June 7, 2016

To Our Shareholders:

Company Name Nakamura Choukou Co., Ltd.
Name of Representative: Representative Director and
President Makoto Inoue
(Code Number 6166 Tokyo Stock Exchange Mothers)
Contact in Charge: Director and General Manager of
Administrative Department
Hirobumi Masuda
(TEL. 072-274-1072)

Supplemental Explanation on Proposal No. 5 at our 46th Ordinary General Shareholder Meeting

With respect to the Proposal No. 5 (Payment of Retirement Benefits to Retiring Director) submitted to our 46th Ordinary General Shareholder Meeting to be held on June 24 this year, we are providing additional supplemental explanation to promote better understanding of our shareholders as follows:

1. Proposal No. 5 Payment of Retirement Benefits to Retiring Director

When calculated in accordance with the Calculation Criteria of Retirement Benefits under our Rules on Retirement Benefits of Officers, which are also described in the Reference Documents for the Shareholder Meeting, the amount to be paid to Ms. Asami Inoue (22 year and 10 month period in office), the relevant retiring director, shall be "JY24,789,169". For your reference, she is not an outside director under the subsection 15 of Article 2 of Companies Act.

And we believe that the amount is appropriate in considering the achievements she has made as a director.

※ FYR (Calculation Criteria of Retirement Benefits under our Rules on Retirement Benefits of Officers)

(1) It is the total sum of the amount gained by multiplying the respective title-based monthly remunerations by the respective year-periods in office of the relevant titles as further multiplied by the respective title-based variable rates.

(2) With respect to the period in office of a relevant title, if there is a fractional period in office of less than a year, then the period is prorated for the months and if there is a fractional period in office of less than a month, then the period is calculated as a month.