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Securities Code: 4186
June 3, 2015

To Those Shareholders with Voting Rights

Ikuo Akutsu
President and Representative Director
TOKYO OHKA KOGYO CO., LTD.
150 Nakamaruko, Nakahara-ku,
Kawasaki, Kanagawa, JAPAN

NOTICE OF THE CONVOCATION OF THE 85th ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 85th Ordinary General Meeting of Shareholders of TOKYO OHKA KOGYO CO., LTD. ("the Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following means. Please review the Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:30 p.m., Wednesday, June 24, 2015.

Exercise of Voting Rights in Writing

Please indicate your votes for or against the proposals on the enclosed Voting Rights Exercise Form and return it to the Company, ensuring that the form reaches us no later than the above voting deadline.

Exercise of Voting Rights by Electronic Means (via the Internet, etc.)

Please review the "Guide for Exercising Voting Rights via the Internet, etc." described on page 27, and enter your approval or disapproval for each proposal no later than the above voting deadline.

1. **Date and Time:** Thursday, June 25, 2015 at 10:00 a.m.

2. **Place:** 1st Meeting Room, 5F, Corporate Headquarters of the Company
150 Nakamaruko, Nakahara-ku, Kawasaki, Kanagawa, Japan

3. **Agenda of the Meeting:**

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 85th fiscal year (from April 1, 2014 to March 31, 2015) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
2. The Non-Consolidated Financial Statements for the 85th fiscal year (from April 1, 2014 to March 31, 2015)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Eight Directors
Proposal No. 3: Election of One Corporate Auditor
Proposal No. 4: Continuation of Guidelines on Response to Large-Scale Purchase of the Company's Shares etc. (Takeover Defensive Measures)

4. Matters Decided for the Convocation:

(1) If you exercise your voting rights by two different means, that is, by electronic means (via the Internet, etc.) as well as in writing, votes by electronic means (via the Internet, etc.) shall prevail.

(2) If you exercise your voting rights by electronic means (via the Internet, etc.) more than once, your final votes shall prevail.

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* For those attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk on arrival.
* When it is necessary to modify the matters stated in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-Consolidated Financial Statements and the Consolidated Financial Statements, please understand that the matters after modification will be shown on the website of the Company (http://www.tok.co.jp/).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Regarding the appropriation of surplus, the Company proposes as follows.

Matters related to the year-end dividend:

The Company considers the return of its profits to shareholders as an important managerial issue. The Company, in light of its financial condition and business performance from a long-term point of view, makes it its basic policy to carefully secure its sufficient internal reserves for the purpose of effectively utilizing them as a resource for continuous improvement of its corporate value by advancing measures essential for the enhancement of the corporate competitiveness and enlargement of its profit such as: aggressive research and development investment into new technologies and new products geared towards new growth; capital investment in manufacturing equipment, etc. for quality improvements and further efficiency improvements of existing business; and enhancement of its business development both at home and overseas. On the other hand, the Company also makes it its basic policy to continue its payments of dividends with a consolidated payout ratio of 30% or more, taking into account the current level of payout; and flexibly acquire its own stocks.

Under these policies, the Company proposes the year-end dividend for the fiscal year as follows.

(1) Type of dividend property

Cash

(2) Matters related to distribution of dividend property to shareholders and the total amount

¥30 per common share of the Company Total amount: ¥1,350,050,220

Taking into consideration various factors including our business performance, we propose to pay an additional ¥2 per share compared to the previous year-end dividend as appreciation for the consistent support of our shareholders. Accordingly, including the interim dividend of ¥30 per share paid in December 2014, the annual dividend for the fiscal year is ¥60 per share, which is ¥8 more than in the previous fiscal year.

(3) Effective date of the distribution of surplus

June 26, 2015

Proposal No. 2: Election of Eight Directors

The terms of office of all seven Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company requests that the number of Outside Directors be increased by one person and that eight Directors be elected, in order to further improve the transparency of the Board of Directors and strengthen corporate governance system.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions		Number of shares of the Company held
1	Ikuo Akutsu (April 27, 1959)	April 1982	Joined the Company	13,300 shares
		April 2003	General Manager, Manufacturing Technology Division	
		October 2003	General Manager, Advanced Material Development Division 2	
		April 2007	Chairman and President of TOK TAIWAN CO., LTD.	
		June 2009	Officer; Department Manager, Corporate Planning Department	
		June 2010	Director; Executive Officer; Department Manager, Corporate Planning Department	
		June 2011	Representative Director, President and Chief Executive Officer (to the present)	
2	Kobun Iwasaki (April 8, 1949)	April 1977	Joined the Company	5,400 shares
		October 1993	General Manager, Electronic Material Marketing Division 2	
		May 1994	Director of OHKA AMERICA, INC. (present TOKYO OHKA KOGYO AMERICA, INC.)	
		April 1997	General Manager, Tohoku Marketing Office	
		June 2003	Officer; General Manager, Electronic Material Marketing Division 2	
		June 2004	Officer; Deputy Department Manager, Marketing Department and General Manager, Electronic Material Marketing Division 2	
		April 2005	Officer; Department Manager, Marketing Department	
		June 2006	Director; Officer; Department Manager, Marketing Department	
		June 2010	Director; Executive Officer; Department Manager, Marketing Department	
		June 2012	Director; Senior Executive Officer; Department Manager, Marketing Department (to the present)	
		(Significant concurrent positions) President and Representative Director of TOK Advanced Materials Company, Limited		

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions		Number of shares of the Company held
3	Hiroji Komano (December 19, 1952)	April 1976	Joined the Company	4,300 shares
		April 1997	General Manager, Advanced Material Development Division 2	
		June 2000	General Manager, Advanced Material Development Division 1	
		June 2004	Officer; Deputy Department Manager, Research and Development Department	
		October 2004	Officer; Deputy Department Manager, Research and Development Department and General Manager, New Technology Development Section	
		April 2007	Officer (President and Director of TOKYO OHKA KOGYO AMERICA, INC.)	
		June 2011	Officer; Department Manager, New Business Development Department	
		June 2012	Director; Officer; Department Manager, New Business Development Department (to the present)	
4	Harutoshi Sato (June 1, 1961)	April 1984	Joined the Company	3,400 shares
		April 2004	General Manager, Quality Assurance Division	
		April 2007	General Manager, Advanced Material Development Division 2	
		April 2008	General Manager, Advanced Material Development Division 1	
		June 2009	Officer; Deputy Department Manager, Research and Development Department and General Manager, Advanced Material Development Division 3	
		June 2011	Officer; Deputy Department Manager, Research and Development Department and General Manager, Advanced Material Development Division 1	
		June 2012	Director; Officer; Department Manager, Research and Development Department (to the present)	

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions	Number of shares of the Company held
5	Kunio Mizuki (February 10, 1959)	October 1985 Joined the Company April 2005 General Manager, General Affairs Division June 2009 Officer; Deputy Department Manager, Administration Department and General Manager, General Affairs Division June 2012 Officer; Department Manager, General Affairs Department June 2013 Director; Officer; Department Manager, General Affairs Department (to the present) (Significant concurrent positions) Director of OHKA SERVICE CO., LTD.	4,100 shares
6	Hiroshi Kurimoto (August 26, 1947)	April 1970 Joined OILES CORPORATION (“OILES”) June 1999 Director of OILES June 2003 Director; Managing Operating Officer of OILES June 2006 Representative Director, President and Chief Operating Officer of OILES June 2011 Representative Director and Chairman of OILES June 2014 Director (Outside Director) of the Company (to the present) Director and Senior Advisor of OILES (to the present) (Significant concurrent positions) Director and Senior Advisor of OILES	1,000 shares
7	* Nobuo Tokutake (April 2, 1961)	April 1984 Joined the Company October 2003 Chairman and President of TOK TAIWAN CO., LTD. April 2007 General Manager, Quality Assurance Division June 2009 Senior General Manager, Production Control Division and General Manager, Quality Assurance Division June 2013 Officer; Deputy Department Manager, Manufacturing Department (to the present) (Significant concurrent positions) Chairman of CHANG CHUN TOK (CHANGSHU) CO., LTD.	1,179 shares

No.	Name (Date of birth)	Career summary, position and responsibility at the Company, and significant concurrent positions		Number of shares of the Company held
8	＊ Noriko Sekiguchi (January 23, 1964)	April 1986	Joined Manufacturers Hanover Bank (present JPMorgan Chase Bank, N.A.)	0 share
		October 1991	Joined Asahi-Shinwa Kaikeisha audit corporation (present KPMG AZSA LLC)	
		March 1994	Registered as certified public accountant	
		February 1998	Joined Japan Broadcasting Corporation	
		December 2001	Joined Triumph International (Japan) Ltd.	
		January 2002	Reregistered as certified public accountant	
		July 2004	Joined Ernst & Young ShinNihon (present Ernst & Young ShinNihon LLC)	
		November 2010	Representative of Sekiguchi CPA Office (to the present)	
		April 2011	Contract Monitoring Committee Member of Japan International Cooperation Agency (“JICA”) (to the present)	
		July 2011	External Assessment Committee Member of JICA (to the present)	
		July 2012	Registered as certified tax accountant	
		(Significant concurrent positions) Representative of Sekiguchi CPA Office Contract Monitoring Committee Member of JICA External Assessment Committee Member of JICA		

Notes: 1. ＊ indicates a new candidate.

2. Conflicts of interest between the Company and any of the candidates

(1) Mr. Kobun Iwasaki serves concurrently as the President and Representative Director of TOK Advanced Materials Company, Limited, a subsidiary of the Company. The Company provides loan funding, etc. for TOK Advanced Materials Company, Limited, and there is a trading relationship between both companies consisting of activities including the sales of products. Also, the Company and TOK Advanced Materials Company, Limited have a competitive relationship in connection with the materials business.

(2) Mr. Nobuo Tokutake serves concurrently as the Chairman of CHANG CHUN TOK (CHANGSHU) CO., LTD., a subsidiary of the Company. The Company conducts transactions related to licenses, etc. with CHANG CHUN TOK (CHANGSHU) CO., LTD. Also, the Company and CHANG CHUN TOK (CHANGSHU) CO., LTD. have a competitive relationship in connection with the materials business. Furthermore, Mr. Nobuo Tokutake, as explained in 3 below, is scheduled to retire from the position of Chairman of CHANG CHUN TOK (CHANGSHU) CO., LTD.

(3) No conflict of interest exists between the Company and any of the other candidates.

3. Mr. Hiroshi Kurimoto is scheduled to retire from the position of Director of OILES on June 26, 2015. In addition, Mr. Nobuo Tokutake is scheduled to retire from the position of Chairman of CHANG CHUN TOK (CHANGSHU) CO., LTD., a subsidiary of the Company, on June 25, 2015.

4. Mr. Hiroshi Kurimoto and Ms. Noriko Sekiguchi are both candidates for Outside Director. The Company has designated Mr. Hiroshi Kurimoto as an independent director in accordance with the regulations of the Tokyo Stock Exchange and has notified therein. If his election is approved, the Company plans to continue his independent director designation. In addition, the Company plans to designate Ms. Noriko Sekiguchi as an independent director in accordance with the regulations of the Tokyo Stock Exchange and notify therein. If her election is approved, she is scheduled to become an independent director.

5. Reasons for election of the candidate for Outside Director:

(1) Election of Mr. Hiroshi Kurimoto as Outsider Director is proposed to ask for his continued supervision of the Company’s management from an objective and neutral point of view based on his

abundant experience and considerable insight as an executive of a listed company, as well as his contribution to enhancement of the corporate governance with his advice on the general management of the Company. His term of office as Outside Director will be one (1) year at the conclusion of this General Meeting of Shareholders.

(2) Election of Ms. Noriko Sekiguchi as Outside Director is proposed to ask for her supervision of the Company's management from an objective and neutral point of view based on her sophisticated expertise in accounting as a certified public accountant and abundant experience in several companies, although she does not have any experience directly participating in corporate management, and thorough understanding of internal control in her capacity as an external committee member for fraudulent accounting conducted in multiple listed companies, and contribute to enhancement of the corporate governance with her advice on the general management of the Company.

6. Liability limitation agreement with Outside Director:
In accordance with the current articles of incorporation, the Company is able to enter into liability limitation agreements with Outside Directors that limit the maximum amount of liability provided for in Article 423, Paragraph 1 of the Companies Act. The Company has entered into such an agreement with Mr. Hiroshi Kurimoto. The maximum amount of liability in accordance with the agreement shall be the minimum liability amount stipulated by laws and regulations. If the election of Mr. Hiroshi Kurimoto is approved, the Company plans to continue such an agreement with him. Also, if the election of Ms. Noriko Sekiguchi is approved, the Company plans to enter into the same agreement with her.

Proposal No. 3: Election of One Corporate Auditor

The term of office of Corporate Auditor, Mr. Yukio Muro, will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, election of one Corporate Auditor is proposed.

The Board of Corporate Auditors has previously given its approval to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary, position at the Company, and significant concurrent positions		Number of shares of the Company held
＊ Hiroshi Saito (July 13, 1951)	April 1974	Joined Mitsubishi Trust and Banking Corporation ("MTB," present Mitsubishi UFJ Trust and Banking Corporation)	0 share
	May 1998	Manager, Foreign Exchange and Money Market Division of MTB	
	April 2000	Manager, Asset Management Division 2 of MTB	
	May 2002	Manager, Investment Planning Division of MTB	
	June 2002	Officer and Manager, Investment Planning Division of MTB	
	March 2004	Officer and Manager of Kyoto Branch of MTB	
	June 2006	Representative Director and Managing Director of Mitsubishi UFJ Trust and Banking Corporation	
	June 2007	Representative Director and Senior Managing Director of Mitsubishi UFJ Financial Group, Inc.	
		Director (Outside Director) of The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
	June 2011	Representative Director and President of Mitsubishi UFJ Trust Investment Technology Institute Co., Ltd. ("MTEC")	
	June 2012	Corporate Auditor (Outside Corporate Auditor) of Maruzen Showa Unyu Co., Ltd. (to the present)	
	June 2014	Advisor of MTEC (to the present)	
	(Significant concurrent positions)		
	Advisor of MTEC Corporate Auditor (Outside Corporate Auditor) of Maruzen Showa Unyu Co., Ltd.		

Notes: 1. ＊ indicates a new candidate.

2. No conflict of interest exists between the Company and the candidate.
3. Mr. Hiroshi Saito is a candidate for Outside Corporate Auditor. The Company plans to designate Mr. Hiroshi Saito as an independent auditor in accordance with the regulations of the Tokyo Stock Exchange and notify therein. If his election is approved, he is scheduled to become an independent auditor.
4. Reasons for election of the candidate for Outside Corporate Auditor:
   Election of Mr. Hiroshi Saito as Outside Corporate Auditor is proposed to request his supervision of the Company's management from an objective and neutral point of view based on his experience as corporate auditor of another company as well as his abundant experience and considerable insight as an executive of financial institutions.
5. Liability limitation agreement with Outside Corporate Auditor:
   In accordance with the current articles of incorporation, the Company is able to enter into liability limitation agreements with Outside Corporate Auditors that limit the maximum amount of liability provided for in Article 423, Paragraph 1 of the Companies Act. If the election of Mr. Hiroshi Saito is

approved, the Company plans to enter into a liability limitation agreement with him. The maximum amount of liability in accordance with the agreement shall be the minimum liability amount stipulated by laws and regulations.

Proposal No. 4: Continuation of Guidelines on Response to Large-Scale Purchase of the Company's Shares etc. (Takeover Defensive Measures)

The continuation of "Guidelines on Response to Large-Scale Purchase of the Company's Shares etc. (Takeover Defensive Measures)" (hereinafter referred to as the "Response Guidelines") was approved by the shareholders at the Company's 82nd Ordinary General Meeting of Shareholders held on June 27, 2012, by a majority of voting rights of the attending shareholders. As the effective term of the Response Guidelines runs until the conclusion of this General Meeting of Shareholders, however, the Company has looked into the proper configuration of the Response Guidelines, including whether or not the Response Guidelines needs to be ongoing, from the viewpoint of securing and enhancing the common interests of the Company shareholders and the corporate value of the Company, before the expiration of the effective term of the Response Guidelines. Consequently, the Company determined, at the meeting of the board of directors of the Company (hereinafter referred to as the "Board of Directors") on May 21, 2015 (hereinafter referred to as the "Board Meeting"), as described below in <Necessity of maintaining Response Guidelines,> the continuation of the Response Guidelines upon partial modification thereof, subject to the approval of shareholders of the Company.

Through this proposal, the Company requests the approval of shareholders for the continuation of the Response Guidelines.

If the Response Guidelines is approved by a majority of voting rights of the shareholders present at this General Meeting of Shareholders, the Response Guidelines will remain in effect from the conclusion of this General Meeting of Shareholders until the conclusion of the Company's Ordinary General Meeting of Shareholders in 2018.

The continuation of the Response Guidelines was determined at the Board Meeting by the unanimous approval of Directors, including one Outside Director, with all Corporate Auditors present, including three Outside Corporate Auditors, and all Corporate Auditors expressed agreement with the continuation of the Response Guidelines on condition that it be carried out properly in specific circumstances.

The purpose of the Response Guidelines is to help shareholders make proper judgments on large-scale purchases of the Company's shares, etc., and is not to deter the relevant purchase itself.

The Company hereby notes that we have not as of the date hereof received any proposal for large-scale purchases of the Company's shares, etc. from any specific third party.

Major amendments to the Response Guidelines, etc., are as follows. Please refer to page 14 to page 24 for the contents of the Response Guidelines.

1) The Company has restricted the defensive measures to the gratis allotment of subscription warrants;
2) The Company has deleted the clause allowing an extension of the Board of Directors Evaluation Period and has restricted the period to a maximum of 60 days or 90 days;
3) The Company has amended and clarified some of contents of Large-Scale Purchase Information that the Board of Directors requests from a Large-Scale Purchaser;
4) The Company has amended the statement relating to the improvement of corporate value through the Medium-Term Plan; and
5) The Company has partially modified the wording and altered the expressions in order to make the Response Guidelines more easily comprehensible.

<Necessity of maintaining Response Guidelines>

With regard to the expiry date of the Response Guidelines, from the perspectives of securing and enhancing both the common interests of shareholders and corporate value, the Company has conducted a multifaceted and comprehensive consideration of the Response Guidelines, including whether or not it should be renewed. The Company is positioned at the cutting-edge of the electronics market and must respond to rapid technological innovation while delivering precisely targeted solutions to meet customers' needs. Accordingly, it is important from the perspective of improving corporate value to maintain strategic decision-making based on a medium to long-term viewpoint, while exerting a restraining influence on parties

that plan large-scale purchases of the Company's shares that are short-term or abusive in nature. Also, since the previous endorsement of the continuance of the Response Guidelines in June 2012, profitability has improved steadily, resulting in record profits. This may be because, having established fixed rules on information regarding large-scale purchases that may affect control of the Company, management has been able to concentrate on raising corporate value.

In consideration of the circumstances above, the continuance of these Response Guidelines is proposed for this General Meeting of Shareholders.

1. Basic policy regarding the modality of those who control the Company's financial and business policy decisions (hereinafter referred to as the "Company Control Basic Policy")

The Company believes it is necessary for a party that controls the Company's financial and business policy to fully understand the details of the financial affairs and business of the Company and the sources of the Company's corporate value, and thus be able to lead the way in enabling the Company to sustainably secure and enhance the common interests of the Company shareholders and the corporate value of the Company.

The Company has long enjoyed relationships of trust with customers, business partners, employees and other stakeholders in Japan and many other countries, and its management has taken full advantage of its unique business by dynamically combining proprietary new technologies and technology resources the Company has accumulated so as to achieve further revolutions in the microprocessing that is at the core of the Company's technology base. In this way, the Company has sustainably secured and enhanced the common interests of the Company shareholders and the corporate value of the Company. In particular for the Company, which conducts business activities in cutting-edge areas of the electronics market, we believe that deciding on management and business policy from a medium to long-term perspective backed by the trust of stakeholders and specialized technical expertise including investments for R&D on new technologies and products and maintaining outstanding high quality to respond to the needs of customers as soon as possible is essential to maximize the common interests of the Company's shareholders and the corporate value of the Company.

If the relationships built up with the Company's stakeholders are destroyed and its new technologies and technology resources are drained by facile changes in Company management policies and so-called scorched-earth management following the large-scale purchase of shares, etc. of the Company without sufficient understanding of the relationships with stakeholders of the Company and the unique nature of the Company's business, which are the sources of corporate value of the Company, the common interests of the Company shareholders and the corporate value of the Company would be materially harmed, and therefore the Company believes that a party that is taking or is about to take the relevant purchase action to that end is an inappropriate party to be in control of the Company's financial and business policies.

The Board of Directors believes that it is ultimately up to the shareholders who own shares, etc. of the Company to decide whether to sell shares, etc. of the Company in the event of the relevant purchase, and that this also applies to large-scale purchases if they contribute to the common interests of the Company's shareholders and the corporate value of the Company, but also believes that it would be difficult to increase the corporate value of the Company without fully understanding unique nature of its business. Being responsible for the management of the Company and fully understanding its unique business, the Board of Directors considers it extremely important, when shareholders evaluate the relevant purchase, that the Board of Directors provide them with full information at an appropriate time and in an appropriate manner, including the Board of Directors' evaluation and opinion of the relevant purchase, not just with the information unilaterally provided by the party that is taking or is about to take the action to purchase.

Under such concept, the Board of Directors considers that, to establish a scheme that enables the Board of Directors to secure information and a period of time for shareholders to judge whether or not to accept the relevant purchase and for the Board of Directors to present an alternative plan and to conduct negotiations for the sake of shareholders with the party who initiates or is about to initiate the relevant purchase, and to enact defensive measures permissible under laws and regulations, and the Company's Articles of Incorporation, if the relevant purchase is judged to materially harm the common interests of the Company shareholders and

the corporate value of the Company, are duties to which the Board of Directors is committed by shareholders.

2. Special measures that will help achieve the Company Control Basic Policy

(1) Management principles and the source of the corporate value

Ever since its inception in 1940, the Company has been managed around the principles of “continue efforts to enhance our technology,” “raise the quality levels of products,” “contribute to society,” and “create a frank and open-minded business culture.” In an aim to develop with society, we have always taken on challenges aimed at creating new value by providing the highest-quality products and services that satisfy users. This spirit continues on today unchanged and forms the core of the Company’s business activities.

Throughout the Company’s history of manufacturing, the Company has established solid trust and brand power in the electronics market that includes semiconductors and liquid crystal displays based on proprietary microprocessing technologies achieved through photolithography while striving to expand globally together with users in order to support new needs as quickly as possible and achieve further advances in microprocessing technologies. We believe that this organic chain that has been developed over many years is the source of the Company’s corporate value.

(2) Initiatives to improve corporate value through the “TOK Medium-Term Plan 2015”

The “TOK Medium-Term Plan 2015” is a three-year medium-term plan ending in fiscal year 2015 with a vision of “aiming to be a globally trusted corporate group by inspiring customers with high-value-added products that have satisfying features, low cost and superior quality.” Based on this vision, the company-wide strategy is “1. Build close relationships with regional users,” “2. Reform business portfolios,” and “3. Develop global personnel.” The Group will work together to steadily implement the various initiatives of the Medium-Term Plan as we aim to achieve record-high profits while working to strengthen our business foundations to serve as a base for sustainable growth.

1) Build close relationships with regional users

We will make selective and active investments in promising markets after identifying growth potential in markets worldwide, and build close relationships with regional users. As part of these initiatives, we have made focused investments in line with the needs of users in the Asia region, including the establishment of a subsidiary in South Korea and the completion of the development of an integrated system capable of processing comprising the development, manufacture, and sales of advanced materials. We will continue to promote locally based strategies going forward through close communication with users in order to identify a greater number of user needs accurately and properly as we build systems capable of providing products and services that satisfy users even more than before.

2) Reform business portfolios

We will work to reform business portfolios so that they are more profitable by increasing the ratio of high-value-added products through the cultivation and expansion of existing businesses while promptly launching new businesses. In particular, we view the creation of new businesses to be an extremely important business issue in order to achieve sustainable growth in the future, and accordingly we will make bold and effective investments of business resources including personnel and equipment in the fields of renewable energy, optoelectronics, and energy storage materials where the market is expected to expand in the future while developing products to serve as the pillar for new businesses and also giving consideration to alliances with other companies including M&As (mergers and acquisitions).

3) Develop global personnel

We will formulate and implement new programs that create and develop personnel able to perform on the global stage. In addition, to ensure that the Group can continue to evolve into the future with personnel capable of flexibly responding to the ongoing globalization of the business, we are promoting personnel diversity from various perspectives, including the introduction of external personnel and the promotion of non-Japanese personnel and women.

(3) Strengthening corporate governance

In order to continually secure and improve the common interests of the Company's shareholders and the corporate value of the Company, the Company regards the enhancement of corporate governance that contributes to securing sound and transparent management and operational efficiency as one of the most important issues for management.

In light of such concepts, the Company has introduced the officer system in an effort to enhance management's supervisory functions and achieve speedy decision-making, and shortened the term of office of Directors from two years to one in order to clarify the accountability of Directors for operating results in each fiscal year. Furthermore, while one independent Outside Director has been appointed in an aim to enhance the transparency of the Board of Directors and further strengthen supervisory functions, there are plans to discuss a proposal for the appointment of two independent Outside Directors at this General Meeting of Shareholders. The remuneration of Directors is composed of a fixed remuneration that is a form of basic remuneration, a bonus that is a form of remuneration based on single-year performance, as well as stock options (normal stock options and stock-based compensation stock options) that are a form of medium to long-term stock-price-linked remuneration aimed at further enhancing motivation and morale related to contributing to performance and corporate value, and by extension, improvement in stock value. In addition, we will work to strengthen corporate governance through efforts aimed at enhancing internal control systems within the Group, including initiatives aimed at facilitating the exercise of voting rights at the General Meetings of Shareholders, strengthening the business management of overseas subsidiaries that have an increasing sense of presence, and developing compliance systems.

(4) Stance towards returns to shareholders

The Company considers the return of its profits to shareholders as an important managerial issue. The Company, in light of its financial condition and business performance from a long-term point of view, makes it its basic policy to carefully secure its sufficient internal reserves for the purpose of effectively utilizing them as a resource for continuous improvement of its corporate value by advancing measures essential for the enhancement of the corporate competitiveness and enlargement of its profit such as: aggressive research and development investment into new technologies and new products geared towards new growth; capital investment in manufacturing equipment, etc. for quality improvements and further efficiency improvements of existing business; and enhancement of its business development both at home and overseas. On the other hand, the Company also makes it its basic policy to continue its payments of dividends with a consolidated payout ratio of 30% or more, taking into account the current level of payout; and flexibly acquire its own stocks.

3. Efforts to prevent the control of the Company's financial and business policy decisions by inappropriate parties in light of the Company Control Basic Policy (Response Guidelines)

The Board of Directors believes, as described above in the "1. Basic policy regarding the modality of those who control the Company's financial and business policy decisions," that the parties in control of the Company's financial and business policy decisions should sufficiently understand the financial details and lines of business of the Company and sources of corporate value of the Company, and thereby secure and enhance the common interests of the Company shareholders and the corporate value of the Company sustainably, and that parties who are contrary to this are inappropriate to be in control of the Company's financial and business policy decisions. The Board of Directors has formulated the Response Guidelines for the purpose of preventing large-scale purchases of shares, etc. of the Company that would cause the control of the Company's financial and business policy decisions to fall into the hands of such inappropriate parties, and which would threaten to materially harm the common interests of the Company shareholders and the corporate value of the Company, and for helping shareholders to make proper judgments on whether to accept or reject the relevant purchase, and the rules concerning the relevant purchase (hereinafter referred to as the "Large-Scale Purchase Rules") have been determined. The Large-Scale Purchase Rules ask the party who is making or is about to make the relevant purchase (hereinafter referred to as the "Large-Scale Purchaser") to provide necessary and complete information to the Board of Directors in advance of the relevant purchase and establish a period of time for the Board of Directors to study and evaluate the relevant purchase, with the relevant purchase commencing after this period has elapsed.

The Board of Directors requests that Large-Scale Purchasers comply with the Large-Scale Purchase Rules, and, in the event that the Board of Directors receives necessary and complete information in accordance with the Large-Scale Purchase Rules, the Board of Directors will study said information, disclose its opinion at an appropriate time and in an appropriate manner, accept or present an alternative to the proposed purchase, and respond in accordance with its views. In the event that the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, or that the Large-Scale Purchaser complies with the Large-Scale Purchase Rules but the Board of Directors judges the relevant purchase to materially harm the common interests of the Company shareholders and the corporate value of the Company, the Board of Directors may take certain defensive measures.

The contents of the Large-Scale Purchase Rules are as follows.

(1) Large-Scale Purchase subject to the Large-Scale Purchase Rules

The Response Guidelines shall apply to either of the purchases of shares, etc. of the Company below and similar actions; provided, however, that purchases approved by the Board of Directors shall be excluded (such purchase is hereinafter referred to as "Large-Scale Purchase"). Large-Scale Purchaser must follow the procedures as prescribed in the Response Guidelines in advance:

1) Any Purchase or similar action, by which holding ratio (*3) of the shares, etc. (*1) issued by the Company of the Holder (*2) comes to 20% or more
2) Any takeover bid with respect to the shares, etc. issued by the Company (*4) where total of the holding ratio of the shares, etc. (*6) relating to the takeover bid (*5) and that of the parties with special interests (*7) comes to 20% or more

Notes: 1. This shall mean "Share Certificate, etc." as set forth in Article 27-23, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same unless otherwise provided. It shall be noted that, when laws and regulations cited in the Response Guidelines are revised (including change of name of laws or regulations, establishment of new laws and regulations to succeed former laws and regulations), the provisions of the laws and regulations cited in the Response Guidelines shall read as provisions of the laws and regulations that substantially succeed the provisions of the relevant laws and regulations after the relevant revision, unless otherwise provided by the Board of Directors.
2. This shall mean "Holder(s)" as set forth in Article 27-23, Paragraph 1, which includes those deemed as Holder(s) pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Act.
3. This shall mean "Holding Ratio of the Share Certificates, etc." as set forth in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act; hereinafter the same.
4. This shall mean "Share Certificate, etc." as set forth in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same in 2) and Note No. 3 of the Attachment "Outline of Gratis Allotment of Subscription Warrants" on page 24.
5. As defined in Article 27-2, Paragraph 6 of the Financial Instruments and Exchange Act; hereinafter the same.
6. This shall mean "Holding Ratio of the Share Certificates, etc." as set forth in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act; hereinafter the same.
7. This shall mean "Special Related Party (-ies), etc." as defined in Article 27-2, Paragraph 7 of the Financial Instruments and Exchange Act; provided however, that parties provided for in Article 3, Paragraph 2 of the Cabinet Office Ordinance concerning Disclosure of a Tender Offer by Parties other than the Issuer shall be excluded from the parties provided for in Article 27-2, Paragraph 7, Item 1 of the Financial Instruments and Exchange Act.

(2) Provision of Large-Scale Purchase Information

The Large-Scale Purchaser shall provide the Board of Directors with necessary and complete information (hereinafter referred to as "Large-Scale Purchase Information") for shareholders to make a decision and for the Board of Directors to study and evaluate the proposed Large-Scale Purchase in advance of the Large-Scale Purchase.

Specific content of the Large-Scale Purchase Information will differ according to the nature of the Large-Scale Purchaser and the contents of the Large-Scale Purchase. Large-Scale Purchasers intending to engage in Large-Scale Purchase shall first provide to the Board of Directors a “statement of intent” regarding the Large-Scale Purchase in accordance with the Large-Scale Purchase Rules.

This statement of intent, written in Japanese, shall contain the following: “1) name and address of Large-Scale Purchaser,” “2) law under which the Large-Scale Purchaser was established,” “3) name of representative thereof,” “4) contact address in Japan”, “5) outline of proposed Large-Scale Purchase,” “6) number of shares, etc. of the Company currently held by the Large-Scale Purchaser and number of shares, etc. of the Company expected to be held,” and “7) covenant to comply with Large-Scale Purchase Rules.”

The Board of Directors shall prepare a list of Large-Scale Purchase Information written in Japanese to be initially provided and then provide the Large-Scale Purchaser with the list within five business days after receipt of the statement of intent. In addition, if Large-Scale Purchase Information is received from a Large-Scale Purchaser, it shall be sent to the special committee as soon as possible. In the event that the Board of Directors and special committee reasonably deem that the information initially provided is insufficient for decisions by shareholders and consideration and evaluation by the Board of Directors, the Board of Directors may ask the Large-Scale Purchaser to provide additional information. In that case, the Board of Directors may, from the standpoint of seeking for swift management of Large-Scale Purchase Rules, set a reasonable period of time (a maximum period of 60 days counting from the date when the list of additional Large-Scale Purchase Information is delivered) in which to ask the Large-Scale Purchaser to provide additional information.

Below is a list of some of the Large-Scale Purchase Information. The Board of Directors will publish the fact of the Large-Scale Purchase proposal and all or a part of the Large-Scale Purchase Information provided to the Board of Directors at a point in time it deems appropriate so as to assist shareholders in their decisions.

1) Detailed information (including specific names, capital structure, business description, financial status, the name and career histories of executives) on the Large-Scale Purchaser and its group (including joint holders (*8), special related parties, and partners and other members if a fund)
2) Objectives, method and content of the Large-Scale Purchase (including whether there are intentions to participate in management, type and amount of the countervalue of the Large-Scale Purchase, timing of purchase, financing of purchase, collateral rights established with respect to shares, etc. of the Company already held, intention to establish collateral rights with respect to the assets of the Company or shares, etc. of the Company to be acquired in the future, timing, and structure of transaction)
3) Rationale for calculations of Large-Scale Purchase price (including calculation assumptions, calculation method, numerical information used in calculations, the synergy value between Large-Scale Purchase and other transactions and rationale for these calculations)
4) Communication of intent with any third parties with respect to the Large-Scale Purchase, as well as details of any such communications and an overview of the applicable third parties
5) Financing for the Large-Scale Purchase (including specific names, capital structures, financing methods, and contents of related transactions of parties providing funding (including parties effectively providing funds))
6) If the Large-Scale Purchaser has lease agreements, security agreements, resale agreements, trade agreements, or other major agreements or arrangements (hereinafter referred to as “Security Agreements, etc.”) related to the Company’s shares, etc. that are already held; the type of Security Agreements, etc., counterparties, the volume, etc. of the Company’s shares subject to Security Agreements, etc., and the specific contents of the Security Agreements, etc.
7) If there are plans for Security Agreements, etc. or other agreements with third parties related to the Company’s shares, etc. scheduled to be acquired in a Large-Scale Purchase by a Large-Scale Purchaser; the type of Security Agreements, etc., counterparties, the volume, etc. of the Company’s shares subject to Security Agreements, etc., and the specific contents of the Security Agreements, etc.
8) Intended basic management policies, business guidelines, capital policy, and dividend policy for the Company and Company’s group after completion of Large-Scale Purchase

9) Programs for stable and sustained increases in the corporate value of the Company and Company's group after completion of Large-Scale Purchase, rationale for expectations that they will increase the corporate value of the Company and Company's group
10) Description of any intended changes in the staffing, business partners, customers, community relations and relations with other interested parties in the Company and Company's group after completion of the Large-Scale Purchase
11) Other information deemed necessary by the Board of Directors and special committee

Note that if the Board of Directors deems that the Large-Scale Purchaser has provided sufficient Large-Scale Purchase Information, the Board of Directors will provide notice to the Large-Scale Purchaser (hereinafter referred to as the "Information Provision Completion Notice") and promptly disclose the completion of information provision.

Note: 8. This shall mean "Joint Holders" as set forth in Article 27-23, Paragraph 5, which includes those deemed as Joint Holders pursuant to Article 27-23, Paragraph 6 of the Financial Instruments and Exchange Act; hereinafter the same.

(3) Study and evaluation by Board of Directors

Starting from the day following the provision of the Information Provision Completion Notice, the Board of Directors considers a maximum period of 60 days for purchases of all shares of the Company in a cash (yen) takeover bid and a maximum period of 90 days for the other Large-Scale Purchases to be necessary for the Board of Directors to study, evaluate, negotiate, form an opinion and when necessary draft an alternative proposal (hereinafter referred to as the "Board of Directors Evaluation Period").

During the Board of Directors Evaluation Period, the Board of Directors may, as necessary and appropriate, seek the advice of a special committee or outside experts, etc. as it studies and evaluates the provided Large-Scale Purchase Information, shall carefully form its opinion, shall notify its opinion to the Large-Scale Purchaser and shall publish its opinion. When necessary, the Board of Directors may negotiate with the Large-Scale Purchaser for better terms for the Large-Scale Purchase and may present alternative proposals to shareholders.

Large-Scale Purchase shall only be commenced after the conclusion of the Board of Directors Evaluation Period.

(4) Response in the event of Large-Scale Purchase

1) If the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules

If the Large-Scale Purchaser fails to comply with the Large-Scale Purchase Rules, regardless of the specific method of purchase, the Board of Directors may, for the purpose of protecting the common interests of the Company shareholders and the corporate value of the Company and within a reasonable scope deemed necessary, take defensive measures to defend against the Large-Scale Purchase.

The defensive measure enacted by the Board of Directors shall be gratis allotment of subscription warrants. Its outline may be found in the Attachment "Outline of Gratis Allotment of Subscription Warrants" on pages 23 and 24. The specifics of the subscription warrant, including terms of acquisition, exercise period and terms of exercise (preventing the Large-Scale Purchaser and its group from exercising warrants, etc.) may be modified in light of their effectiveness as a defensive measure.

Meanwhile, to determine whether or not the Large-Scale Purchase Rules have been complied with, the Company will take into account the circumstances of the Large-Scale Purchaser to a reasonable extent and, at least, will not deem that the purchaser has failed to comply with the rules solely on the grounds that parts of the Large-Scale Purchase Information have not been provided.

2) If the Large-Scale Purchaser complies with the Large-Scale Purchase Rules

If the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, the Board of Directors will not take defensive measures against the Large-Scale Purchase even if it is opposed to the Large-Scale Purchase, although this does not prevent it from expressing its opposition, presenting an

alternative proposal or lobbying shareholders. It is the decision of shareholders whether to respond to the proposal of the Large-Scale Purchaser after having studied the proposal, the opinion of the Board of Directors and any alternative proposals thereof.

Notwithstanding the above, the Board of Directors may take defensive measures to protect the common interests of the Company shareholders and the corporate value of the Company even if the Large-Scale Purchaser has complied with the Large-Scale Purchase Rules if, in the judgment of the Board of Directors, the proposed Large-Scale Purchase would materially harm the common interests of the Company shareholders and the corporate value of the Company and it would be appropriate to enact defensive measures because the Large-Scale Purchase meets one or more of the criteria in sub-items a) to e) and accordingly causes non-recoverable damage to the Company.

a) When the Large-Scale Purchaser is considered to have no intention of truly participating in the management of the Company and is purchasing shares, etc. of the Company merely for the purpose of raising their price and selling them back to interested parties (so-called "greenmailer")
b) When the Large-Scale Purchaser is considered to be purchasing shares, etc. of the Company for the purpose of so-called scorched-earth management in which it gains temporary control of the Company so as to convey to itself or its group companies, etc. the intellectual property rights, know-how, confidential information, major business partners and customers, etc. required for the business of the Company
c) When the Large-Scale Purchaser is considered to be purchasing the shares, etc. of the Company with the intent of diverting the assets of the Company to securing and repaying the debts of the Large-Scale Purchaser or its group companies, etc.
d) When the Large-Scale Purchaser is considered to be purchasing shares, etc. of the Company for the purpose of achieving temporary control of the Company so as to cause it to sell or otherwise dispose of high-value assets such as real estate and securities, etc. that are not directly related to the operations of the Company and cause it to use the proceeds therefrom to pay a high, one-off dividend or use a high, one-off dividend to trigger a rapid rise in the share price so as to enable it to sell its shares, etc. at a high price
e) When the method of purchasing shares, etc. proposed by the Large-Scale Purchaser is a coercive two-stage purchase (takeover bid that does not solicit the purchase of all shares in the first stage but establishes disadvantageous purchasing conditions or does not define purchasing conditions for the second stage) or otherwise restricts shareholders' opportunity and freedom of judgment or is deemed for practical purposes to coerce or potentially coerce shareholders to sell shares, etc. (obviously, a partial takeover bid does not by itself constitute coercion)

(5) Establishment of special committee

The Board of Directors will make the final decision as to whether the Large-Scale Purchase Rules have been complied with and, if they have been complied with, as to whether to take defensive measures because of the potential to materially harm the common interests of the Company shareholders and the corporate value of the Company. However, the Company has also established a special committee as an organization independent of the Board of Directors, in order to rule out arbitrary judgments by the Board of Directors and to ensure objectivity and reasonableness of judgment and handling by the Board of Directors.

To enable fair and impartial judgments, the special committee shall consist of between three and five members comprising Outside Directors, Outside Corporate Auditors, substitute Corporate Auditors (however, such substitute Corporate Auditors must satisfy the requirements for Outside Auditors) and outside experts (legal counsel, tax accountants, certified public accountants, persons with academic or practical experience, experts in investment banking or other persons similar thereto) who are independent of the management team executing the business of the Company and have no special-interest relationships with the Company or the Board of Directors.

For your reference, please refer to the "Outline of Rules of Special Committee" on page 25 about the outline of rules of the special committee, and the "Special Committee Members and Their CVs" on page 26 about the special committee members who are scheduled to be appointed provided that the continuation of the Response Guidelines is approved by the shareholders of the Company. The Company will disclose information including recommendations by the special committee and its summarized judgments, at an

appropriate time and in an appropriate manner.

(6) Procedures for enacting defensive measures

The Board of Directors shall comply with the following procedures when enacting defensive measures in order to ensure the fairness and impartiality of its judgment.

1) Prior to enactment of defensive measures, the Board of Directors shall seek the advice of the special committee.
2) The special committee shall, as inquired by the Board of Directors as the above, determine the advisability of enacting defensive measures in accordance with "(4) Response in the event of Large-Scale Purchase" above and shall advise the Board of Directors of its opinion.
3) The Board of Directors shall accord maximum respect to the advice of the special committee when determining whether to enact defensive measures.
4) The decision to enact defensive measures by the Board of Directors shall be made by a majority vote of attending directors at a meeting attended by a majority of directors. In addition to seeking the advice of the special committee, the Board of Directors shall seek the advice of outside experts, etc. when studying the specific nature of the Large-Scale Purchase proposed by the Large-Scale Purchaser and the impact of the Large-Scale Purchase on the common interests of the Company shareholders and the corporate value of the Company pursuant to the Large-Scale Purchase Information provided by the Large-Scale Purchaser.

(7) Cancellation of defensive measures or suspension of enactment thereof

Even after the Board of Directors resolves the enactment of defensive measures or commences enactment of defensive measures, in the event that Large-Scale Purchaser cancels the Large-Scale Purchase, or there has occurred a change with respect to the facts upon which the decision to enact defensive measures was premised, and, as a result, it is not appropriate to enact defensive measures from the viewpoint of securing and enhancing the common interests of the Company shareholders and the corporate value of the Company, the Board of Directors will cancel the defensive measures or suspend enactment, with the utmost deference for the recommendations of the special committee.

(8) Impact, etc. on shareholders and investors

1) Impact of Large-Scale Purchase Rules on shareholders and investors

The objective of the Large-Scale Purchase Rules is to provide shareholders with the information they require to decide whether to respond to a Large-Scale Purchase and with the opinion of the Board of Directors actually managing the Company, and to guarantee an opportunity to present shareholders with alternative proposals. This will ensure that shareholders have sufficient information to enable an appropriate decision as to whether to respond to the proposed Large-Scale Purchase, thereby protecting the interests of shareholders. We therefore believe that the establishment of Large-Scale Purchase Rules provides the foundation required by shareholders and investors to make appropriate investment decisions and that it will contribute to the interests of shareholders and investors.

As noted in "(4) Response in the event of Large-Scale Purchase" above, the Company will respond differently depending on whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, and, even if the Large-Scale Purchaser complies with the Large-Scale Purchase Rules, depending on whether the Large-Scale Purchase is deemed to materially harm the common interests of the Company shareholders and the corporate value of the Company. We therefore encourage shareholders and investors to closely monitor the activities of Large-Scale Purchasers.

2) Impact of enactment of defensive measures on shareholders and investors

The Board of Directors may take defensive measures as described in "(4) Response in the event of Large-Scale Purchase" above for the purpose of protecting the common interests of the Company shareholders and the corporate value of the Company. The Board of Directors will make timely and appropriate disclosure in accordance with applicable laws and regulations and the regulations of the Tokyo Stock Exchange, among others, in the event that it decides to take specific defensive measures.

The Board of Directors does not envision any particular loss of legal rights or economic benefits by shareholders other than the Large-Scale Purchaser and its group in the event that defensive measures are taken. If, for example, a gratis allotment of subscription warrants was made as a defensive measure, one subscription warrant per one share of the stock held by shareholders who are recorded in the final

shareholder registry as of the allotment date as specified by the Board of Directors of the Company will be allotted without contribution. Considering such a scheme, at the time of gratis allotment of subscription warrants, although the value per share of the Company held by shareholders will be diluted, the value of the overall shares of the Company held will not be diluted. Therefore, we do not anticipate that a situation will arise where a direct specific impact will befall any particular legal rights or economic interests pertaining to the shares of the Company held by shareholders.

Meanwhile, when a Large-Scale Purchase has failed to comply with the Large-Scale Purchase Rules, or has complied with the rules but is deemed to materially harm the common interests of the Company shareholders and the corporate value of the Company, defensive measures may be taken, and it is possible that the legal rights and economic benefits of the Large-Scale Purchaser and its group may be disadvantaged by such defensive measures taken. The purpose of publication of the Response Guidelines is to evoke attention in advance so that Large-Scale Purchaser will not violate Large-Scale Purchase Rules.

Note that, even though the Board of Directors adopts a resolution for a gratis allotment of subscription warrants, as stated in "(7) Cancellation of defensive measures or suspension of enactment thereof" in the above, in the event that the Board of Directors determines to cancel defensive measures or suspend the enactment of the defensive measures, there is a possibility of a reasonable change in the stock price of the Shares. For example, please note that, after the shareholders who will be optionees of subscription warrants without compensation are confirmed, if the Company suspends enactment of the defensive measures and acquires the subscription warrants without contribution and then does not issue new shares, then the dilution of the individual stock value of shares held by shareholders will not occur, and there is a possibility that shareholders and investors who sell or purchase the Company's shares on the premise of a dilution of the Company's stock value will sustain unexpected losses due to stock value fluctuation.

3) Procedures to be complied with by shareholders in the event that defensive measures are enacted

If a gratis allotment of subscription warrants is made as a defensive measure, the relevant subscription warrants would be allotted to shareholders without requiring them to file a subscription application for shareholders who are recorded in the final shareholder registry as of the allotment date as specified by the Board of Directors.

In addition, when the Company performs procedures to acquire the relevant subscription warrants, shareholders other than Large-Scale Purchaser and its group will receive the Shares of the Company in consideration for the acquisition of the subscription warrants by the Company, without payment of an amount of money equal to the exercise price, so procedures such as payment in relation to the relevant subscription warrants is not necessary. (However, if the Company does not take procedures to acquire the subscription warrants, shareholders will be required to pay a certain amount within a set period in order to exercise subscription warrants and thereby acquire new shares. In such situations, it is anticipated that the amount to be paid would be a nominal amount of 1 yen per share, etc.)

However, in such instance, the Company may request such shareholders submit separately a standard form covenanting that they personally are not a Large-Scale Purchaser.

Procedural details will be notified to the shareholders separately in accordance with applicable laws and regulations and the regulations of the Tokyo Stock Exchange, among others, in the event that a gratis allotment of subscription warrants is actually made.

(9) Effective term, amendment and discontinuation of the Response Guidelines

The Response Guidelines shall come into effect subject to the approval of shareholders at this General Meeting of Shareholders, and remain in effect from the conclusion of this General Meeting of Shareholders until the conclusion of the Ordinary General Meeting of Shareholders in 2018. However, even before the expiration of the effective term, if a resolution to the effect that the Response Guidelines will be discontinued is adopted at a Company's General Meeting of Shareholders or a meeting of the Board of Directors, the Response Guidelines shall be discontinued as of the relevant date.

The Board of Directors may review the Response Guidelines as necessary and take other appropriate measures at appropriate times in light of amendments to applicable laws and regulations, subsequent legal

judgments and actions by the Tokyo Stock Exchange and other public institutions from the perspective of securing and improving the common interests of the Company shareholders and the corporate value of the Company. Any modifications to the Response Guidelines shall be subject to a proposal to the relevant General Meeting of Shareholders and the approval of shareholders (for minor changes such as changes of wording due to revisions of laws and regulations or changes of the Tokyo Stock Exchange regulations, etc., there may be cases where the Board of Directors will modify the Response Guidelines upon approval of the special committee).

(10) Reasonableness of the Response Guidelines

1) The Response Guidelines satisfies all requirements set forth in the Guidelines for Takeover Defensive Measures.

The Response Guidelines satisfies the three principles set forth in the "Guidelines Concerning Takeover Defensive Measures for Securing and Ensuring Corporate Value and the Common Interests of Shareholders" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005 (which are, (i) the principle of securing and enhancing corporate value and the common interests of shareholders, (ii) the principle of prior disclosure and reflection of the will of shareholders, and (iii) the principle of ensuring necessity and proportionality), and in addition is based on the contents of "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008.

2) The Response Guidelines is continued with the purpose of securing and enhancing the common interests of the Company shareholders and the corporate value of the Company.

As described in "3. Efforts to prevent the control of the Company's financial and business policy decisions by inappropriate parties in light of the Company Control Basic Policy (Response Guidelines)," the Response Guidelines is continued with the purpose of securing the necessary information and time for shareholders to judge whether to accept the relevant Large-Scale Purchase or for the Board of Directors to present an alternative plan, and negotiate with Large-Scale Purchaser, thereby securing and enhancing the common interests of the Company shareholders and the corporate value of the Company.

3) The Response Guidelines places importance on the intentions of shareholders.

The Response Guidelines will be continued after obtaining the approval of shareholders at this General Meeting of Shareholders. In addition, as described in "(9) Effective term, amendment and discontinuation of the Response Guidelines" in the above, even after being approved at this General Meeting of Shareholders, if a resolution for change or discontinuation is adopted in a Company's General Meeting of Shareholders thereafter, the Response Guidelines will be changed or discontinued in accordance with the relevant resolution. Therefore, the intentions of shareholders will be sufficiently reflected as to whether or not to continue, change or abolish the Response Guidelines.

4) Decisions by highly independent company outsiders are emphasized, and information summarizing the relevant decision is disclosed.

As described in "(5) Establishment of the special committee" in the above, upon introduction of the Response Guidelines, in order to rule out arbitrary judgments by the Board of Directors concerning enactment of defensive measures against the Large-Scale Purchase and to secure objectivity and reasonableness of judgments and handling by the Board of Directors, the Company has established the special committee. The special committee is an organization independent of the management of the Company that is engaged in business execution of the Company, is composed of members appointed from external parties that have no special interest in the Company and Directors of the Company, and the Board of Directors is to accord the utmost deference to the recommendations of the special committee.

Moreover, the Company discloses information, summarizing for shareholders and investors judgments by the special committee at an appropriate time and in an appropriate manner, thus ensuring a scheme for transparent management of the Response Guidelines to contribute to the securing and enhancing of the common interests of the Company shareholders and the corporate value of the Company.

5) The Response Guidelines determines reasonable and objective requirements for enactment of the defensive measures.

The Response Guidelines is determined so that defensive measures will not be enacted unless

reasonable and objective requirements for enactment are satisfied, as described in "(4) Response in the event of Large-Scale Purchase," thereby ensuring a scheme to prevent arbitrary enactment by the Board of Directors.

6) The Response Guidelines is not a "dead-hand"-type or "slow-hand"-type takeover defensive measure.

As described in "(9) Effective term, amendment and discontinuation of the Response Guidelines" in the above, the Response Guidelines is designed so that it can be abolished at any time by Directors elected at a Company's General Meeting of Shareholders, and thus, it is not a "dead-hand"-type takeover defense measure (i.e., a takeover defensive measure the enactment of which cannot be prevented even if a majority of the constituent members of the Board of Directors is replaced).

Moreover, the term of Directors is set at one year and, in other words, the intentions of shareholders can be reflected in the continuation of the Response Guidelines and defensive measures enacted by resolutions of the Board of Directors based on the Response Guidelines through the exercise of voting rights relating to proposals on election of Directors, and therefore, the Response Guidelines is not a "slow-hand"-type takeover defensive measure (i.e., a takeover defensive measure that requires the passage of time to prevent its enactment because it is not possible to replace all of the constituent members of the Board of Directors at one time).

(Attachment)

Outline of Gratis Allotment of Subscription Warrants

1. Shareholders to whom subscription warrants are allotted and method of allotment

Shareholders recorded on the shareholder registry as at an allotment date to be determined by the Board of Directors shall be allotted subscription warrants that do not require payment, in a ratio of 1 warrant per 1 share held by such shareholders (excluding shares of the Company held by the Company).

2. Class and number of shares to be issued upon exercise of subscription warrants

Subscription warrants shall be for common stock of the Company at a ratio of 1 share of common stock per 1 subscription warrant. However, this ratio may be adjusted in the event of a share split or share consolidation.

3. Total number of subscription warrants allotted to shareholders

The maximum total number of subscription warrants to be allotted to shareholders shall be the final total number of issued and outstanding shares of the Company as at the allotment date (excluding the number of shares of the Company held by the Company at that point in time).

4. Payment for subscription warrants

Subscription warrants are allotted gratis and do not require payment.

5. Property contributed upon exercise of subscription warrants and pricing thereof

Property to be contributed upon exercise of subscription warrants shall be cash, and the price is to be determined by the Board of Directors but not to be less than 1 yen per share.

6. Restrictions on assignment of subscription warrants

The approval of the Board of Directors is required for the assignment of subscription warrants.

7. Terms for exercise of subscription warrants

Specific terms may be placed on the exercise of subscription warrants, which terms include prohibiting exercise by: “1) designated large holders (*1),” “2) joint holders with such large holders (*2),” “3) designated large purchasers (*3),” “4) parties having special interests with such designated large purchasers” or “5) parties receiving conveyance of or succeeding to subscription warrants from any of the parties listed in the items 1 through 4 above without the approval of the Board of Directors,” or “6) parties affiliated with any of the parties listed in the items 1 through 5 above (*4).” Details shall be formulated separately by the Board of Directors.

8. Events enabling the Company to acquire subscription warrants in exchange for common stock and terms of acquisition

The Company places acquisition terms such as the conditions that the Company may acquire subscription warrants (excluding subscription warrants held by parties who are not entitled to exercise subscription warrants as noted in “7. Terms for exercise of subscription warrants” above) upon the arrival of an acquisition date to be determined by the Board of Directors and unless adjusted separately in exchange for this acquisition may grant 1 share of common stock for 1 subscription warrant. Meanwhile, the Company shall not deliver any cash as consideration of subscription warrants held by any party who is not entitled to exercise the subscription warrants as described in “7. Terms for exercise of subscription warrants.” Details shall be formulated separately by the Board of Directors.

9. Acquisition without contribution when defensive measures are suspended

If the Board of Directors suspends the enactment of defensive measures and in any other case separately determined by the Board of Directors, the Company may acquire all of the subscription warrants without contribution.

10. Exercise period of subscription warrants, etc.

The exercise period of subscription warrants, events enabling the Company to acquire subscription warrants without contribution, terms of acquisition and other necessary matters shall be determined separately by the Board of Directors.

Notes: 1. “Designated large holder” refers to a holder of shares, etc. issued by the Company with a holding ratio of the relevant shares, etc. of 20% or more, or deemed by the Board of Directors to have a holding ratio of 20% or more.

2. “Joint holder” means a person as defined in Article 27-23, Paragraph 5, which includes those deemed as Joint Holder(s) pursuant to Article 27-23, Paragraph 6, of the Financial Instruments and Exchange Act (including parties so deemed by the Board of Directors of the Company).

3. “Designated large purchasers” means parties who give public notice to the effect that they will purchase, etc. (this means purchase, etc. as defined in Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Act; hereinafter the same in this note) by takeover bid, and whose Holding Ratio of Shares, etc. (including the case as specified to be similar, in Article 7, Paragraph 1 of the Enforcement Order of the Financial Instruments and Exchange Act) and Holding Ratio of Shares, etc. owned by parties with special interests (including persons recognized by the Board of Directors of the Company to fall under the above) is 20% or more in total.

4. “Affiliated party” is a party whom the Board of Directors deem under the consent of the special committee as substantially controlling the subject party, being substantially controlled by or under common control with the subject party (including a party who is deemed by the Board of Directors to fall under the above), or a party who is recognized by the Board of Directors to be acting in collaboration with the subject party.

(Reference)

Outline of Rules of Special Committee

1. The special committee shall be established upon resolution of the Board of Directors for the purpose of ruling out arbitrary judgments by the Board of Directors concerning enactment of the defensive measures against Large-Scale Purchase and other related actions, and thus ensuring the objectivity and reasonableness of judgments and handling by the Board of Directors.

2. The special committee shall consist of between three and five committee members (hereinafter referred to as "Members") comprising Outside Directors of the Company, Outside Corporate Auditors of the Company, substitute Corporate Auditors of the Company (however, such substitute Corporate Auditors must satisfy the requirements for Outside Corporate Auditors) and outside experts (legal counsel, tax accountants, certified public accountants, persons with academic or practical experience, experts in investment banking or other persons similar thereto) who are independent of the management team executing the business of the Company and have no special-interest relationships with the Company or the Board of Directors.

3. Special committee members shall mutually appoint the Chairperson, and the Chairperson shall chair the special committee.

4. The special committee shall be convened by the Chairperson, and each Member may request convocation of special committee meetings of the Chairperson.

5. Resolutions for recommendation shall be made by a majority of the Members present at the meeting of the special committee where a majority of the Members are present. If the number of votes for approval or disapproval is the same for the resolution, the Chairperson shall make the final decision.

6. The special committee shall pass judgment on whether or not to enact the defensive measures in accordance with the Response Guidelines based on consultations with the Board of Directors, and issue recommendations to the Board of Directors. Moreover, the special committee shall issue recommendations in answer to consultations by the Board of Directors pertaining to the Response Guidelines. Upon issuing a recommendation, judgment must be made from the viewpoint of whether or not the common interests of the Company shareholders and the corporate value of the Company will be materially harmed, and must not aim at benefits for itself or Directors of the Company. The Board of Directors shall accord the utmost deference to recommendations by the special committee in judging whether or not to enact the defensive measures.

7. The special committee, as necessary, may request that Directors, Corporate Auditors, Officers, Accounting Auditors or employees of the Company provide information or attend special committee meetings.

8. The special committee may seek the advice of independent third parties (including financial advisers, legal counsel, tax accountants, certified public accountants, consultants and other experts) at the expense of the Company in order to ensure that its judgments contribute to the securing and enhancing of the common interests of the Company shareholders and the corporate value of the Company.

Special Committee Members and Their CVs

The following are the special committee members who are scheduled to be appointed provided that the continuation of the Response Guidelines is approved by the shareholders of the Company, with their CVs.

(Japanese alphabetical order)

Name (Date of birth)	Career summary	
Hiroshi Kurimoto (August 26, 1947)	April 1970	Joined OILES CORPORATION ("OILES")
	June 1999	Director of OILES
	June 2003	Director; Managing Operating Officer of OILES
	June 2006	Representative Director, President and Chief Operating Officer of OILES
	June 2011	Representative Director and Chairman of OILES
	June 2014	Director (Outside Director) of the Company (to the present) Director and Senior Advisor of OILES (to the present)
Takeo Kosugi (March 23, 1942)	April 1968	Assistant Judge, Osaka District Court
	May 1974	Registered as attorney (affiliated with the Tokyo Bar Association)
	June 1974	Joined Matsuo Law Office (present Matsuo & Kosugi) (to the present)
	June 2009	Director (Outside Director) of TOSHIBA CORPORATION (until June 2014)
	June 2010	Corporate Auditor (Outside Corporate Auditor) of FUJIFILM Holdings Corporation (to the present)
Noriko Sekiguchi (January 23, 1964)	April 1986	Joined Manufacturers Hanover Bank (present JPMorgan Chase Bank, N.A.) (until June 1988)
	October 1991	Joined Asahi-Shinwa Kaikeisha audit corporation (present KPMG AZSA LLC) (until January 1998)
	March 1994	Registered as certified public accountant
	February 1998	Joined Japan Broadcasting Corporation (until June 2001)
	December 2001	Joined Triumph International (Japan) Ltd. (until June 2004)
	January 2002	Reregistered as certified public accountant
	July 2004	Joined Ernst & Young ShinNihon (present Ernst & Young ShinNihon LLC) (until October 2010)
	November 2010	Representative of Sekiguchi CPA Office (to the present)
	April 2011	Contract Monitoring Committee Member of Japan International Cooperation Agency ("JICA") (to the present)
	July 2011	External Assessment Committee Member of JICA (to the present)
	July 2012	Registered as certified tax accountant

Notes: 1. Mr. Hiroshi Kurimoto is scheduled to retire from the position of Director of OILES on June 26, 2015.
2. Mr. Hiroshi Kurimoto is Outside Director of the Company. The Company has designated him as an independent director in accordance with the regulations of the Tokyo Stock Exchange and has notified therein.
3. Ms. Noriko Sekiguchi is a candidate for Outside Director. The Company plans to designate her as an independent director in accordance with the regulations of the Tokyo Stock Exchange and notify therein in the event that her election as Outside Director is approved at this General Meeting of Shareholders.
4. There are no business relationships between Mr. Takeo Kosugi and Matsuo & Kosugi, and the Company.
5. There are no business relationships between Ms. Noriko Sekiguchi and Sekiguchi CPA Office, and the Company.
6. No conflict of interest exists between the Company or any Director of the Company and any of the above persons.

Guide for Exercising Voting Rights via the Internet, etc.

If you exercise your voting rights via the Internet, etc., please read the following items and exercise your rights by 5:30 p.m. on Wednesday, June 24, 2015.

1. Website to use for exercising voting rights
   (1) Exercise of voting rights via the Internet is only possible by accessing the website designed by the Company exclusively for the purpose of exercising voting rights (http://www.evote.jp/) via a personal computer, smartphone or mobile phone (i-mode, EZweb and Yahoo!Keitai).
   (Access is unavailable between 2:00 a.m. and 5:00 a.m. every day).
   (2) Depending on the Internet user environment, shareholders using personal computers or smartphones may not be able to exercise their voting rights via the website for exercising voting rights. For more details, please contact the Help Desk by telephone at the following number.
   (3) In order to exercise voting rights using a mobile phone, it is necessary for a mobile phone to have the capability to use the i-mode, EZweb, or Yahoo!Keitai service. Even if shareholders have access to one of the above services, some shareholders may not be able to use the service if their mobile phone models are incapable of sending information, or not encrypted communication (SSL communication) enabled, to ensure security.

   Note: i-mode, EZweb, and Yahoo! are trademarks or registered trademarks of NTT DOCOMO, INC., KDDI CORPORATION and Yahoo! Inc. in the U.S., respectively.

2. How to exercise voting rights via the Internet
   (1) Please access the website for exercising voting rights (http://www.evote.jp/), enter the “login ID” and “temporary password” provided on the Voting Rights Exercise Form and then enter your vote for each proposal according to the instructions on the screen.
   (2) To prevent people who are not shareholders (impostors) from illegally accessing the website and alteration of the content of your voting selections, we will ask shareholders who use the website to change their “temporary passwords” on the website for exercising voting rights.
   (3) You will be provided with a new “login ID” and “temporary password” each time a General Meeting of Shareholders is convened.

3. Costs arising from accessing the website for exercising voting rights
   Costs arising from accessing the website for exercising voting rights (Internet access fees, etc.) will be borne by the shareholder. When using a mobile phone, etc. to vote, there will be costs such as packet communication fees or other fees for using the mobile phone, etc., and these fees will be borne by the shareholder.

For inquiries concerning systems, etc. please contact:

Mitsubishi UFJ Trust and Banking Corporation,
Securities Agent Department (Help Desk)
Tel: 0120-173-027 (Business hours: 9:00 a.m.–9:00 p.m. toll free)

4. How multiple votes for the same shareholder will be handled
   (1) If you exercise your voting rights by two different means, that is, by electronic means (via the Internet, etc.) as well as in writing, votes by electronic means (via the Internet, etc.) shall prevail.
   (2) If you exercise your voting rights by electronic means (via the Internet, etc.) more than once, your final votes shall prevail.

5. Electronic proxy voting platform
   If you are nominee shareholders such as management trust banks (including standing proxy) and apply in advance for the use of the electronic proxy voting platform operated by ICJ, Inc., you may use such platform operated by ICJ, Inc.