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(Securities Code 1813)
June 3, 2016

To Shareholders with Voting Rights:

Yuji Takehara
President and Representative Director
Fudo Tetra Corporation
7-2, Nihonbashi-Koami-cho
Chuo-ku, Tokyo, Japan

NOTICE OF THE 70TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

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

You are cordially invited to attend the 70th Annual General Meeting of Shareholders of Fudo Tetra 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 or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders provided below, and exercise your voting rights by 5:30 p.m. on Wednesday, June 22, 2016, Japan time.

1. **Date and Time:** Thursday, June 23, 2016 at 10:00 a.m. Japan time
(The reception is scheduled to begin at 9:00 a.m.)

2. **Place:** Hall on the 8th floor of Tokyo Shoken Kaikan located at
1-5-8, Nihonbashi-Kayaba-cho, Tokyo, Japan
(Please see the map in the last page.)

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 70th Fiscal Year (April 1, 2015 - March 31, 2016) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the Company's 70th Fiscal Year (April 1, 2015 - March 31, 2016)

Proposals to be resolved:

Proposal No. 1:	Appropriation of Surplus
Proposal No. 2:	Partial Amendments to the Articles of Incorporation
Proposal No. 3:	Election of Five (5) Directors Not Serving as Audit and Supervisory Committee Members
Proposal No. 4:	Election of Four (4) Directors Serving as Audit and Supervisory Committee Members
Proposal No. 5:	Determination of Compensation, etc. for Directors Not Serving as Audit and Supervisory Committee Members
Proposal No. 6:	Determination of Compensation, etc. for Directors Serving as Audit and Supervisory Committee Members
Proposal No. 7	Determination of Amount and Content of Performance-Linked Stock Compensation, etc. for Directors

- The "Notes to the Consolidated Financial Statements" and the "Notes to the Non-consolidated Financial Statements" are provided on the Company's website (http://www.fudotera.co.jp/ir/ir-meeting-description.html) in accordance with laws and regulations as well as Article 16 of the Articles of Incorporation of the Company, and not included in this notice of convocation. Therefore, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the attached documents of this notice of convocation are part of the consolidated and non-consolidated financial statements audited by the Audit & Supervisory Board Members and the Accounting Auditor in the preparation of the Auditor's Report.
- Should the Reference Documents for the General Meeting of Shareholders, the Business report, Non-consolidated Financial Statements, and the Consolidated Financial Statements require revisions, the revised version will be posted on the Company's website (http://www.fudotetra.co.jp/).
- If you vote both in writing on the Voting Rights Exercise Form and via the Internet, etc., only the vote placed via the Internet, etc. will be valid.
- If you submit your vote multiple times via the Internet, etc., only the last vote exercised will be valid.

Proposals and References

Proposal No. 1: Appropriation of Surplus

The Company considers returning profits to the shareholders and strengthening its management foundation to be vital business tasks, and has taken a fundamental policy of continuing dividends in a stable manner, determining dividends of surplus upon taking into consideration the financial and performance situations in a comprehensive manner.

In the "Mid-term Management Plan (2015-2017)" released on May 11, 2015, the Company set a profit return goal to the shareholders of "consolidated dividend payout ratio over 25%," and this has been stipulated as a management goal.

Under these policies and objectives, the Company proposes year-end dividends for the 70th fiscal year as follows.

If this proposal is approved, a consolidated dividend payout ratio will be 32.8%.

●Matters concerning the year-end dividends

(1) Type of dividend property
Cash

(2) Matters concerning the allotment of dividend property and the total amount
¥4 per share of common stock of the Company
Total amount of ¥657,923,184

(3) Effective date of distribution of surplus
June 24, 2016

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendment

(1) Due to the promulgation of the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014), a governing structure called a company with an audit and supervisory committee was newly established.
With the intent of adding a further layer of strength to the corporate governance and improving corporate value of the Group, the Company will transition to a company with an audit and supervisory committee.
In line with this transition, necessary amendments will be made including addition of provisions regarding Audit and Supervisory Committee and Audit and Supervisory Committee Members, amendments of provisions regarding Directors and the Board of Directors, addition of provisions regarding delegation of determination of important business execution to Directors by a resolution of the Board of Directors, and deletion of provisions regarding Audit & Supervisory Board and Audit & Supervisory Board Members.
(Articles 4, 19, 20, 21, 22, 26, 28, 30, 31, 32, 35 of the Proposed Amendments and title of Chapter 5 of the Proposed Amendments. Articles 29, 30, 31, 35 and 36 of the current Articles of Incorporation will be deleted.)

(2) Since it is stipulated in the current Articles of Incorporation that the term of office of Directors shall be until the conclusion of the Annual General Meeting of Shareholders relating to the final fiscal year within one (1) year after election, it is not necessary to align the term of office of Directors who are selected as substitutes or due to an increase in members. The term of office of Directors (excluding those serving as Audit and Supervisory Committee Members) is also one (1) year in the Proposed Amendments, and therefore the provisions regarding the alignment of term of office will be deleted. (Article 21 of the Proposed Amendments)

(3) As prescribed in Article 368, Paragraph 2 of the Companies Act, provisions that the Board of Directors may be convened without following the procedure for convening the meeting with the consent of all Directors will be added. (Article 24 of the Proposed Amendments)

(4) Due to the promulgation of the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014), it has become possible to conclude liability limitation agreements with not only Outside Directors but also with non-executive Directors. Accordingly, the counterparty to such agreements will be changed to "Directors (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act)." (Article 29 of the Proposed Amendments)
Each Audit & Supervisory Board Member has given approval to present these amendments as a proposal in the General Meeting of Shareholders.
In addition, since the provisions regarding exemption of liability for Audit & Supervisory Board Members (Article 36 of the current Articles of Incorporation) will be deleted in transitioning to a company with an audit and supervisory committee, the Company will add transitional provisions, which stipulate that the current provisions regarding exemption of liability for Audit & Supervisory Board Members and liability limitation agreements will be effective after the deletion of the said provisions. (Article 1 of Supplemental Provisions of the Proposed Amendments)

(5) Following additions and deletion of Articles, the numbers of Articles will be reorganized and the numbers of paragraphs will be added or deleted.

The amendments of the Articles of Incorporation in this Proposal shall take effect as of the conclusion of this General Meeting of Shareholders.

2. Details of the Amendments

Details of the proposed amendments are as follows.

(Underlined text indicates sections to be changed.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER 1 GENERAL PROVISIONS	CHAPTER 1 GENERAL PROVISIONS
Articles 1 ~ 3 (Omitted)	Articles 1 ~ 3 (Unchanged)
(Bodies) Article 4 Apart from the General Meeting of Shareholders and Directors, the Company shall have the following bodies: (1) Board of Directors (2) Audit & Supervisory Board Members (3) Audit & Supervisory Board (4) Accounting Auditor	(Bodies) Article 4 Apart from the General Meeting of Shareholders and Directors, the Company shall have the following bodies: (1) Board of Directors (2) Audit and Supervisory Committee (Deleted) (3) Accounting Auditor
Article 5 (Omitted)	Article 5 (Unchanged)
CHAPTER 2 SHARES	CHAPTER 2 SHARES
Articles 6 ~ 12 (Omitted)	Articles 6 ~ 12 (Unchanged)
CHAPTER 3 GENERAL MEETING OF SHAREHOLDERS	CHAPTER 3 GENERAL MEETING OF SHAREHOLDERS
Articles 13 ~ 18 (Omitted)	Articles 13 ~ 18 (Unchanged)
CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS	CHAPTER 4 DIRECTORS AND BOARD OF DIRECTORS
(Number of Directors) Article 19 The number of Directors of the Company shall be fifteen (15) or less.	(Number of Directors) Article 19 The number of Directors (excluding those serving as Audit and Supervisory Committee Members) of the Company shall be nine (9) or less.
(Newly established)	2. The number of Directors serving as Audit and Supervisory Committee Members of the Company shall be six (6) or less.

Current Articles of Incorporation	Proposed Amendments
(Election of Directors) Article 20 Directors shall be elected at a General Meeting of Shareholders.	(Election of Directors) Article 20 Directors, distinguished between those who are Audit and Supervisory Committee Members and those who are not, shall be elected at a General Meeting of Shareholders.
2. ~ 3. (Omitted)	2. ~ 3. (Unchanged)
(Term of Office) Article 21 The term of office of Directors shall be until the conclusion of the Annual General Meeting of Shareholders relating to the final fiscal year within one (1) year after election.	(Term of Office) Article 21 The term of office of Directors (excluding those serving as Audit and Supervisory Committee Members) shall be until the conclusion of the Annual General Meeting of Shareholders relating to the final fiscal year within one (1) year after election.
2. The term of office of Directors appointed as substitutes or due to an increase in members shall be the same as remaining terms of office of the other Directors in office.	(Deleted)
(Newly established)	2. The term of office of Directors serving as Audit and Supervisory Committee Members shall be until the conclusion of the Annual General Meeting of Shareholders relating to the final fiscal year within two (2) years after election.
(Newly established)	3. The term of office of a Director serving as Audit and Supervisory Committee Member elected as a substitute for a Director serving as Audit and Supervisory Committee Member leaving office before the end of his/her term shall expire at the time the term of office of the Audit and Supervisory Committee Member leaving office expires.
(Representative Directors, etc.) Article 22 The Board of Directors shall, by its resolution, elect Representative Directors.	(Representative Directors, etc.) Article 22 The Board of Directors shall, by its resolution, elect Representative Directors from among Directors (excluding those serving as Audit and Supervisory Committee Members).
2. The Board of Directors may, by its resolution, elect one (1) Director & Chairman and one (1) Director & President.	2. The Board of Directors may, by its resolution, elect one (1) Director & Chairman and one (1) Director & President from among Directors (excluding those serving as Audit and Supervisory Committee Members)
3. (Omitted)	3. (Unchanged)
Article 23 (Omitted)	Article 23 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(Notice of Convocation of a Meeting of the Board of Directors) Article 24 A notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director and Audit & Supervisory Board Member no later than three (3) days prior to the date set for such meeting. However, in case of emergency, this period may be shortened.	(Notice of Convocation of a Meeting of the Board of Directors) Article 24 A notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director no later than three (3) days prior to the date set for such meeting. However, in case of emergency, this period may be shortened.
(Newly established)	2. With the consent of all Directors, the Board of Directors may be convened without following the procedure for convening the meeting.
Article 25 (Omitted)	Article 25 (Unchanged)
(Newly established)	(Delegation of Determination of Important Business Execution) Article 26 The Company may, as stipulated in Article 399-13, Paragraph 6 of the Companies Act, delegate important business execution (excluding those listed in each Item of Paragraph 5 of the same Article), either in whole or in part, to Directors by a resolution of the Board of Directors.
Article 26 (Omitted)	Article 27 (Unchanged)
(Compensation, etc. for Directors) Article 27 Compensation, bonuses and other financial benefits of Directors received from the Company as consideration for their execution of duties (hereinafter referred to as "Compensation, etc.") shall be determined by a resolution of a General Meeting of Shareholders.	(Compensation, etc. for Directors) Article 28 Compensation, bonuses and other financial benefits of Directors received from the Company as consideration for their execution of duties (hereinafter referred to as "Compensation, etc.") shall be determined by a resolution of a General Meeting of Shareholders, and distinctions shall be made between Directors serving as Audit and Supervisory Committee Members and those who are not.

Current Articles of Incorporation	Proposed Amendments
(Exemption of Liabilities of Directors) Article 28 (Omitted) 2. The Company may, pursuant to Article 427, Paragraph 1 of the Companies act, conclude agreements with Outside Directors to limit their liability for damages caused by negligence of their duties. The maximum amount of liability under the said agreement shall be the amount as stipulated by laws and regulations.	(Exemption of Liabilities of Directors) Article 29 (Unchanged) 2. The Company may, pursuant to Article 427, Paragraph 1 of the Companies act, conclude agreements with Directors (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) to limit their liability for damages caused by negligence of their duties. The maximum amount of liability under the said agreement shall be the amount as stipulated by laws and regulations.
CHAPTER 5 AUDIT & SUPERVISORY BOARD MEMBER AND AUDIT & SUPERVISORY BOARD	CHAPTER 5 AUDIT AND SUPERVISORY COMMITTEE
(Number of Audit & Supervisory Board Members) Article 29 The number of Audit & Supervisory Board Members of the Company shall be three (3) or more.	(Deleted)
(Election of Audit & Supervisory Board Members) Article 30 Audit & Supervisory Board Members shall be elected at a General Meeting of Shareholders. 2. Resolution to elect an Audit and Supervisory Board Member shall be made when one-third (1/3) or more of shareholders that may exercise voting rights are in attendance, and a majority of those voting rights are exercised in favor of the election.	(Deleted)
(Term of Office of Audit & Supervisory Board Members) Article 31 The term of office of Audit & Supervisory Board Members shall be until the conclusion of the Annual General Meeting of Shareholders relating to the final fiscal year within four (4) years after election. 2. The term of office of an Audit & Supervisory Board Member elected as a substitute for an Audit & Supervisory Board Member leaving office before the end of his/her term shall expire at the time the term of office of the Audit & Supervisory Board Member leaving office expires.	(Deleted)
(Standing Audit & Supervisory Board Members) Article 32 The Audit & Supervisory Board, by its resolution, selects standing Audit & Supervisory Board Members.	(Standing Audit and Supervisory Committee Members) Article 30 The Audit and Supervisory Committee, by its resolution, selects standing Audit and Supervisory Committee Members from among Audit and Supervisory Committee Members.

Current Articles of Incorporation	Proposed Amendments
(Notice of Convocation of a Meeting of Audit & Supervisory Board) Article 33 A notice of convocation of a meeting of the Audit & Supervisory Board shall be dispatched to each Audit & Supervisory Board Member no later than three (3) days prior to the date set for such meeting. However, in case of emergency, this period may be shortened. (Newly established)	(Notice of Convocation of a Meeting of Audit and Supervisory Committee) Article 31 A notice of convocation of a meeting of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member no later than three (3) days prior to the date set for such meeting. However, in case of emergency, this period may be shortened. 2. With the consent of all Audit and Supervisory Committee Members, the Audit and Supervisory Committee may be convened without following the procedure for convening the meeting.
(Rules of the Audit & Supervisory Board) Article 34 In addition to applicable provisions of laws and regulations and these Articles of Incorporation, all matters concerning the Audit & Supervisory Board shall be governed by the Rules of the Audit & Supervisory Board established by the Audit & Supervisory Board.	(Rules of the Audit and Supervisory Committee) Article 32 In addition to applicable provisions of laws and regulations and these Articles of Incorporation, all matters concerning the Audit and Supervisory Committee shall be governed by the Rules of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.
(Compensation, etc. for Audit & Supervisory Board Members) Article 35 Compensation, etc. for Audit & Supervisory Board Members shall be determined by a resolution of a General Meeting of Shareholders.	(Deleted)
(Exemption of Liabilities of Audit & Supervisory Board Members) Article 36 By a resolution of the Board of Directors, the Company may, in accordance with the provision of Article 426, Paragraph 1 of the Companies act, exempt an Audit & Supervisory Board Member (including a person who was an Audit & Supervisory Board Member) from liability for damages caused by negligence of his/her duties to the extent provided by laws and regulations. 2. The Company may, pursuant to Article 427, Paragraph 1 of the Companies act, conclude agreements with Outside Audit & Supervisory Board Members to limit their liability for damages caused by negligence of their duties. The maximum amount of liability under the said agreement shall be the amount as stipulated by laws and regulations.	(Deleted)
CHAPTER 6 ACCOUNTING AUDITOR	CHAPTER 6 ACCOUNTING AUDITOR
Articles 37 ~ 38 (Omitted)	Articles 33 ~ 34 (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(Compensation, etc. for Accounting Auditor) Article 39 Compensation, etc. for an Accounting Auditor shall be determined by a Representative Director with the consent of Audit & Supervisory Board.	(Compensation, etc. for Accounting Auditor) Article 35 Compensation, etc. for an Accounting Auditor shall be determined by a Representative Director with the consent of Audit and Supervisory Committee.
CHAPTER 7 ACCOUNTING	CHAPTER 7 ACCOUNTING
Articles 40 ~ 43 (Omitted)	Articles 36 ~ 39 (Unchanged)
(Newly established)	Supplemental Provisions (Transitional Measures Regarding Exemption of Liabilities of Audit & Supervisory Board Members) Article 1 Exemptions resulting from resolution of the Board of Directors for liability provided for in Article 423, Paragraph 1 of the Companies Act regarding actions of Audit & Supervisory Board Members (including persons who were Audit & Supervisory Board Members) before the conclusion of the Annual General Meeting of Shareholders for the year ended March 31, 2016 shall be handled in accordance with Article 36, Paragraph 1 of these Articles of Incorporation prior to the amendments that will be made by a resolution of the said Annual General Meeting of Shareholders. 2. Exemptions resulting from resolution of the Board of Directors for liability provided for in Article 423, Paragraph 1 of the Companies Act regarding actions of Outside Audit & Supervisory Board Members (including persons who were Outside Audit & Supervisory Board Members) before the conclusion of the Annual General Meeting of Shareholders for the year ended March 31, 2016 shall be handled in accordance with Article 36, Paragraph 2 of these Articles of Incorporation prior to the amendments that will be made by a resolution of the said Annual General Meeting of Shareholders.

Proposal No. 3: Election of Five (5) Directors Not Serving as Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee at the conclusion of this year's General Meeting of Shareholders, provided that Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved and passed. The terms of office of all six (6) Directors will expire at the conclusion of this year's General Meeting of Shareholders. Accordingly, the election of five (5) Directors not serving as Audit and Supervisory Committee Members is proposed, separately from Directors serving as Audit and Supervisory Committee Members.

This Proposal shall become effective when the amendments to the Articles of Incorporation regarding the establishment of Audit and Supervisory Committee (Proposal No.2) take effect.

The candidates for Directors not serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Yuji Takehara (July 31, 1950) Reappointment	March 1973 Joined the Company May 2003 Deputy General Manager, Geo Engineering Business Unit June 2003 Executive Officer April 2004 Representative Director, Executive Vice President, General Manager, Geo Engineering Business Unit March 2006 General Manager, Civil Engineering Business Unit June 2006 Director June 2009 Responsible for Internal Control and Technology Development, and in charge of Safety and Environment Unit June 2010 President and Representative Director (current position), General Manager, Construction Unit [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of the Geo Engineering Business Unit (currently Soil Improvement Business Unit) and General Manager of the Civil Engineering Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business, his assuming command of management as President and Representative Director, and his appropriate operation of the Board of Directors as Chairman.	97,644

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Shinya Okuda (January 9, 1955) Reappointment	March 1980 Joined the Company October 2007 Deputy General Manager, Tokyo Main Office, General Manager, Sales Department-1 June 2008 Executive Officer May 2009 General Manager, Soil Improvement Business Department, Construction Unit June 2010 Managing Executive Officer April 2011 General Manager, Soil Improvement Business Unit (current position) June 2011 Director June 2015 Representative Director (current position) Executive Vice President (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of Deputy General Manager of the Tokyo Main Office and General Manager of the Soil Improvement Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director and Representative Director.	22,128
3	Akira Yamashita (August 13, 1953) Reappointment	April 1978 Joined Nippon Tetrapod Co., Ltd. April 2004 General Manager, Human Resources Department, Tetra Corporation April 2006 Executive Officer, Tetra Corporation October 2006 Executive Officer, General Manager, General Affairs Department, Administration Unit, the Company June 2010 General Manager, Planning and Finance Department, Administration Unit April 2013 Managing Executive Officer (current position), General Manager, Administration Unit (current position) June 2013 Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manger of the General Affairs Department, General Manager of the Planning and Finance Department, and General Manager of the Administration Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as Director and General Manager of the Administration Unit.	27,902

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Eiji Shirakawa (June 30, 1953) Reappointment	March 1972 Joined the Company October 2006 General Manager, Sales Department, Chubu Branch January 2008 Deputy General Manager, Chubu Branch June 2008 Executive Officer, General Manager, Chubu Branch April 2014 Managing Executive Officer (current position), General Manager, Civil Engineering Business Unit (current position) June 2014 Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of the Chubu Branch and General Manager of the Civil Engineering Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as a Director.	39,000
5	Minoru Hanzawa (September 2, 1955) Reappointment	April 1980 Joined Nippon Tetrapod Co., Ltd. October 2007 General Manager, Technology Management Department, Block Environment Business Unit of the Company June 2008 Executive Officer, Deputy General Manager, Block Environment Business Unit April 2011 General Manager, Comprehensive Technology Research Center, Block Environment Business Unit April 2015 Managing Executive Officer (current position), General Manager, Block Environment Business Unit (current position) June 2015 Director (current position) [Reasons for nomination as a candidate for Director not serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of the Technology Management, Block Environment Business Unit and General Manager of the Block Environment Business Unit. The Company renominates him as candidate for Director due to his familiarity with the Company's overall business and the fact that he has appropriately engaged in operating the Board of Directors as a Director.	12,412

(Notes)

1. There are no special interests between the candidates and the Company.
2. The number of the Company's shares each candidate holds includes shares of stock in officer's shareholding association.

Proposal No. 4: Election of Four (4) Directors Serving as Audit and Supervisory Committee Members

The Company will transition to a company with an audit and supervisory committee at the conclusion of this year's General Meeting of Shareholders, provided that Proposal No. 2 "Partial Amendments to the Articles of Incorporation" is approved and passed. Accordingly, the election of four (4) Directors serving as Audit and Supervisory Committee Members is proposed, separately from Directors not serving as Audit and Supervisory Committee Members.

This Proposal shall become effective when the amendments to the Articles of Incorporation regarding the establishment of Audit and Supervisory Committee (Proposal No.2) take effect.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Masahiro Matsumura (January 17, 1955) New candidate	March 1979 Joined the Company April 2004 General Manager, Kita-Kanto Branch, Tokyo Main Office April 2006 Deputy General Manager, Tokyo Main Office June 2008 Executive Officer, General Manager, Sales Department-2, Sales Management Department, Construction Unit May 2009 Deputy General Manager, Osaka Main Office June 2010 General Manager, Osaka Main Office April 2015 Assistant to President June 2015 (Standing) Audit & Supervisory Board Member (current position) [Reasons for nomination as a candidate for Director serving as Audit and Supervisory Committee Member] He has a wealth of experience and specialist knowledge from holding the posts of General Manager of the Kita-Kanto Branch and General Manager of the Osaka Main Office. The Company nominates him as a candidate for Director serving as Audit and Supervisory Committee Member due to his familiarity with the Company's overall business and the fact that he has appropriately fulfilled his duties of supervising the execution of duties by Directors as a Standing Audit & Supervisory Board Member.	12,655

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Seiichi Nagata (July 29, 1947) New candidate Outside Director Independent Officer 2 years in office as Outside Director (as of the conclusion of this General Meeting of Shareholders) Attendance at meetings of Board of Directors: 16/16 (100%)	March 1994 President, Suntory France S.A.S September 1997 General Manager of Europe Region and General Manager, London Branch, Suntory Limited March 2003 Director, Company President, Overseas Business Company, Suntory Limited March 2009 Executive Officer, Suntory Holdings Limited, Managing Director, Suntory Liquors Limited April 2011 Professor, Faculty of Economics, Teikyo University (current position) June 2014 Director, the Company (current position) [Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member] He possesses a wealth of experience regarding corporate management, having served many officer positions at companies, and a high level of knowledge as a university professor. The Company has nominated him as candidate for Outside Director serving as Audit and Supervisory Committee Member due to the fact that as an Independent Outside Director for the Company he has expressed his opinions from an independent and objective standpoint in Board of Directors meetings and fulfilled his duties appropriately by giving beneficial advice, as well as the fact that he meets the “Independence Standards for Outside Directors” stipulated by the Company.	0
3	Susumu Terasawa (November 15, 1947) New candidate Outside Director Independent Officer 3 years in office as Outside Audit & Supervisory Board Member (as of the conclusion of this General Meeting of Shareholders) Attendance at meetings of Board of Directors: 15/16 (94%) Attendance at the meetings of Audit & Supervisory Board: 14/14 (100%)	June 1995 Representative Partner, Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC) June 2007 General Manager, Quality Control Division, Tohmatsu & Co. April 2012 Visiting Professor, Chuo Graduate School of International Accounting June 2012 Outside Audit & Supervisory Board Member, The Nisshin OilliO Group, Ltd. (current position) June 2013 Audit & Supervisory Board Member, the Company (current position) (Significant concurrent position) Outside Audit & Supervisory Board Member, The Nisshin OilliO Group, Ltd. [Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member] He possesses specialist knowledge and a wealth of business experience as a certified public accountant. The Company has nominated him as candidate for Outside Director serving as Audit and Supervisory Committee Member due to the fact that as an Independent Outside Audit & Supervisory Board Member for the Company he has expressed his opinions from an independent and objective standpoint in Board of Directors meetings and fulfilled his duties appropriately by auditing the execution of duties of Directors and meets the “Independence Standards for Outside Directors” stipulated by the Company.	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Takuji Hasegawa (November 28, 1956) New candidate Outside Director Independent Officer	April 1981 April 1990 May 2002 November 2003	Registered as a lawyer, joined The Miyake Joint Partnership Law Office (currently Miyake & Partners) Partner Representative Partner (current position) Outside Auditor, CITY HILL CO., LTD. (current position) (Significant concurrent positions) Representative Partner, Miyake & Partners Outside Auditor, CITY HILL CO., LTD.	0
		[Reasons for nomination as a candidate for Outside Director serving as Audit and Supervisory Committee Member] He possesses specialist knowledge and a wealth of business experience as a lawyer. The Company has nominated him as candidate for Outside Director serving as Audit and Supervisory Committee Member due to the fact that he has detailed knowledge of the construction industry from having engaged in legal projects for construction companies and that he fulfills the "Independence Standards for Outside Directors" stipulated by the Company.		

(Notes)

1. There are no special interests between the candidates and the Company.
2. The number of the Company's shares each candidate holds includes shares of stock in officer's shareholding association.
3. Messrs. Seiichi Nagata, Susumu Terasawa, and Takuji Hasegawa are candidates for Outside Directors.
4. The Company has registered Messrs. Seiichi Nagata and Susumu Terasawa as independent officers as stipulated by Tokyo Stock Exchange, Inc. If they are elected as Outside Directors at this year's General Meeting of Shareholders, the Company plans to continue to register them as independent officers. Further, if Mr. Takuji Hasegawa is selected as an Outside Director at this year's General Meeting of Shareholders, the Company will also register him as an independent officer.
5. The candidate Mr. Seiichi Nagata will have held his position as Outside Director of the Company for two (2) years at the conclusion of this year's General Meeting of Shareholders.
6. The candidate Mr. Susumu Terasawa will have held his position as Outside Director of the Company for three (3) years at the conclusion of this year's General Meeting of Shareholders.
7. Although the candidate Mr. Susumu Terasawa currently serves as Outside Audit & Supervisory Board Member of The Nisshin OilliO Group, Ltd., he will retire from the position at the conclusion of 144th Annual General Meeting of Shareholders of said company to be held on June 24, 2016.
8. The Company stipulates in Article 28, Paragraph 2 of the current Articles of Incorporation that the Company may conclude agreements with Outside Directors to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company and the candidate Mr. Seiichi Nagata has concluded such liability limitation agreement that stipulates that "in the event of the Outside Director causes damages to the Company due to his negligence of duty, the Outside Director shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Outside Director has acted in good faith and without gross negligence in performing his duty."
9. The Company stipulates in Article 36, Paragraph 2 of the current Articles of Incorporation that the Company may conclude agreements with Outside Audit & Supervisory Board Members to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company and Mr. Susumu Terasawa has concluded such liability limitation agreement that stipulates that "in the event of the Outside Audit & Supervisory Board Member causes damages to the Company due to his negligence of duties, the Outside Audit & Supervisory Board Member shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Outside Audit & Supervisory Board Member has acted in good faith and without gross negligence in performing his duty."
10. Subject to the approval of Proposal No.2 "Partial Amendments to the Articles of Incorporation," the Company will stipulate in Article 29, Paragraph 2 of the Amended Articles of Incorporation that the Company may conclude agreements with Directors (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) to limit their liability for damages caused by negligence of their duties. Pursuant to this provision, the Company plans to conclude such liability limitation agreements with the candidates Messrs. Masahiro Matsumura, Seiichi Nagata, Susumu Terasawa, and Takuji Hasegawa. The outline of the agreement is that, "in the event of the Director (excluding Executive Directors, etc. as defined in Article 2, Paragraph 15-1 of the Companies Act) causes damages to the Company due to his negligence of duty, the Director shall be liable for damages up to the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act, provided that the Director has acted in good faith and without gross negligence in performing his duty."

Proposal No. 5: Determination of Compensation, etc. for Directors Not Serving as Audit and Supervisory Committee Members

The upper limit for compensation for Directors of the Company was approved to be ¥250 million per annum at the 57th Annual General Meeting of Shareholders, held on June 27, 2003.

The Company will transfer to a company with an audit and supervisory committee, subject to the approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation." Accordingly, pursuant to the provisions of Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, the Company proposes to abolish the current compensation framework for Directors, and to set the upper limit for compensation for Directors not serving as Audit and Supervisory Committee Members at ¥250 million per annum, in consideration of the content of the officer compensation system to be newly introduced, and recent economic trends and other circumstances.

Although there are currently six (6) Directors (including one (1) Outside Director), if Proposals No. 2 and No.3 are approved as originally proposed, the number of Directors not serving as Audit and Supervisory Committee Members will be five (5) (no Outside Directors).

This Proposal shall become effective when the amendments to the Articles of Incorporation regarding the establishment of Audit and Supervisory Committee (Proposal No.2) take effect.

Proposal No. 6: Determination of Compensation, etc. for Directors Serving as Audit and Supervisory Committee Members

The Company will transfer to a company with an audit and supervisory committee, subject to the approval of Proposal No. 2 "Partial Amendments to the Articles of Incorporation." Accordingly, pursuant to the provisions of Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, the Company proposes to abolish the current compensation framework for Audit & Supervisory Board Members, and to set the upper limit for compensation, etc. for Directors serving as Audit and Supervisory Committee Members at ¥80 million per annum, in consideration of their duties and responsibilities as Audit and Supervisory Committee Members.

The upper limit for compensation for Audit & Supervisory Board Members of the Company was approved to be ¥65 million per annum at the 48th Annual General Meeting of Shareholders, held on June 29, 1994.

If Proposals No. 2 and No.4 are approved as originally proposed, the number of Directors serving as Audit and Supervisory Committee Members will be four (4) (including three (3) Outside Directors).

This Proposal shall become effective when the amendments to the Articles of Incorporation regarding the establishment of Audit and Supervisory Committee (Proposal No.2) take effect.

Proposal No. 7: Determination of Amount and Content of Performance-Linked Stock Compensation, etc. for Directors

The Company proposes to introduce a new performance-linked stock compensation plan (hereinafter referred to as the "Plan") as compensation, etc. for Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members, hereinafter the same applies in this Proposal) based on which shares of the Company will be delivered according to the levels of achievement of performance targets. The Plan is part of a review of the officer compensation system for Directors pursuant to Article 361, Paragraph 1 and Paragraph 2 of the Companies Act, and is set separately from the compensation, etc. proposed in Proposal No. 5 "Determination of Compensation, etc. for Directors Not Serving as Audit and Supervisory Committee Members."

The introduction of the Plan aims to provide Directors with an incentive to continuously realize the management target under appropriate risk-taking by further clarifying the correspondence of compensation, etc. for Directors with the Company's business performance and shareholder value. The Company believes its introduction to be appropriate.

The number of Directors eligible for the Plan will be five (5) Directors if Proposal No. 3 "Election of five (5) Directors Not Serving as Audit and Supervisory Committee Members" is approved and resolved as originally proposed.

Amount and content, etc. of compensation, etc. under the Plan

(1) Outline of the Plan

The Plan is a stock compensation plan under which shares of the Company will be acquired through a trust established by the Company using cash contributed by the Company, and the shares of the Company and money equivalent to the amount achieved through conversion of the shares of the Company to cash (the "Company Shares, etc.") will be delivered or paid (the "Delivery, etc.") to Directors through the trust. (See (2) and further for details.)

1. Persons eligible for the Delivery, etc. of Company Shares, etc. in this Proposal	・Directors of the Company (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members)

2. Effect that shares of the Company subject to this Proposal will have on the number of outstanding shares of the Company	
Maximum amount of cash contributed by the Company (as stated in (2) below)	・Total of ¥110 million for three fiscal years
Maximum number of Company Shares, etc. acquired by Directors and method of acquisition (as stated in (3) below)	・The maximum number of points (number of shares) awarded to Directors during the trust period is [320,000 points (shares) per annum/960,000 points (shares) over three years], and the ratio to the number of outstanding shares (as of March 31, 2016, excluding treasury stock) is approximately 0.6% ・As shares of the Company will be acquired from the stock market, dilution will not occur

3. Contents of performance target achievement conditions (as stated in (3) below)	・Fluctuates according to the levels of achievement, etc. of target figures of the Company's performance indicators (profit attributable to owners of parent, ROE, etc.) of each fiscal year ・The number of shares shall be determined from a range of 0-200%

4. Timing of Delivery, etc. of Company Shares, etc. to Directors (as stated in (4) below)	・Upon retirement

(2) Maximum amount of cash contributed by the Company

The Plan will be for three consecutive fiscal years (from the fiscal year ending March 31, 2017 to the fiscal year ending March 31, 2019, and for periods of three fiscal years each time the trust period is extended as described below, hereinafter referred to as the "Target Period").

The Company will contribute a maximum of ¥110 million cash for each Target Period, and will establish a trust (hereinafter referred to as the "Trust"), with a trust period of three years (including extensions of the trust period as stated below, the same hereinafter), with Directors who satisfy the beneficiary requirements as the beneficiaries. The Trust, under direction of the trust administrator, will acquire shares of the Company from the stock market using entrusted cash. The Company will award points (see (3) below) to Directors during the trust period and make Delivery, etc. of Company Shares, etc. equivalent to the accumulated number of awarded points (hereinafter referred to as the "Number of Accumulated Points") from the Trust at the time of their retirement (or at the time of their deaths if they become deceased).

At the expiration of the trust period of the Trust, the Trust may be continued by making modifications to the trust agreement and additional entrustments instead of setting up a new trust. In such case, the trust period of the Trust will be extended for a length of time equivalent to the initial trust period, and thus the Target Period will be three fiscal years subsequent to the extension of the trust period. The Company will, for each extended trust period, contribute additional cash within the limit of a total of ¥110 million, and continue to award points and make Delivery, etc. of Company Shares, etc. to Directors during the extended trust period. However, when such additional contribution is made, if there are shares of the Company (excluding shares of the Company corresponding to the points awarded to Directors that are not delivered) and cash remaining (hereinafter referred to as the "Residual Shares, etc.") within the trust assets as of the final day of the trust period prior to extension, the sum of the amount of the Residual Shares, etc. and the trust money to be additionally contributed shall be within the limit of ¥110 million.

(3) Calculation method and the maximum number of shares of the Company (including the number of shares subject to conversion into cash) to be acquired by Directors

The number of shares of the Company (including those subject to conversion into cash) to be delivered to Directors is determined based on the Number of Accumulated Points as prescribed below. One (1) point is equivalent to one (1) share. In the event that the shares of the Company in the Trust increase or decrease due to a share split, gratis allotments, or reverse share split, etc., the number of shares of the Company (including those subject to conversion into cash) delivered for one (1) point will be adjusted according to the percentage of the increase or decrease.

During the trust period, in June every year, Directors will be awarded with points that are the basic points calculated by the following formula specified for each position, multiplied by the performance-linked coefficient that fluctuates in accordance with the levels of achievement of performance targets for that same fiscal year ending March 31.

Points awarded in each year fluctuate between 0 % to 200% of the basic points depending on the levels of achievement of performance targets for each fiscal year. Profit attributable to owners of parent and ROE, etc. will be used as indicators to evaluate the levels of achievement of performance targets.

(Formula for calculating the basic points)

Basic amount determined for each position / the average value (fraction values after the decimal point are rounded down) of the closing price of the Company's shares on the Tokyo Stock Exchange for the month prior to the first month of the Target Period (July 2016 for the system implemented this fiscal year)

(Formula for calculating the awarded points)

Basic points x performance-linked coefficient

The Company shall make Delivery, etc. to those who satisfy the beneficiary requirements of Company Shares, etc. equivalent to the Number of Accumulated Points calculated in accordance with the above formula from the Trust.

The maximum number of total points to be awarded to Directors per year from the Trust shall be 320,000 points. In addition, the maximum number of shares of the Company acquired by the Trust to make Delivery, etc. to Directors shall be the number of shares equivalent to that maximum number of total points per year (320,000 points) multiplied by three, which is the number of years of the trust period (i.e., 960,000 shares). This maximum number of shares is set based on the most recent stock prices, etc. in consideration of the maximum amount of the trust money in (2) above.

(4) Timing of Delivery, etc. of Company Shares, etc. to Directors

Delivery, etc. of Company Shares, etc. equivalent to the Number of Accumulated Points determined under (3) above will be made to Directors, who satisfy the beneficiary requirements, at the time of their retirement. At this time, the Directors will receive delivery of shares of the Company for 70% of the Number of Accumulated Points (shares of less than one trading unit will be rounded down), and concerning the remainder, the Directors will receive money equivalent to the amount obtained through the conversion of such shares into cash (i.e., "sale at the stock market", hereinafter the same) within the Trust.

If a Director passes away during the trust period, in principle, the successor to the Director will receive money equivalent to the amount obtained through the conversion of shares corresponding to the Number of Accumulated Points at the time of his/her death into cash within the Trust.

(5) Voting rights for shares of the Company within the Trust

To ensure the neutrality of management, voting rights for shares of the Company within the Trust (i.e., shares of the Company prior to the Delivery, etc. to Directors in accordance with (4) above) shall not be exercised during the trust period.

(6) Other contents of the Plan

Other contents regarding the Plan shall be determined by the Board of Directors each time the Trust is established, and modifications of the trust agreement and additional contributions to the Trust are made.

(Reference)

For more details on the Plan, please see (Reference) "Supplements to Reference Documents for the General Meeting of Shareholders," Supplement to Proposal No. 7: Excerpt from "Notice Regarding the Introduction of a Performance-Linked Stock Compensation Plan" (Press Release on May 13, 2016) below.

Supplement to Proposal No. 2

1. Reasons for transitioning to a company with an audit and supervisory committee

With the intent of adding a further layer of strength to corporate governance and improving corporate value of the Group through realization of the matters described in (1) to (4) below, the Company decided to transition to a company with an audit and supervisory committee.

(1) Strengthen supervisory functions of the Board of Directors by giving Directors serving as Audit and Supervisory Committee Members including multiple Independent Outside Directors (i.e., Outside Directors designated as independent officers under the requirements of Tokyo Stock Exchange, Inc. hereinafter the same applies in supplement to each Proposal) the voting rights on the Board of Directors.
(2) Enhance rapid decision-making by delegating a part of decision-making on important business execution to Executive Directors for matters to be decided at the Board of Directors, and further improve the deliberation of important managerial matters in the Board of Directors.
(3) Improve transparency and effectiveness of corporate governance backed by the increase in the number of Independent Outside Directors, appointments of officers by Audit and Supervisory Committee Members, and the right to state opinions regarding compensation at the General Meeting of Shareholders
(4) Establish effective corporate governance structure by unifying supervision and audit by Audit and Supervisory Committee Members

2. Establishment, etc. of non-mandatory committees after transitioning to a company with an audit and supervisory committee

To improve transparency and objectivity regarding the determination of appointment of and compensation for officers, the Company will, in transitioning to a company with an audit and supervisory committee, newly establish the “Nomination and Compensation Advisory Committee” (comprised of all Independent Outside Directors and Director & President, and the head of the committee shall be an Independent Outside Director) that serves as an advisory body of the Board of Directors concerning nomination of candidates for Directors, election of senior management, and compensation, etc. for Directors and senior management. The Company also intends to strengthen the structure of the internal audit department in order to ensure the effectiveness of the audit by the Audit and Supervisory Committee.

Supplement to Proposals No. 3 and No. 4

1. Idea behind the composition and scale of the Board of Directors of the Company

The Board of Directors of the Company is composed of diverse personnel with a variety of experiences and expertise in consideration of their responsibilities. Directors are chosen so that the Board of Directors, as a whole, provides the best balance of knowledge, experience and capability.

The number of Directors is decided based on the Company's institutional design and scale, etc. so that the Board of Directors can effectively fulfill its role and duty while ensuring its diversity and continuity.

2. Policy and procedures of the Company regarding the nomination of candidates for Directors

The Company, in consideration of the idea behind the composition and scale of the Board of Directors, nominates candidates for Directors who can contribute to the role and duty of the Board of Directors to determine the basic management policy, etc. towards the realization of our corporate philosophy and to oversee execution of duties by Directors and Executive Officers.

Candidates for Directors will be nominated by a resolution of the Board of Directors, while clarifying the reasons for their election.

The Director & President will prepare a suggestion for the nomination of candidates for Directors by receiving the input and advice from Outside Directors in advance.

Concerning the procedures for the nomination of candidates for Directors after the transition to a company with an audit and supervisory committee, the Company will newly establish the "Nomination and Compensation Advisory Committee" that serves as an advisory body of the Board of Directors, and the Board of Directors will make such nomination by its resolution based on the findings of the Committee.

3. Independence Standards for Outside Directors of the Company

The Company has determined its own standards for assessing independence of Outside Directors to substantially ensure their independence in consideration of their expected responsibilities and duties. A person who fall under these standards shall be judged as lacking independence.

The Company's standards for assessing independence (overview) are as follows.

(1) The independence standards for independent officers set forth by Tokyo Stock Exchange, Inc.
(2) A person who is a consultant, accountant and legal specialist that has a continuing relationship with the Company under a consignment agreement such as an accounting auditor or legal counsel (in the event these standards apply to an organization such as a corporation or an association, persons belonging to said organization.)
(3) A person who is an executive (i.e., executive director, executive, executive officer and employee, hereinafter the same), or a non-executive (i.e., non-executive director, audit & supervisory board member and accounting advisor, hereinafter the same) of a major shareholder of the Company
(4) An entity who receives a significant amount of donation from the Company, and an executive and non-executive thereof
(5) An executive or non-executive at an entity that has relationships with the Company with mutual appointments of outside officers
(6) A person who falls under the items above within last ten (10) years
(7) A person who was an executive or non-executive of the Company and its subsidiaries
(8) A person who is a close relative of a person that falls under any of the items above (spouse, relative within the second degree of kinship)

Supplement to Proposals No. 5, No. 6 and No. 7

1. Policy and procedures regarding the determination of compensation for Directors not serving as Audit and Supervisory Committee Members

(1) Policy regarding the determination of compensation

Compensation for Directors of the Company not serving as Audit and Supervisory Committee Members (including Director & Chairman, Director & President and Representative Director that are senior management) consist of, as described below, 1) basic compensation (fixed), 2) performance-linked monetary compensation (bonuses), and 3) performance-linked stock compensation, with a view to reflect performance of the Company and clarify its correspondence with shareholder value:

1) Basic compensation (fixed) for Directors shall be the amount proportionate to their positions and duties,
2) Performance-linked monetary compensation (bonuses) for Directors shall be determined in accordance with the levels of achievement of consolidated performance targets (operating income, profit attributable to owners of parent, etc.),
3) For performance-linked stock compensation for Directors, shares of the Company and money shall be delivered and paid, using a structure for share delivery through trust, based on share delivery points awarded in accordance with the levels of achievement of consolidated performance targets (profit attributable to owners of parent, ROE, etc.)

For performance-linked monetary compensation (bonuses) and performance-linked stock compensation, the Company will appropriately establish the percentage in overall compensation in order to raise motivation in Directors toward contribution to improving Company performance and mid- to long-term corporate value.

Compensation for Outside Directors of the Company shall consist only of basic compensation (fixed) in consideration of their duties and independence.

(2) Procedures regarding the determination of compensation

In determining compensation for Directors not serving as Audi and Supervisory Committee Members, the Company will newly establish the Nomination and Compensation Advisory Committee to improve transparency and objectivity of the determination process, and the Board of Directors will make specific decision after deliberation based on the findings of the Committee.

Basic compensation (fixed) and performance-linked monetary compensation (bonuses) for Directors shall be within the limit of total compensation, etc. for Directors not serving as Audit and Supervisory Committee Members resolved at a General Meeting of Shareholders.

2. Policy and procedures regarding the determination of compensation for Directors serving as Audit and Supervisory Committee Members

(1) Policy regarding the determination of compensation

Compensation for Directors serving as Audit and Supervisory Committee Members at the Company shall consist of basic compensation (fixed) that corresponds to the categories of standing and part-time, in light of their duties, from the standpoint of placing importance on independence.

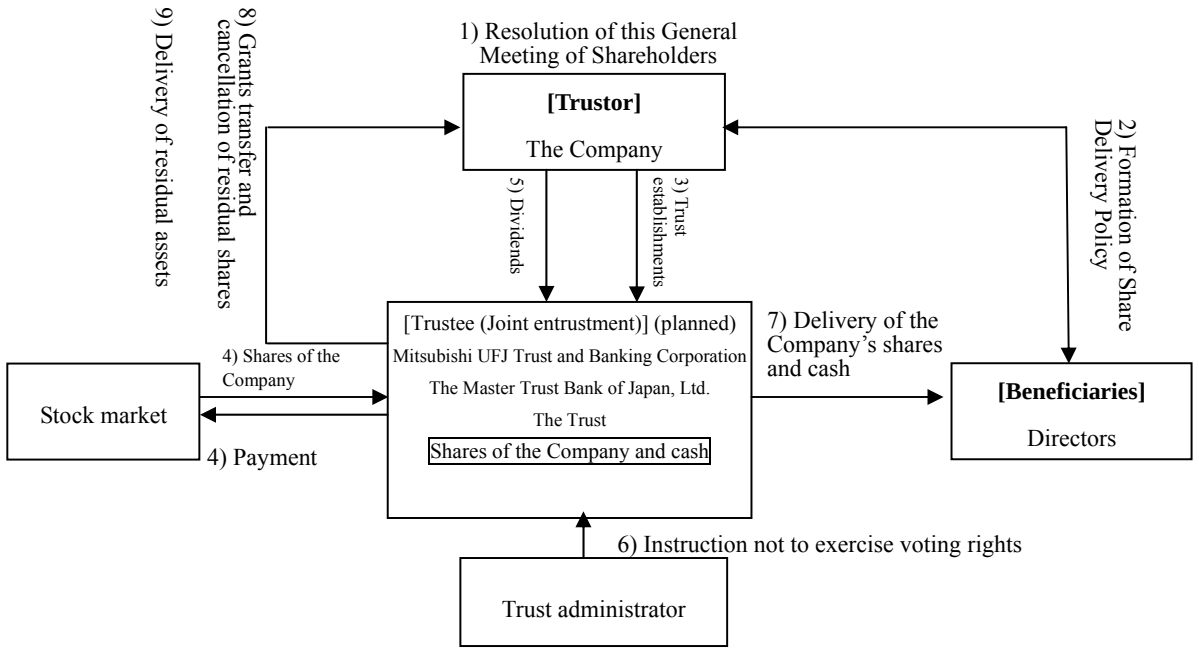
(2) Procedures regarding the determination of compensation

At the Company, the Audit and Supervisory Committee discusses and determines the specific amount of compensation for Directors serving as Audit and Supervisory Committee Members within the limit of total compensation, etc. for Directors serving as Audit and Supervisory Committee Members resolved at a General Meeting of Shareholders.

Supplement to Proposal No. 7

Excerpt from "Notice Regarding the Introduction of a Performance-Linked Stock Compensation Plan" (Press Release on May 13, 2016)

[Outline of the Plan]



(Continued on next page)

1) The Company will receive approval on officer compensation for the introduction of the Plan by resolution of this General Meeting of Shareholders.
2) The Company will, at the meeting of the Board of Directors, formulate a Share Delivery Policy for officer compensation in relation to the introduction of the Plan.
3) The Company will entrust money within the limit approved by resolution at the General Meeting of Shareholders in 1), and establish a trust (the "Trust") with Directors who satisfy the beneficiary requirements as the beneficiaries.
4) The Trust, under direction of the trust administrator, will acquire shares of the Company from the stock market using entrusted cash in 3). The number of shares acquired by the Trust shall be within the limit approved by resolution at the General Meeting of Shareholders in 1).
5) Dividends for the shares of the Company within the Trust will be paid in the same manner as with other shares of the Company.
6) Voting rights are not to be exercised on the shares of the Company within the Trust throughout the trust period.
7) During the trust period, Directors will be given a certain number of points based on the levels of achievement of operating targets, etc. for each fiscal year. Directors who satisfy the beneficiary requirements will receive the delivery of shares of the Company corresponding to a certain ratio of the number of accumulated points at the time of the retirement, and for the number of shares of the Company corresponding to the number of remaining points, money equivalent to the amount obtained through the conversion of such shares into cash (i.e., sale at the stock market) within the Trust will be delivered pursuant to the provisions of the trust agreement.
8) If residual shares remain at the expiry of the trust period, the Company will continue to use the Trust by making amendments to the trust agreement and additional entrustments, or make gratis transfer of these residual shares from the Trust to the Company, and cancel these shares by a resolution of the Board of Directors.
9) Upon termination of the Trust, the residual assets remaining after distribution to beneficiaries are to belong to the Company within the limit of reserve for trust expenses, which is the trust money less share acquisition funds. The portion exceeding the reserve for trust expenses is planned to be donated to organizations that have no special interests with the Company or Directors.

* Above supplement to each Proposal is for the purpose of reference to Reference Documents for the General Meeting of Shareholders and does not form part of Reference Documents for the General Meeting of Shareholders.

Further, policies and procedures described in those supplements may be reviewed when necessary.