounting Department of Administration Headquarters Managing Executive Officer and General Manager of Administration Headquarters Director, Managing Executive Officer and General Manager of Administration Headquarters Director, Managing Executive Officer and Assistant General Manager of Chemical Business Headquarters Director, Managing Executive Officer and Assistant General Manager of Sales and Marketing Headquarters Managing Director, Managing Executive Officer and Assistant General Manager of Sales and Marketing Headquarters (present position)	1,600
		(Reasons for selection as candidate for Director) Mr. Takanori Arata has held various positions including General Manager of Accounting Department and General Manager of Administration Headquarters, and has extensive knowledge of the Company's administrative operations. In addition, in view of his rich experience in international operations, he is currently appointed as General Manager of Overseas Business in the Sales and Marketing Headquarters. With his high level of insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.		
8	[Reappointment] Rui Tanino (October 2, 1957)	April 1982 June 1999 January 2009 March 2010 June 2012 April 2014 April 2016 June 2016	Joined Fuji Machinery Mfg. & Electronics Co., Ltd. Operating Executive Officer and General Manager of Substrate Sales Headquarters of Fuji Machinery Mfg. & Electronics Co., Ltd. Joined the Company as General Manager of New Business Promotion Department General Manager of New Business Sales Promotion Department Assistant General Manager of New Business Headquarters Executive Officer and Assistant General Manager of New Business Headquarters Executive Officer and Assistant General Manager of Sales and Marketing Headquarters Director, Managing Executive Officer and Assistant General Manager of Sales and Marketing Headquarters (present position)	4,000
		(Reasons for selection as candidate for Director) Mr. Rui Tanino has played a central role in the business operations of the New Business segment, and has contributed to the diversification of the Company's management. In 2014, he was appointed as an Executive Officer. With his rich experience in managing new business ventures and great insight regarding the Company's overall operations, it was determined that he should continue to be a candidate for Director.		

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	
9	[Reappointment] Junichi Matsumoto (October 30, 1960)	September 1989 April 2007 April 2011 June 2012 April 2014 June 2016	Joined the Company General Manager of Marketing Strategy Office General Manager of Overseas Business Planning Department of Overseas Business Headquarters General Manager of Overseas Business Promotion Department of Chemical Business Headquarters Executive Officer and General Manager of Production Headquarters Director, Managing Executive Officer and General Manager of Production Headquarters (present position)	11,200
		<p>(Reasons for selection as candidate for Director)</p> <p>Mr. Junichi Matsumoto has led mainly the sales and marketing departments in the Company. In 2014, he was appointed as General Manager of Production Headquarters and became an Executive Officer. As it was deemed appropriate to have a person in charge of the production department involved in the Company's management, it was determined that he should continue to be a candidate for Director.</p>		
10	[Reappointment] Hidemi Nawafune (January 4, 1948)	March 1981 April 1997 April 2009 March 2014 April 2014 June 2014	Doctor of Engineering (at Osaka Prefecture University) Professor at the Faculty of Science and Engineering of Konan University Transferred to the Faculty of Frontiers of Innovative Research in Science and Technology of Konan University Resigned from Konan University Emeritus professor of Konan University (present position) Director of the Company (present position)	400
		<p>[Significant concurrent positions]</p> <p>Chairman Emeritus of Society for the Study of Electroplating Adviser of Osaka Prefecture Electro Plating Industry Association</p> <p>(Reasons for selection as candidate for External Director)</p> <p>Dr. Hidemi Nawafune has extensive knowledge of chemistry and professional knowledge on related laws and regulations and patents. Accordingly, he has contributed immensely as an External Director of the Company and in ensuring that decisions made by the Board of Directors are appropriate. Although he has not been directly involved in corporate management, in view of his high level of expertise and insight, as well as his actual performance results, it was determined that he should continue to be a candidate for External Director.</p>		

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
11	[Reappointment] Masahiko Takanaka (August 6, 1951)	October 1976 Passed the National Bar Examination April 1979 Registered as a lawyer (present position) June 2005 Audit & Supervisory Board Member of the Company April 2014 Chairman of Tokyo Bar Association and Vice Chairman of Japan Federation of Bar Associations June 2015 Director of the Company (present position) [Significant concurrent positions] Head of Takanaka Law Office External Audit & Supervisory Board Member of T&D Asset Management Co., Ltd.	—
	(Reasons for selection as candidate for External Director) As a lawyer, Mr. Masahiko Takanaka has extensive knowledge of corporate legal affairs, and possesses a high level of professional expertise and insight with regards to legal regulations. Accordingly, he has contributed immensely as an External Director of the Company and in ensuring that decisions made by the Board of Directors are appropriate. Although he has not been directly involved in corporate management, in view of his high level of expertise and insight, as well as his actual performance results, it was determined that he should continue to be a candidate for External Director.		

(Notes)

1. There is no special interest between each candidate for Director and the Company.
2. Messrs. Hidemi Nawafune and Masahiko Takanaka are candidates for External Directors. Both candidates are currently External Directors of the Company. At the conclusion of this year's Annual General Meeting of Shareholders, Mr. Hidemi Nawafune's term of office as External Director will be three (3) years, while Mr. Masahiko Takanaka's term of office as External Director will be two (2) years. In addition, Mr. Masahiko Takanaka was an External Audit & Supervisory Board Member of the Company from June 2005 to June 2014.
3. The Company has appointed Mr. Hidemi Nawafune and Mr. Masahiko Takanaka as Independent Officers prescribed by Tokyo Stock Exchange and submitted a notification of the appointments to said Exchange. If their reelections are approved, the Company plans to continue appointing them as Independent Officers and to submit a notification of the appointments to said Exchange.
4. The Company has agreements with Mr. Hidemi Nawafune and Mr. Masahiko Takanaka to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by Article 425, Paragraph 1 of said Act.
If the candidates for External Director Mr. Hidemi Nawafune and Mr. Masahiko Takanaka are reelected, the Company plans to continue the same agreement with them.
5. The Company conducted a 2-for-1 stock split of its common stock as of April 1, 2017. The "Number of shares of the Company held" by each candidate shown above is the number of shares after the stock split.

Proposal 2: Election of two (2) Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Member Mr. Osamu Takai will expire and Mr. Mineo Ban will resign from his office at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of two (2) Audit & Supervisory Board Members is proposed.

The Audit & Supervisory Board has provided its consent to this proposal.

The candidate is as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	[New appointment] Seishi Kasai (June 14, 1951)	<p>April 1974 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>November 1998 General Manager, Sales Department 1 of the Head Office of The Asahi Bank, Ltd. (currently Resona Bank, Limited)</p> <p>April 2001 General Manager in charge of Accounting Division of Clarion Co., Ltd.</p> <p>June 2001 Director, General Manager of Accounting Division of Clarion Co., Ltd.</p> <p>June 2006 General Manager in charge of Management Promotion Division of Clarion Co., Ltd.</p> <p>April 2009 General Manager of Management Promotion Division of Clarion Co., Ltd.</p> <p>June 2010 Director, General Manager of Management Promotion Division of Clarion Co., Ltd. and in charge of mainly European Region</p> <p>April 2012 Director in charge of CSR of Clarion Co., Ltd.</p> <p>June 2012 Full-time Audit & Supervisory Board Member of Clarion Co., Ltd.</p> <p>June 2016 Director, Chairman of the Audit Committee (full-time) of Clarion Co., Ltd. (present position)</p>	—
<p>(Reasons for selection as candidate for External Audit & Supervisory Board Member)</p> <p>Mr. Seishi Kasai has extensive experience and actual performance results as an executive director in the accounting division and management promotion division at Clarion Co., Ltd., and possesses a considerable level of insight regarding finance and accounting. He also has professional experience as a Audit & Supervisory Board Member handling the auditing of business execution of Directors. As the Company believes his external and objective standpoint will contribute to strengthening the audit system of the Company, it was determined that he should be a candidate for External Audit & Supervisory Board Member.</p>			

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	[New appointment] Atsushi Shigeta (March 31, 1957)	<p>April 1979 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd. (MHBK))</p> <p>April 2008 Managing Executive Officer, officer in charge of sales of Mizuho Corporate Bank (currently MHBK)</p> <p>April 2009 Managing Executive Officer, supervising officer of Global Transaction Unit, IT & System Group and Administration Group of Mizuho Corporate Bank</p> <p>April 2010 Director of Mizuho Corporate Bank</p> <p>May 2010 Senior Managing Director of Tobu Department Store Co., Ltd.</p> <p>May 2011 Representative Director and Senior Managing Executive Officer of Tobu Department Store Co., Ltd.</p> <p>April 2013 President and Representative Director of Tobu Department Store Co., Ltd.</p> <p>June 2015 Retired as Director of Tobu Department Store Co., Ltd.</p> <p>June 2015 Substitute Auditor of KYB Corporation (present position)</p> <p>June 2015 President and Representative Director of Tobu Hotel Management Co., Ltd. (present position)</p> <p>March 2016 Audit & Supervisory Board Member of Tokyo Tatemono Real Estate Sales Co., Ltd. (present position)</p>	—
<p>(Reasons for selection as candidate for External Audit & Supervisory Board Member)</p> <p>Mr. Atsushi Shigeta has held various positions including President and Representative Director of Tobu Department Store Co., Ltd., and Tobu Hotel Management Co., Ltd., and has a high level of expertise and actual performance results as a top executive of a business operating company. As the Company believes his external and objective standpoint as a person experienced in corporate management will contribute to strengthening the audit system of the Company, it was determined that he should be a candidate for External Audit & Supervisory Board Member.</p>			

(Notes)

1. There is no special interest between each candidate for Audit & Supervisory Board Member and the Company.
2. Messrs. Seishi Kasai and Atsushi Shigeta are candidates for External Audit & Supervisory Board Member of the Company.
3. If Mr. Seishi Kasai and Mr. Atsushi Shigeta are elected as Audit & Supervisory Board Members, the Company will conclude an agreement with them to limit their liability under Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of said Act. The maximum amount of liability pursuant to the agreement is the amount stipulated by Article 425, Paragraph 1 of said Act.

Proposal 3: Determination of Compensation to Directors (Excluding External Directors) to Allot Restricted Stock

The current amount of compensation, etc. for Directors was approved as no more than 500 million yen per year (including up to 40 million yen for External Directors; however, this does not include the portion of employee's salary paid to Directors concurrently serving as employees) at the 54th Annual General Meeting of Shareholders held on June 27, 2014.

Now, in order for Directors (excluding External Directors) to share the benefits and risks of fluctuations in the share price with shareholders, and further increase the desire to contribute to an increase in the share price and enhancement in corporate value, the Company proposes to allot to Directors (excluding External Directors) common stock in the Company that is subject to stipulations such as a certain transfer restriction period and grounds for acquisition by the Company without consideration (hereinafter, "restricted stock").

Accordingly, comprehensively taking into consideration various matters such as the level of contribution by Directors in the Company, the Company proposes a total amount of no more than 50 million yen per year for claims to monetary compensation to be paid to Directors (excluding External Directors) as compensation relating to restricted stock, etc., within the range of the aforementioned amount of compensation, etc. for Directors. Furthermore, this total amount for claims to monetary compensation shall not include the portion of employee's salary paid to Directors concurrently serving as employees.

In addition, the allotment of restricted stock has been determined while comprehensively taking into consideration various matters such as the level of contribution by Directors in the Company, and we believe that the details thereof are appropriate.

Furthermore, currently there are eleven (11) Directors (including two (2) External Directors), and this number shall remain the same even if Proposal 1 is approved.

Specific Details and Maximum Number of Shares of Restricted Stock for Directors (Excluding External Directors) of the Company

1. Allotment of Restricted Stock and Payment

Based on a resolution of the Board of Directors of the Company, the Company shall pay claims to monetary compensation to Directors (excluding External Directors) of the Company within the range of the aforementioned annual amount, as compensation relating to restricted stock, and each Director shall be allotted restricted stock through a contribution in kind of all the claims to monetary compensation.

Furthermore, the amount of payment for the restricted stock shall be based on the closing price of the common stock of the Company on the Tokyo Stock Exchange on the business day prior to the date of the resolution of the Board of Directors of the Company (if there are no transactions on that day, the closing price on the most recent trading day before then), and shall be determined by the Board of Directors of the Company within a range such that the amount is not particularly advantageous for the Directors who will receive the restricted stock.

In addition, the above claims to monetary compensation shall be paid subject to the Directors of the Company consenting to the aforementioned contribution in kind, and the conclusion of a contract for allotment of restricted stock including the content set forth in item 3. below.

2. Total Number of Shares of Restricted Stock

The total number of shares of restricted stock, 25,000 shares, to be allotted to Directors (excluding External Directors) of the Company shall be the maximum number of shares of restricted stock to be allotted in each fiscal year.

However, in the case of a share split (including a gratis allotment of shares of common stock of the Company) or consolidation of shares relating to the common stock of the Company on or after the date of the resolution of this proposal, or in other cases equivalent to these cases when an adjustment to the total number of shares of restricted stock to be allotted is necessary, the Company may adjust the total number of shares of restricted stock within reason.

3. Details of the Contract for Allotment of Restricted Stock

When allotting restricted stock, the contract for allotment of restricted stock that shall be concluded between the Company and the Directors who will receive the allotment of restricted stock based on the resolution of the Board of Directors of the Company, shall include the following details.

(1) Details of the Transfer Restrictions

For a period determined by the Board of Directors of the Company and lasting between three (3) and twenty-five (25) years (hereinafter, the “transfer restriction period”), Directors receiving an allotment of restricted stock shall not be able to transfer the restricted stock to a third party, establish a pledge on it, create a transferable security interest on it, gift it inter vivos, bequest it, or otherwise dispose of it in any way.

(2) Acquisition of Restricted Stock without Consideration

In the event that a Director who has received an allotment of restricted stock retires from the position of Director of the Company on or after the day of the commencement of the transfer restriction period and until the day prior to the date the first subsequent Annual General Meeting of Shareholders is held, the Company shall, as a matter of course, acquire the restricted stock allotted to the Director (hereinafter, the “Allotted Stock”) without consideration, excluding cases when the reason for retirement is because of the expiration of his or her term of office, death, or other reasons recognized as fair by the Board of Directors of the Company.

In addition, if there are shares among the Allotted Stock for which the transfer restrictions have not been removed based on the grounds for the removal of transfer restrictions in the below item (3) as of the time the transfer restriction period described in the above item (1) ends, then the Company shall, as a matter of course, acquire these without consideration.

(3) Removal of Transfer Restrictions

The Company shall remove the transfer restrictions on all of the Allotted Stock when the transfer restriction period ends, subject to the Director who received the allotment of restricted stock continuously holding the position of Director of the Company from the day of the commencement of the transfer restriction period until the day the first subsequent Annual General Meeting of Shareholders is held.

However, if the Director retires from the position of Director of the Company prior to the expiration of the transfer restriction period owing to the expiration of his or her term of office, death, or any other reason recognized as fair by the Board of Directors of the Company, as set forth in item (2) above, then the number of shares of the Allotted Stock for which transfer restrictions shall be removed and the timing of the removal of transfer restrictions shall be adjusted as necessary within reason.

(4) Treatment of Organizational Restructuring, etc.

In the event of a merger agreement where the Company will be the disappearing company, a share exchange agreement or share transfer plan where the Company shall become a wholly owned subsidiary, or other proposal relating to organizational restructuring etc. being approved at the General Meeting of Shareholders during the transfer restriction period (however, this shall be the Board of Directors of the Company in cases that do not require approval at the General Meeting of Shareholders in relation to the organizational restructuring, etc.), the Company shall, by resolution of the Board of Directors, remove transfer restrictions prior to the effective date of the organizational restructuring, etc. for a reasonably determined number of shares of the Allotted Stock taking into consideration the period from the day of the commencement of the transfer restriction period to the day of the approval of the organizational restructuring, etc.

In this case, immediately after the removal of transfer restrictions based on the above stipulations, the Company shall, as a matter of course, acquire without consideration the Allotted Stock for which transfer restrictions have still not been removed.

Proposal 4: Continuation of the Response Measures to Large-Scale Purchases of the Company Shares (Takeover Defenses)

The Company initially introduced the “Response Measures to Large-Scale Purchases of the Company Shares (Takeover Defenses)” at a meeting of the Board of Directors of the Company held on April 25, 2008, and subsequently continued it after receiving shareholders’ approval at the 48th Annual General Meeting of Shareholders held on June 27, 2008, and has most recently continued it by resolution at the 54th Annual General Meeting of Shareholders held on June 27, 2014 (hereinafter, the “Current Plan”), but its effective period is until the conclusion of this General Meeting of Shareholders. Taking into consideration such factors as changes in social and economic trends since the continuation of the Current Plan, various trends surrounding anti-takeover measures and the development of a variety of discussions, and the intent of the corporate governance code, the Company has continued to consider how the Plan should be as an initiative to protect and enhance the corporate value of the Company and shareholders’ common interests, including the appropriateness of continuing it.

As a result of these considerations, at a meeting of the Board of Directors held on May 26, 2017, the Company decided fundamentally to continue the Current Plan, subject to receiving the approval of shareholders at this General Meeting of Shareholders (hereinafter, the policy after continuation shall be referred to as “this Plan”), and hence submits this proposal.

The main changes to this Plan from the Current Plan are as follows.

- 1) The Company has made it such that members of the Independent Committee shall be elected from among External Directors independent from the management team engaging in the business execution of the Company, External Audit & Supervisory Board Members, or external experts, and has added a provision to the effect that being an External Director shall be a requirement for members of the Independent Committee.
- 2) The Company has made other amendments to wording and adjusted phrasing, etc.

I. Details of this Plan, to which Approval shall Apply

1. Objective of this Plan

This Plan is a continuation of the Current Plan as an initiative to prevent decisions regarding the Company’s financial and business policies being controlled by persons that are inappropriate in light of the “Basic Policy Regarding Control of the Company.”

In the event of a large-scale purchase, etc. of the Company’s shares, the Board of Directors of the Company believes that it is in line with corporate value and shareholders’ common interests to secure the necessary information and time for shareholders to make an appropriate assessment, and to conduct negotiations, etc. with the purchaser, etc. in accordance with certain reasonable rules, and has established certain rules (hereinafter, the “Large-Scale Purchase Rules”) regarding the provision of information and securing time for consideration, etc. in the event of a large-scale purchase, as set forth below, and, as anti-takeover measures that include policies to address cases when a large-scale purchase is conducted by a person that is inappropriate in light of the “Basic Policy Regarding Control of the Company,” shall continue the Current Plan as this Plan, subject to receiving the approval of shareholders at this General Meeting of Shareholders. Please refer to Attachment 1 for an overview of this Plan.

2. Purchases of the Company’s Shares to which the Plan shall Apply

Purchases of the Company’s shares to which this Plan shall apply shall be purchases of the Company’s share certificates, etc. (Note 3) where the objective is for a specified shareholder group (Note 1) to achieve a voting rights ratio (Note 2) of 20% or more, or purchases of the Company’s share certificates, etc. where the voting rights ratio of the specified shareholder group shall be 20% or more as a result of the purchase (in either case, this shall exclude those to which the Board of Directors of the Company has previously consented; additionally, this shall apply regardless of the specific purchase method, such as market transaction or tender offer; hereinafter, such a purchase shall be referred to as a “large-scale purchase,” and a person conducting such a purchase shall be referred to as a “large-scale purchaser”).

Note 1: A specified shareholder group refers to:

- (i) A holder (including a holder pursuant to Article 27-23, Paragraph (3) of the Financial Instruments and Exchange Act; hereinafter the same shall apply) of the Company’s share certificates, etc. (refers to share certificates, etc. as provided for in Article 27-23, Paragraph (1) of the same), and any joint holders thereof (refers to a joint holder as provided for in Article 27-23, Paragraph (5) of the same, and includes persons deemed joint holders pursuant to Paragraph (6) of the same; hereinafter the same shall apply), or alternatively;

- (ii) A person conducting a purchase, etc. (refers to a purchase, etc. as provided for in Article 27-2, Paragraph (1) of the same, and includes those conducted on financial instruments exchange markets) of the Company's share certificates, etc. (refers to share certificates, etc. as provided for in Article 27-2, Paragraph (1) of the same), and any specially related parties thereof (refers to a specially related party as provided for in Article 27-2, Paragraph (7) of the same).

Note 2: The voting rights ratio refers to:

- (i) In cases when the specified shareholder group falls under item (i) described in Note 1, the ownership ratio of share certificates, etc. of the holder (refers to the ownership ratio of share certificates, etc. as provided for in Article 27-23, Paragraph (4) of the Financial Instruments and Exchange Act; in this case, the number of share certificates, etc. held (refers to the number of share certificates, etc. held as provided for in the same paragraph; hereinafter the same shall apply) of any joint holders of the holder shall also be aggregated), or alternatively;
- (ii) In cases when the specified shareholder group falls under item (ii) described in Note 1, the total ownership ratio of share certificates, etc. (refers to the ownership ratio of share certificates, etc. as provided for in Article 27-2, Paragraph (8) of the same) of the large-scale purchaser and any specially related parties thereof.

When calculating the each voting rights ratio, the most recently submitted annual securities report, quarterly securities report, or share buyback report may be referred to for the total number of voting rights (as provided for in Article 27-2, Paragraph (8) of the same) and the total number of issued shares (as provided for in Article 27-23, Paragraph (4) of the same).

Note 3: Share certificates, etc. refers to share certificates, etc. as provided for in Article 27-23, Paragraph (1) of the Financial Instruments and Exchange Act or Article 27-2, Paragraph (1) of the same.

3. Establishment of the Independent Committee

The Board of Directors of the Company shall make the final judgment regarding whether or not the Large-Scale Purchase Rules have been complied with, and, even in cases when the Large-Scale Purchase Rules have been complied with, whether or not to take countermeasures because the large-scale purchase will significantly harm the corporate value of the Company and shareholders' common interests, but in order to ensure this Plan is appropriately implemented, to prevent arbitrary judgments by the Board of Directors, and to ensure the objectivity and reasonableness of those judgments, an Independent Committee shall be established based on the Independent Committee Regulations, as in the Current Plan (see Attachment 2 for an overview of the Independent Committee Regulations). The Independent Committee shall have three (3) or more members, and in order to make fair and neutral judgment possible, they shall be elected from among External Directors who are independent of the business execution of the Company, External Audit & Supervisory Board Members, and external experts (Note). For the members of the Independent Committee after the continuation of this Plan, the Company plans to newly appoint Mr. Seishi Kasai and Mr. Atsushi Shigeta, who are scheduled to be appointed as External Audit & Supervisory Board Members, in addition to Mr. Mitsuru Ichikawa, who is an External Audit & Supervisory Board Member and is currently a member of the Independent Committee. (See Attachment 3 for details of their past experience.)

Prior to the activation of countermeasures, the Board of Directors of the Company shall consult with the Independent Committee regarding the appropriateness of activating countermeasures, and the Independent Committee shall issue a recommendation to the Board of Directors of the Company regarding whether or not circumstances are such that countermeasures may be activated, after carefully evaluating and considering the large-scale purchase from the perspective of enhancing the corporate value of the Company and shareholders' common interests. The Board of Directors of the Company shall make a decision regarding the activation of countermeasures while respecting the recommendation of the Independent Committee to the maximum extent possible. Appropriate public disclosure shall be made of an overview of the content of the recommendation of the Independent Committee.

Furthermore, in order to ensure that the assessment of the Independent Committee contributes to the corporate value of the Company and shareholders' common interests, the Independent Committee may acquire as necessary, at the Company's expense, the advice of independent third-party, external experts (financial advisers, certified public accountants, attorneys, consultants, and other experts), etc.

Note: An external expert refers to a corporate manager with a record of achievements, a former employee of a government agency, an attorney, a certified public accountant, an academic expert, or other equivalent person.

4. Overview of the Large-Scale Purchase Rules

(1) Advance Submission of Letter of Intent to the Company by the Large-Scale Purchaser

In the event that a large-scale purchaser attempts to conduct a large-scale purchase, the large-scale purchaser shall first submit to the Board of Directors of the Company a Letter of Intent written in Japanese and containing content including those indicated below, including a legally binding pledge to comply with the Large-Scale Purchase Rules, ahead of the large-scale purchase and the large-scale purchase proposal, and in the format set forth by the Company.

Furthermore, the Letter of Intent and all other documents submitted to the Company by the large-scale purchaser shall be written in Japanese.

- (a) Name and address of the large-scale purchaser;
- (b) Governing law of incorporation;
- (c) Name of representative;
- (d) Contact details within Japan;
- (e) Overview of the large-scale purchase proposed;
- (f) Pledge to comply with the Large-Scale Purchase Rules set forth in this Plan.

If the Board of Directors of the Company receives a Letter of Intent from the large-scale purchaser, the Company shall promptly make public disclosure of that fact and, as necessary, of its contents.

(2) Submission of Necessary Information from the Large-Scale Purchaser

Within ten (10) business days after the day of receipt of the Letter of Intent containing all of the information in the above 4.(1), items (a) to (f), the Board of Directors of the Company shall issue a document (hereinafter, the “Necessary Information List”) to the large-scale purchaser describing information regarding the large-scale purchase (hereinafter, the “necessary information”), and the large-scale purchaser shall submit a document providing the necessary information in Japanese to the Board of Directors of the Company, in accordance with the Necessary Information List.

The general items in the necessary information shall be as follows. The specific details thereof shall differ according to the attributes of the large-scale purchaser and the details of the large-scale purchase, but in all cases, it shall be limited to a range that is necessary and sufficient for shareholders to make an assessment and the Board of Directors of the Company to form an opinion.

- (a) Details of the large-scale purchaser and their group (including joint holders, specially related parties, members (in the case of funds) and other constituent members) (including name, business contents, past experience or history, capital structure, financial details, and information relating to experience in businesses of the same type as those of the Company and its Group companies, etc.);
- (b) Objective, method, and details of the large-scale purchase (including the amount and type of consideration for the large-scale purchase, timing of the large-scale purchase, structure of related transactions, the legality of the method of large-scale purchase, and the feasibility of the large-scale purchase and related transactions, etc.);
- (c) Calculation basis for the purchase consideration for the Company’s shares in the large-scale purchase (including facts that serve as assumptions for the calculation, calculation method, numerical data used in the calculation, and details of any synergies expected to arise as a result of transactions related to the large-scale purchase);
- (d) Backing for funds for the large-scale purchase (including the specific name of the provider of funds (including de facto providers), the method of raising funds, and the details of related transactions);
- (e) Expected candidates for officers of the Company or its Group companies after the completion of the large-scale purchase (including information relating to experience in businesses of the same type as those of the Company and its Group companies, etc.), management policy, business plans, financial plans, capital policy, dividend policy, asset utilization policy, etc.;
- (f) Whether there will be changes in relationships between the Company and its Group companies and the customers of the Company and its Group companies, business partners, employees, and other stakeholders after the completion of the large-scale purchase, and the details thereof.

The Board of Directors of the Company may establish a deadline for the provision of information by the large-scale purchaser as necessary, from the perspective of ensuring the prompt implementation of the Large-Scale Purchase Rules. However, this deadline may be extended if there is a request for extension from the large-scale purchaser based on reasonable grounds.

Furthermore, if, as a result of the Board of Directors of the Company examining the necessary information initially submitted based on the above, the necessary information is believed to be insufficient as information for the evaluation and consideration of the large-scale purchase, the Board of Directors of the Company may request the submission of additional information from the large-scale purchaser until the necessary information is compiled, after establishing an appropriate and reasonable deadline.

If the Board of Directors of the Company judges that all the necessary and sufficient information for evaluating and considering the large-scale purchase has been submitted by the large-scale purchaser, the Company shall dispatch notification to that effect to the large-scale purchaser, submit the necessary information to the Independent Committee, and make public disclosure to that effect.

In addition, even after the Board of Directors of the Company has requested the submission of additional necessary information, if there is a reasonable explanation from the large-scale purchaser to the effect that the submission of a certain portion of this information is difficult, the Board of Directors of the Company may end negotiations, etc. relating to the submission of information with the large-scale purchaser even if all the necessary information requested by the Board of Directors of the Company has not been compiled, and commence the evaluation and consideration of the Board of Directors as described in item (3) below.

The necessary information submitted to the Board of Directors of the Company shall be submitted to the Independent Committee and additionally, if it is recognized as necessary for shareholders' assessment, shall be publicly disclosed in its entirety or in part, at a time judged to be appropriate by the Board of Directors of the Company.

(3) Evaluation and Consideration of the Necessary Information by the Board of Directors of the Company, etc.

In accordance with the difficulty of evaluating the large-scale purchase, etc., after the completion of the submission of necessary information to the Board of Directors of the Company by the large-scale purchaser, the Board of Directors of the Company shall establish a period of up to 60 days in the case of a purchase of all of the Company's shares by tender offer where the consideration is cash (Japanese yen) only, or up to 90 days for other large-scale purchases, for evaluation, consideration, negotiation, opinion forming, and the formulation of alternative proposals by the Board of Directors of the Company (hereinafter, the "Board of Directors' study period").

During the Board of Directors' study period, the Board of Directors of the Company shall sufficiently evaluate and consider the necessary information submitted, while receiving advice as necessary from independent third-party, external experts (financial advisers, certified public accountants, attorneys, consultants, and other experts), etc., and carefully formulate an opinion as the Board of Directors of the Company while respecting the recommendation of the Independent Committee to the maximum extent possible, and shall make public disclosure thereof. In addition, the Board of Directors of the Company may negotiate improvements in the terms of the large-scale purchase with the large-scale purchaser as necessary, and present an alternative proposal to shareholders.

5. Policy to Address Cases when a Large-Scale Purchase is Conducted

(1) If the Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules

If the large-scale purchaser does not comply with the Large-Scale Purchase Rules, then regardless of the specific purchase method, the Board of Directors of the Company may resist the large-scale purchase by taking countermeasures recognized in the Companies Act, other laws and regulations, and the Articles of Incorporation of the Company, such as the gratis allotment of subscription warrants, with the aim of protecting the corporate value of the Company and shareholders' common interests.

Furthermore, when assessing whether or not the Large-Scale Purchase Rules have been complied with, the circumstances of the large-scale purchaser shall also be sufficiently considered to a reasonable extent, and at the very least, it shall not be recognized that the Large-Scale Purchase Rules have not been complied with based solely on the failure to submit part of the necessary information.

(2) If the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules

If the large-scale purchaser has complied with the Large-Scale Purchase Rules, then even if the Board of Directors of the Company is opposed to the large-scale purchase, its actions shall be limited to persuading shareholders, such as expressing an opinion opposing the purchase proposal or presenting an alternative proposal, and in principle, it shall not take countermeasures against the large-scale purchase. Shareholders shall assess whether or not to accept the purchase proposal of the large-scale purchaser, taking into consideration such factors as the purchase proposal and the opinion presented by the Company regarding the purchase proposal, and any alternative proposals.

However, even if the Large-Scale Purchase Rules are complied with, if the Board of Directors of the Company judges that the large-scale purchase will significantly harm the corporate value of the Company and shareholders' common interests, for example, if it falls under any of the below categories (a) to (i), and as a result will cause harm to the Company from which it will be difficult to recover, the Board of Directors of the Company may, as an exception, decide to activate countermeasures as described in the above item (1), within a necessary and appropriate range in order to protect the corporate value of the Company and shareholders' common interests.

- (a) Cases when it is judged that a purchase of the Company's shares is being conducted with the objective of simply increasing the share price and forcing parties related to the Company to purchase those shares at a high price, with no intention to truly participate in the management of the Company (a so-called "Greenmailer");
- (b) Cases when it is judged that a purchase of the Company's shares is being conducted with the objective of implementing so-called scorched earth management, such as temporarily taking control of the management of the Company and forcing the transfer of rights to intellectual property, expertise, confidential corporate information, main business partners or customers, etc. that are necessary for the management of the businesses of the Company or its Group companies to the large-scale purchaser or its group companies, etc.;
- (c) Cases when it is judged that a purchase of the Company's shares is being conducted with a plan to take control of the management of the Company and subsequently use the assets of the Company or its Group companies as collateral for the debt of the large-scale purchaser or its group companies, etc., or as repayment funds;
- (d) Cases when it is judged that a purchase of the Company's shares is being conducted with the objective of temporarily taking control of the management of the Company and forcing the disposal by sale, etc. of real estate, marketable securities or other high value assets, etc. that are not immediately related to the businesses of the Company or its Group companies, and using the proceeds of the disposal to force the payment of a temporarily high dividend, or take advantage of the sudden increase in the share price caused by the temporarily high dividend to sell the Company's shares at a high price;
- (e) Cases when it is judged that there is a risk that the method of purchasing the Company's shares presented by the large-scale purchaser may restrict the opportunity or freedom of shareholders to make an assessment, and effectively force shareholders to sell the Company's shares, such as a so-called Audit & Supervisory Board Member (refers to a purchase of shares by tender offer, etc. when not all of the Company's shares are solicited for purchase in the initial purchase, and unfavorable purchase terms are established for the second stage, or the terms are not made clear);
- (f) Cases when it is judged that the purchase terms for the Company's shares presented by the large-scale purchaser are considerably insignificant or inappropriate in light of the corporate value of the Company and shareholders' common interests (including, but not limited to, the type and amount of purchase consideration, the calculation basis for the amount, the specific details of other terms, the legality or illegality, and feasibility);
- (g) Cases when it is judged that the post-purchase management policies, etc. for the Company by the large-scale purchaser are insufficient or inappropriate, and therefore there is a risk that the business growth or stability of the Company or its Group companies may be impeded, and cause significant harm to corporate value or shareholders' common interests;
- (h) Cases when it is judged that the corporate value of the Company and shareholders' common interests will be significantly harmed owing to, for example, harm to relationships with customers, business partners, employees, persons related to local communities, and other stakeholders that are essential for realizing a sustainable increase in the corporate value of the Company or its Group companies as a result of the acquisition of control by the large-scale purchaser;
- (i) Cases when it is judged that the large-scale purchaser is considerably inappropriate as a controlling shareholder of the Company from the perspective of public order and good morals.

(3) Resolution of the Board of Directors and Holding of a General Meeting of Shareholders

When assessing the appropriateness of activating countermeasures as described in items (1) and (2) above, the Board of Directors of the Company shall make a resolution regarding whether to activate or not activate countermeasures, etc. as a body under the Companies Act, after sufficiently considering the necessity and appropriateness, etc. of countermeasures, while respecting the recommendation of the Independent Committee to the maximum extent possible.

The Board of Directors of the Company shall select the specific countermeasure that it judges to be most appropriate at that point in time. As one specific countermeasure, for example, an overview of a case when the Board of Directors of the Company conducts a gratis allotment of subscription warrants shall be as described in Attachment 4, in principle. However, when actually conducting a gratis allotment of subscription warrants, the Company may establish an exercise period and other exercise conditions taking into consideration its effect as a countermeasure, such as making it an exercise condition of the subscription warrants that the holder does not belong to a specified shareholder group with a voting rights ratio equal to or above a certain ratio.

In addition, if the Independent Committee makes a recommendation regarding the activation of countermeasures and requests the holding of a General Meeting of Shareholders for a resolution on activation, the Board of Directors of the Company may establish a period of up to 60 days as a time for shareholders to sufficiently consider whether to approve the activation of countermeasures under this Plan (hereinafter, the "Shareholder Consideration Period"), and hold a General Meeting of Shareholders of the Company during this Shareholder Consideration Period.

If the Board of Directors of the Company makes a resolution to hold a General Meeting of Shareholders and determine a record date, then the Board of Directors' study period shall end on such day and it shall immediately move to the Shareholder Consideration Period.

When holding the General Meeting of Shareholders, the Board of Directors of the Company shall deliver to shareholders, together with the Notice of the General Meeting of Shareholders, documents containing the necessary information submitted by the large-scale purchaser, the opinion of the Board of Directors of the Company regarding the necessary information, any alternative proposal by the Board of Directors of the Company, and any other matters judged to be appropriate by the Board of Directors of the Company, and shall make timely, appropriate disclosure to that effect.

In the event that a resolution is made at a General Meeting of Shareholders regarding the activation or non-activation of countermeasures, the Board of Directors of the Company shall comply with the resolution of the General Meeting of Shareholders. In the event that the General Meeting of Shareholders resolves to reject the activation of countermeasures, the Board of Directors of the Company shall not activate countermeasures.

In addition, the Shareholder Consideration Period shall end at the conclusion of the General Meeting of Shareholders, and the Company shall make timely, appropriate disclosure of the result of the General Meeting of Shareholders after the resolution.

(4) Large-Scale Purchase Waiting Period

If there is no Shareholder Consideration Period, the period from the day the Letter of Intent described in the above item 4. (1) "Advance Submission of Letter of Intent to the Company by the Large-Scale Purchaser" is submitted to the Board of Directors of the Company until the end of the Board of Directors' study period shall be the Large-Scale Purchase Waiting Period (if there is a Shareholder Consideration Period, it shall be the period until the end of both the Board of Directors' study period and the Shareholder Consideration Period). Additionally, during the Large-Scale Purchase Waiting Period, the large-scale purchase may not be conducted.

Therefore, the large-scale purchase may only commence after the Large-Scale Purchase Waiting Period has passed.

(5) Suspension of the Activation of Countermeasures, etc.

After a resolution has been made to take specific countermeasures either by the Board of Directors of the Company or a General Meeting of Shareholders, as described in the above item (3), if the large-scale purchaser withdraws from or changes the large-scale purchase, etc., and the Board of Directors of the Company judges that the activation of countermeasures is not appropriate, it may suspend the activation of countermeasures, etc., while respecting the opinion or recommendation of the Independent Committee to the maximum extent possible.

For example, in cases when a gratis allotment of subscription warrants is conducted as a countermeasure, if the Board of Directors of the Company judges that the activation of countermeasures is not appropriate, such as when the large-scale purchaser withdraws from or changes the large-scale purchase, even after there has been a resolution to conduct the gratis allotment, or after it has been conducted, then the Board of Directors of the Company may suspend the activation of countermeasures with the recommendation of the Independent Committee, by canceling the gratis allotment of subscription warrants during the period until the day before the effective date of the subscription warrants, or by the Company acquiring the subscription warrants without consideration after the gratis allotment of subscription warrants and until the day before the start of the exercise period (shareholders' subscription warrants shall be extinguished by the Company acquiring them without consideration).

If suspending the activation of countermeasures, etc., the Company shall make timely and appropriate disclosure of such decision in accordance with laws and regulations and the listing regulations, etc. of the financial instruments exchanges where the Company is listed.

6. Commencement of this Plan, Effective Period, Continuation and Abolition

This Plan shall become effective from the day of resolution at this General Meeting of Shareholders, and its effective period shall be until the conclusion of the 60th Annual General Meeting of Shareholders of the Company to be held by June 30, 2020.

However, even after the continuation of this Plan is approved at this General Meeting of Shareholders and taking effect, if 1) a resolution is made at a General Meeting of Shareholders of the Company to abolish this Plan, or 2) a resolution is made by the Board of Directors of the Company to abolish this Plan, then it shall be abolished at that time.

In addition, even during the effective period of this Plan, the Board of Directors of the Company may review it as needed from the perspective of enhancing corporate value and shareholders' common interests, and may make amendments to this Plan with the approval of the General Meeting of Shareholders. In this way, if the Board of Directors of the Company makes a decision regarding the continuation, amendment, or abolition, etc. of this Plan, it shall promptly make public disclosure of the contents thereof.

Furthermore, even during the effective period of this Plan, if laws and regulations relevant to this Plan or listing regulations for financial instruments exchanges where the Company is listed, etc. are newly established, revised, or abolished, and it is appropriate to reflect those changes, or in such cases as when it is appropriate to correct words and phrases owing to mistakes, etc., the Board of Directors of the Company may correct or amend this Plan with the consent of the Independent Committee as necessary, provided it does not disadvantage shareholders.

II. Supplementary Explanation

While the details of this Plan are as described in item I. above, 1) the impact on shareholders, etc., and 2) the reasonableness of this Plan are as follows. The Company requests that shareholders consider these points and approve this proposal.

1. Impact on Shareholders of this Plan, etc.

(1) Impact on Shareholders of the Large-Scale Purchase Rules, etc.

The objective of the Large-Scale Purchase Rules is to ensure the necessary information for shareholders to make an assessment of whether or not to accept the large-scale purchase, and to ensure opportunities for the Board of Directors of the Company, who are responsible for the management of the Company, to provide an opinion, and for shareholders to be presented with alternative proposals. As a result, it shall be possible for shareholders to make an appropriate judgment regarding whether or not to accept the large-scale purchase based on sufficient information and proposals, and we believe that this shall help protect the corporate value of the Company and shareholders' common interests. Therefore, we believe that the establishment of the Large-Scale Purchase Rules is a prerequisite for shareholders to make an appropriate judgment, and that it will contribute to shareholder interests.

Furthermore, as described in the above item 5., the Company's policy for addressing a large-scale purchase shall differ according to whether or not the large-scale purchaser has complied with the Large-Scale Purchase Rules, etc., so shareholders are asked to be aware of the behavior of the large-scale purchaser.

(2) Impact on Shareholders when Countermeasures are Activated

In cases when the large-scale purchaser has not complied with the Large-Scale Purchase Rules, or even in cases when the Large-Scale Purchase Rules have been complied with, if it is judged that the large-scale purchase will significantly harm the corporate value of the Company and shareholders' common interests, for example, by causing harm to the Company that it will be difficult to recover from, the Board of Directors of the Company may take countermeasures as recognized in the Companies Act and other laws and regulations and the Articles of Incorporation of the Company, such as a gratis allotment of subscription warrants, with the objective of protecting the corporate value of the Company and shareholders' common interests. Due to the structure of the countermeasures, the Company does not expect any circumstances to arise where shareholders may suffer any particular loss in terms of legal rights and from economic perspective (excluding large-scale purchasers who do not comply with the Large-Scale Purchase Rules and large-scale purchasers who conduct large-scale purchases that would harm the interests of the Company's shareholders as a whole, such as causing harm to the Company from which it will be difficult to recover).

If the Board of Directors of the Company decides to take specific countermeasures, the Company shall make timely and appropriate disclosure in accordance with laws and regulations and the listing regulations of the financial instruments exchanges where the Company is listed, etc.

As one countermeasure, for example, if implementing a gratis allotment of subscription warrants, there shall be no need for shareholders to complete procedures for application or payment, etc., as shareholders shall be allotted subscription warrants without any need to apply, and the Company shall take procedures to acquire the subscription warrants, so shareholders shall receive the Company's shares as consideration for the acquisition of the subscription warrants by the Company without paying an amount equivalent to the exercise price of the subscription warrants. However, in this case the Company may require that shareholders receiving an allotment of subscription warrants separately submit a document in a format prescribed by the Company pledging that they are not the large-scale purchaser, etc.

Furthermore, even after the allotment date of the subscription warrants and the subscription warrants becoming effective, the Company may cancel the allotment of subscription warrants or acquire the subscription warrants without consideration without delivering shares in the Company for the subscription warrants until the day before the start date of the exercise period of the subscription warrants, owing to such circumstances as, for example, the large-scale purchaser withdrawing from the large-scale purchase. In these cases, shareholders or investors that have conducted a sale, etc. after the shareholders who will receive a gratis allotment of subscription warrants have been confirmed (on or after the ex-rights date) based on the assumption that the value per share will be diluted may suffer a commensurate loss owing to fluctuations in the share price.

2. Rationality of this Plan (this Plan is in accordance with the Basic Policy Regarding Control of the Company, is in line with the corporate value of the company and shareholders' common interests, and its objective is not to maintain the positions of the officers of the Company)

(1) Satisfying the Requirements of the Guidelines Regarding Takeover Defense

This Plan fulfills the three principles set forth in the "Guidelines Regarding Takeover Defense for the Purpose of Protection and Enhancement of Corporate Value and Shareholder's Common Interests" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (the principle of protecting and enhancing corporate value and the interests of shareholders as a whole, the principle of protecting and enhancing corporate value and the interests of shareholders as a whole, the principle of prior disclosure and shareholder's will, and the principle of ensuring the necessity and reasonableness).

In addition, this Plan also takes into consideration the contents of the "Takeover Defense Measures in Light of Recent Environmental Changes" report announced on June 30, 2008 by the Corporate Value Study Group which is established by the Ministry of Economy, Trade and Industry, and "Principle 1.5 Anti-Takeover Measures" of "Corporate Governance Code" announced by the Tokyo Stock Exchange on June 1, 2015.

(2) Being Continued with the Objective of Protecting and Enhancing Shareholders' Common Interests

As described in the above item I. 1. "Objective of this Plan," this Plan is being continued with the objective of protecting the corporate value of the Company and shareholders' common interests, by ensuring the necessary information and time for shareholders to assess whether to accept a large-scale purchase in the event that a large-scale purchase, etc. of the Company's shares is conducted, or for the Board of Directors of the Company to present an alternative proposal, and making it possible to conduct negotiations, etc. with the purchaser, etc. on behalf of shareholders.

(3) Reflecting Shareholders' Will

This Plan is subject to the approval of shareholders at the General Meeting of Shareholders, and as the Company plans to ask the will of shareholders regarding this Plan at this General Meeting of Shareholders, shareholders' intentions shall be reflected.

In addition, after the continuation of this Plan, if a resolution to abolish this Plan is made at a General Meeting of Shareholders of the Company, even during the effective period, this Plan shall be abolished at that time, and thus the intention of shareholders shall be reflected.

(4) Emphasizing the Judgment of Highly Independent External Persons

As described in the above item I. 5. "Policy to Address Cases when a Large-Scale Purchase is Conducted," for the activation of countermeasures under this Plan, an Independent Committee comprising members independent from the management team engaging in the business execution of the Company shall be consulted and its recommendation shall be respected to the maximum extent possible, and therefore procedures are ensured to secure the transparent implementation of this Plan in a way that contributes to the corporate value of the Company and shareholders' common interests.

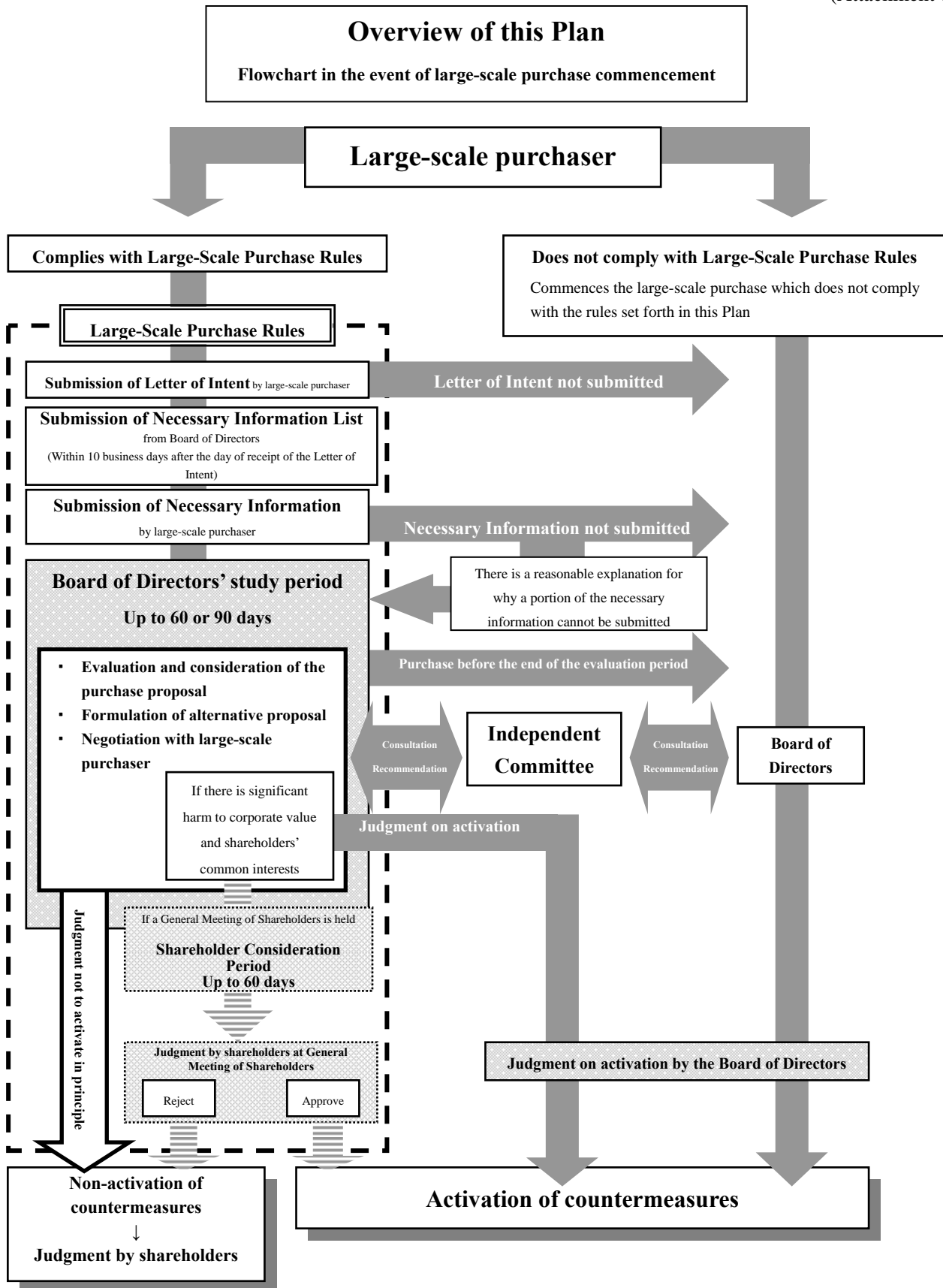
(5) Not Dead-Hand Type Anti-Takeover Measure or Slow-Hand Type Anti-Takeover Measure

This Plan may be abolished by the Board of Directors, which comprises Directors elected at the General Meeting of Shareholders of the Company. Therefore, this Plan is not a dead-hand type anti-takeover measure (an anti-takeover measure whose activation cannot be prevented even if a majority of the members of the Board of Directors are replaced).

In addition, as the Company sets the term of office of Directors at one (1) year, this Plan is not a slow-hand type anti-takeover measure (an anti-takeover measure whose activation requires time to prevent as Directors cannot all be replaced at the same time).

The Company does not add any requirements for resolutions for the dismissal of Directors, such as requiring a special resolution.

(END)



(Note) This chart shows the flow of the representative procedures, in order to aid understanding of this Plan, and does not necessarily show all procedures. Please refer to the text for details.

Overview of the Independent Committee Regulations

- The Independent Committee shall be established by resolution of the Board of Directors of the Company.
- There shall be three (3) or more members in the Independent Committee, and in order to make fair and neutral assessments possible, they shall be elected based on a resolution of the Board of Directors of the Company from among persons who are External Directors independent from the management team engaging in the business execution of the Company, External Audit & Supervisory Board Members, or external experts (corporate managers with a record of achievements, former employees of government agencies, attorneys, certified public accountants, academic experts, or other equivalent persons).
- In principle, the Independent Committee shall issue recommendations of the details of its decisions together with the reasons and grounds thereof to the Board of Directors of the Company, in regard to matters about which it has been consulted by the Board of Directors of the Company, such as assessing whether the large-scale purchaser has complied with the Large-Scale Purchase Rules, assessing whether the large-scale purchase may be recognized as significantly harming the corporate value of the Company or shareholders' common interests, assessing whether to activate or not activate countermeasures, and assessing whether to suspend countermeasures that have been activated. Each member of the Independent Committee shall make these decisions from the perspective of whether or not it contributes to the corporate value of the Company and shareholders' common interests.
- The Independent Committee may, as necessary and at the Company's expense, obtain the advice of independent, third-party experts (financial advisers, certified public accountants, attorneys, consultants, and other experts), etc.
- Resolutions of the Independent Committee shall be made by a majority of the members present.

(END)

Career Summary of the Members of the Independent Committee

The Company plans to appoint the following three (3) persons as members of the Independent Committee after the continuation of this Plan.

Mitsuru Ichikawa

Career summary

November 1992 Passed the National Bar Examination
 March 1995 Registered as Attorney (present position)
 June 2014 External Audit & Supervisory Board Member of the Company (present position)

There is no special interest between Mr. Mitsuru Ichikawa and the Company.

The Company has appointed External Audit & Supervisory Board Member Mr. Mitsuru Ichikawa as an Independent Officer and submitted a notification of his appointment to the financial instruments exchange where the Company is listed.

Seishi Kasai

Career summary

April 1974 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)
 November 1998 General Manager, Sales Department 1 of the Head Office of The Asahi Bank, Ltd. (currently Resona Bank, Limited)
 April 2001 General Manager in charge of Accounting Division of Clarion Co., Ltd.
 June 2001 Director, General Manager of Accounting Division of Clarion Co., Ltd.
 June 2006 General Manager in charge of Management Promotion Division of Clarion Co., Ltd.
 April 2009 General Manager of Management Promotion Division of Clarion Co., Ltd.
 June 2010 Director, General Manager of Management Promotion Division of Clarion Co., Ltd. and in charge of mainly European Region
 April 2012 Director in charge of CSR of Clarion Co., Ltd.
 June 2012 Full-time Audit & Supervisory Board Member of Clarion Co., Ltd.
 June 2016 Director, Chairman of the Audit Committee (full-time) of Clarion Co., Ltd. (present position)

Mr. Seishi Kasai is a candidate for External Audit & Supervisory Board Member of the Company, and if his election is approved at this General Meeting of Shareholders, the Company plans to appoint him as an External Audit & Supervisory Board Member of the Company.

There is no special interest between Mr. Seishi Kasai and the Company.

Atsushi Shigeta

Career summary

April 1979 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd. (MHBK))
 April 2008 Managing Executive Officer, officer in charge of sales of Mizuho Corporate Bank (currently MHBK)
 April 2009 Managing Executive Officer, supervising officer of Global Transaction Unit, IT & System Group and Administration Group of Mizuho Corporate Bank
 April 2010 Director of Mizuho Corporate Bank
 May 2010 Senior Managing Director of Tobu Department Store Co., Ltd.
 May 2011 Representative Director and Senior Managing Executive Officer of Tobu Department Store Co., Ltd.
 April 2013 President and Representative Director of Tobu Department Store Co., Ltd.
 June 2015 Retired as Director of Tobu Department Store Co., Ltd.
 June 2015 Substitute Auditor of KYB Corporation (present position)
 June 2015 President and Representative Director of Tobu Hotel Management Co., Ltd. (present position)
 March 2016 Audit & Supervisory Board Member of Tokyo Tatemono Real Estate Sales Co., Ltd. (present position)

Mr. Atsushi Shigeta is a candidate for External Audit & Supervisory Board Member of the Company, and if his election is approved at this General Meeting of Shareholders, the Company plans to appoint him as an External Audit & Supervisory Board Member of the Company.

There is no special interest between Mr. Atsushi Shigeta and the Company.

Overview of the Gratis Allotment of Subscription warrants

1. Shareholders Eligible for the Gratis Allotment of Subscription warrants and Method of Allotment

The Company shall allot subscription warrants at a ratio of one (1) per share of common stock of the Company held (however, this excludes common stock of the Company held by the Company) without requiring new payment, to shareholders recorded in the final shareholder register on the allotment date determined by the Board of Directors of the Company.

2. Type and Number of Shares Underlying the Subscription warrants

The type of stock underlying the subscription warrants shall be the Company's common stock, and the number of shares underlying each stock acquisition right shall be one (1) share. However, the necessary adjustments shall be made if the Company conducts a share split or consolidation of shares.

3. Total Number of Subscription warrants to be Allotted to Shareholders

The maximum number of subscription warrants shall be the total number of authorized shares of the Company on the allotment date determined by the Board of Directors of the Company minus the total number of issued shares of common stock of the Company (however, this excludes common stock of the Company held by the Company). The Board of Directors of the Company may allot subscription warrants over multiple occasions.

4. Property to be Contributed when Exercising Subscription warrants and the Value Thereof

The property to be contributed when exercising the subscription warrants shall be cash, and the amount shall be an amount determined by the Board of Directors of the Company of one (1) yen or more. Furthermore, if the Board of Directors of the Company decides to acquire the subscription warrants, it may deliver new shares to shareholders as consideration for the acquisition of the subscription warrants by the Company, without requiring the payment of an amount of money equivalent to the exercise price.

5. Transfer Restrictions on Subscription warrants

The acquisition of subscription warrants by transfer shall require the approval of the Board of Directors of the Company.

6. Exercise Conditions on Subscription warrants

The Company shall establish exercise conditions such as the holder not being a person belonging to a specified shareholder group with a voting rights ratio of 20% or more (however, this excludes persons who have previously received the consent of the Board of Directors of the Company). The Board of Directors of the Company shall separately determine the details.

7. Subscription warrants Exercise Period, etc.

The Board of Directors of the Company shall separately determine the day that the allotment of subscription warrants comes into effect, the exercise period, acquisition provisions, and other necessary matters. Furthermore, the Company may establish acquisition provisions to the effect that the Company can acquire subscription warrants held by persons other than those for whom the exercise of the subscription warrants is not permitted owing to the exercise conditions described in the above item 6., and deliver a number of shares of common stock of the Company separately determined by the Board of Directors of the Company for each stock acquisition right, or acquire the subscription warrants without consideration, and without delivering shares in the Company for the subscription warrants.