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(Securities Code 6349)
May 31, 2016

To: Our Shareholders

Satoshi Mochida
President & Representative Director
Komori Corporation
3-11-1, Azumabashi, Sumida-ku, Tokyo

NOTICE OF CONVOCATION OF THE 70TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 70th Annual General Meeting of Shareholders of Komori Corporation (the "Company") to be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or over the Internet. Please exercise your voting rights by 5:30p.m. on Monday, June 20, 2016 (Japan time).

1. **Date and Time:** Tuesday, June 21, 2016 at 10:00 a.m. (Japan time)

2. **Venue:** *Nishiki no ma*, 4th floor, TOBU HOTEL LEVANT TOKYO
1-2-2 Kinshi, Sumida-ku, Tokyo, Japan

3. **Agenda of the Meeting:**

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 70th Fiscal Year (from April 1, 2015 to March 31, 2016) and report on results of audits of the Consolidated Financial Statements by the Independent Auditors and the Board of Corporate Auditors
2. Non-Consolidated Financial Statements for the 70th Fiscal Year (from April 1, 2015 to March 31, 2016)

Matters to be resolved:

Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Election of Eight Directors
Proposal No. 3: Election of Two Corporate Auditors
Proposal No. 4: Payment of Bonuses to Directors
Proposal No. 5: Continuation of Measures against Large-scale Purchases of the Company's Shares (Takeover Defense Measures)

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* If you are attending the Meeting in person, please submit the enclosed Voting Form to the receptionist at the venue.

* If any amendments are made to the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements and/or Consolidated Financial Statements, such amendments will be posted on the Company's website (http：//www.komori.co.jp/hp/).

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company hereby proposes the appropriation of surplus as follows.

1. Matters concerning year-end dividend

The Company considers that returning profits to its shareholders is an important policy. The Company's basic policy is to generate stable shareholder returns that reflect its operating results while improving profitability and maintaining financial soundness.

The Company hereby proposes the following year-end dividend for the fiscal year ended March 31, 2016, having taken all factors into consideration such as its basic policy and full-year operating results.

(1) Type of dividend property

Cash

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

20 yen per share of the Company's common stock

Total amount; 1,239,276,460 yen

As an interim dividend of 20 yen has been paid, the annual dividend for the fiscal year ended March 31, 2016 will be 40 yen per share.

(3) Effective date of payment of dividend

June 22, 2016

2. Other matters concerning appropriation of surplus

(1) Surplus item to be decreased and amount thereof

Retained earnings brought forward: 1,000,000,000 yen

(2) Surplus item to be increased and amount thereof

General reserve: 1,000,000,000 yen

Proposal No. 2: Election of Eight Directors

The terms of office of all Directors (seven Directors) will expire upon the close of this General Meeting of Shareholders. Accordingly, the election of eight Directors is proposed.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions		Number of shares of the Company held
1	Yoshiharu Komori (June 27, 1939)	April 1962 June 1967 August 1979 September 1987 April 1993 July 2006 June 2009 June 2014	Joined the Company. Director Managing Director Senior Managing Director and General Manager of Sales Department President & Representative Director President, CEO & Representative Director President, Chairman, CEO & Representative Director Chairman, CEO & Representative Director (to present)	1,032,573 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
2	Satoshi Mochida (August 7, 1950)	April 1975 Joined the Company. June 1995 Director, Deputy Head of Corporate Management Office, Head of Secretary's Office and General Manager of Overseas Sales Division June 1998 Managing Director, Head of President's Office and General Manager of Sales Department at Head Office April 2000 Managing Director, General Manager of Sales Management Division and General Manager of Sales Department at Head Office June 2001 Managing Director, General Manager of Sales Management Division, General Manager of Sales Department at Head Office and General Manager of Overseas Sales Division January 2002 Managing Director, General Manager of Sales Management Division and General Manager of Overseas Sales Division March 2005 Managing Director and Head of Management Planning Office July 2006 Managing Director, Managing Operating Officer and Head of Management Planning Office November 2006 Senior Managing Director, COO, Representative Director and Head of Management Planning Office June 2007 Senior Managing Director, COO and Representative Director January 2009 Senior Managing Director, COO and Representative Director and Head of Management Planning Office June 2011 Representative Director, COO and Head of Management Planning Office February 2012 Representative Director, COO, Head of Management Planning Office and CSR Officer April 2013 Vice President, COO, Representative Director and Head of Management Planning Office June 2014 President, COO, Representative Director and Head of Management Planning Office March 2016 President, COO, Representative Director and Plant Director of Tsukuba Plant (to present) (Significant concurrent positions) Chairman & Representative Director of Komori America Corporation Chairman & Representative Director of Komori International (Europe) B.V. President & Representative Director of SERIA CORPORATION	32,245 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
3	Kazunori Saitoh (March 21, 1955)	November 1980 Joined the Company. March 2004 General Manager, Sekiyado Design Dept., Sekiyado Business Division, Production Management Division March 2005 Deputy General Manager of Technology Division March 2006 General Manager of Technology Division July 2006 Operating Officer and General Manager of Technology Division June 2009 Director, Operating Officer and General Manager of Technology Division September 2009 Director, Operating Officer, Deputy Plant Director of Tsukuba Plant and Officer in charge of Komori Graphic Technology Center October 2010 Director, Operating Officer, Plant Director of Tsukuba Plant and Officer in charge of Komori Graphic Technology Center June 2012 Director, Managing Operating Officer, Plant Director of Tsukuba Plant and Officer in charge of Komori Graphic Technology Center October 2015 Director, Managing Operating Officer, Plant Director of Tsukuba Plant, General Manager of DPS Production Technology Division and Officer in charge of Komori Graphic Technology Center March 2016 Director, Managing Operating Officer, General Manager of Sales Management Division, General Manager of DPS Sales Promotion Division and Leader of PESP Business Promotion Project (to present) (Significant concurrent positions) President of Komori Machinery (Nantong) Co., Ltd.	2,400 shares
4	Eiji Kajita (September 7, 1965)	April 1988 Joined Nomura Securities Co., Ltd. April 2008 General Manager of Osaka Capital Market Dept., Nomura Securities Co., Ltd. April 2009 Joined the Company. April 2009 General Manager of Export Dept. II, Overseas Sales Division January 2010 Seconded to KIE (President) April 2012 Operating Officer, seconded to KIE (President) September 2012 Operating Officer and Deputy Head of Management Planning Office April 2013 Operating Officer and General Manager of Sales Management Division June 2013 Director, Operating Officer and General Manager of Sales Management Division October 2015 Director, Operating Officer, General Manager of Sales Management Division and General Manager of DPS Sales Promotion Division March 2016 Director, Operating Officer, Head of Management Planning Office and Leader of Business Growth Strategy Project (to present)	4,000 shares

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company and significant concurrent positions	Number of shares of the Company held
5	Koichi Matsuno (September 7, 1960)	April 1985 Joined the Company. March 2004 Manager, Administration Section, Administration Dept. November 2004 Head of Toride Plant General Manager's Office March 2005 General Manager of Toride Plant and Tsukuba Plant March 2006 General Manager of Tsukuba Plant February 2011 Deputy Plant Director of Tsukuba Plant and Head of Overseas Production Promotion Office February 2012 Deputy Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant April 2012 Operating Officer, Deputy Plant Director of Tsukuba Plant and General Manager of Tsukuba Plant April 2014 Operating Officer, General Manager of Administration Division June 2014 Director, Operating Officer, General Manager of Administration Division and Leader of KNT Business Promotion Project (to present)	1,700 shares
6	Masafumi Yokoyama (November 8, 1953) (Outside Corporate Auditor) (Independent Auditor)	April 1977 Joined Kubota Tekko K.K. (now Kubota Corporation). April 1993 Head of Planning Section, Personnel Division, Kubota Corporation. January 1997 Head of Human Resources Development Group, Kubota Corporation June 2000 General Manager of Environmental Planning Division, Kubota Corporation. June 2003 General Manager of Environmental Engineering Consolidated Division, Kubota Corporation April 2006 General Manager of Environmental Business Development Division., Kubota Corporation April 2007 General Manager of Membrane Solutions Business Unit, Kubota Corporation and President of Kubota Membrane Co., Ltd. April 2009 General Manager of Air Condition Equipment Division, Kubota Corporation and President of Kubota Air Conditioner, Ltd. April 2012 General Manager of Air Conditioning Equipment Business Unit, Kubota Corporation and President of Kubota Air Conditioner, Ltd. April 2013 Director of Electronic Equipped Machinery Division, Kubota Corporation June 2013 Full-time Outside Corporate Auditor of the Company (to present)	0 shares
7	Masamitsu Yoshikawa (February 28, 1948) (Outside Director) (Independent Director)	April 1971 Joined Printing Bureau, Ministry of Finance. July 2000 Head of Technical Section, Manufacturing Division, Printing Bureau, Ministry of Finance July 2002 Head of General Affairs Section, General Affairs Division, Printing Bureau, Ministry of Finance April 2003 General Manager of Security Products Business Department, National Printing Bureau April 2005 Vice President, National Printing Bureau March 2011 Retired from National Printing Bureau June 2011 Outside Director of the Company (to present)	0 shares

Candidate No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
8	Harunobu Kameyama (May 15, 1959) (Outside Director) (Independent Director)	April 1992 April 1997 June 2005 June 2007 April 2010 October 2012 June 2013 October 2013	Registered as attorney at law (Daiichi Tokyo BAR Association) Opened Harunobu Kameyama Law Office (now Kameyama Sogo Law Office) Auditor of Kyoritsu International Foundation (to present) Outside Corporate Auditor of the Company Civil conciliation commissioner of Tokyo Summary Court (to present) Outside Director of Takaoka Toko Holdings Co., Ltd. (now Takaoka Toko Co., Ltd.) (to present) Outside Director of the Company (to present) Outside Corporate Auditor of SOMAR Corp. (to present)	0 shares

Notes:

1. Neither do any of the candidates have any special interest in the Company, nor does the Company have any special interest in any of the candidates.
2. Masafumi Yokoyama has a wealth of experience in operations and as a management executive of a manufacturer in a different industry, and has served as Outside Corporate Auditor of the Company. It is proposed that Mr. Yokoyama be elected to Director, having determined that he will be able to properly execute operations, make decisions on the execution of operations and supervise the execution of operations by Directors by utilizing the broad insight, etc. he has gained through such experience in the management of the Company.
3. Masamitsu Yoshikawa and Harunobu Kameyama are candidates for Outside Directors provided for in Article 2, item (xv) of the Companies Act.
4. It is proposed that Masamitsu Yoshikawa and Harunobu Kameyama be elected to Outside Directors for the purpose of improving the transparency of the Board of Directors and enhancing supervisory functions, in addition to making Mr. Yoshikawa utilize his extensive academic experience, broad insight, etc. relating to banknote printing and Mr. Kameyama utilize his expertise, experience, etc. gained as an attorney at law in the management of the Company upon their appointment to Directors.
5. In regards to candidates to be reappointed to Outside Directors, Masamitsu Yoshikawa and Harunobu Kameyama will have served as Outside Directors for five years and three years, respectively, at the close of this General Meeting of Shareholders.
6. The Company has concluded an agreement with Masamitsu Yoshikawa and Harunobu Kameyama to limit their liability for damages provided for in Article 423, paragraph 1 of the Companies Act. The Company plans to extend said agreement if their election is approved. The liability for damages pursuant to said liability limitation agreement is limited in amount to the Minimum Liability Amount provided for in Article 425, paragraph 1 of the Companies Act.
7. Masamitsu Yoshikawa and Harunobu Kameyama are candidates for Independent Directors who are unlikely to have conflicts of interest with general shareholders prescribed by the Tokyo Stock Exchange, Inc.

Proposal No. 3: Election of Two Corporate Auditors

Corporate Auditor Masafumi Yokoyama will resign and the term of office of Corporate Auditor Takeshi Mitsuma will expire at the close of this General Meeting of Shareholders. Accordingly, the election of two new Corporate Auditors is proposed.

For the submission of this Proposal, the Board of Corporate Auditors' consent has been obtained in advance.

The candidates for Corporate Auditors are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions at the Company and significant concurrent positions	Number of shares of the Company held
1	Shinji Amako (April 21, 1956)	April 1979 Joined Kubota Tekko K.K. (now Kubota Corporation). April 1998 Head of Technology Group, Cast Steel Manufacturing Division, Hirakata Plant, Kubota Corporation October 2002 Head of Overseas Group, Cast Steel Sales Division, Kubota Corporation July 2005 General Manager of Cast Steel Sales Division, Kubota Corporation April 2009 Director, Kubota Corporation April 2010 General Manager of Raw Materials Sales Division, Kubota Corporation April 2012 General Manager of Raw Materials Business Unit, Kubota Corporation April 2013 President of Kubota Materials Canada Corporation (to present)	0 shares
2	Masakazu Kawabata (July 4, 1953)	April 1977 Joined The Fuji Bank, Ltd. (now Mizuho Bank, Ltd.). May 1999 General Manager of Trust Planning Department, The Fuji Bank, Ltd. April 2002 General Manager of Corporate Planning Division, Mizuho Holdings, Inc. March 2003 General Manager of Corporate Planning Division, Mizuho Financial Group, Inc. August 2003 General Manager of Shinjuku Branch, Mizuho Bank, Ltd. April 2005 Executive Officer and General Manager of Shinjuku Branch, Mizuho Bank, Ltd. April 2006 Managing Executive Officer, Mizuho Bank, Ltd. May 2009 Vice President & Representative Director, Mizuho Research Institute Ltd. January 2012 President & Representative Director, Mizuho Capital Co., Ltd. April 2016 Special Advisor of the Company (to present)	0 shares

Notes:

1. Neither do any of the candidates have any special interest in the Company, nor does the Company have any special interest in any of the candidates.
2. Shinji Amako and Masakazu Kawabata are candidates for Outside Company Auditors provided for in Article 2, item (xvi) of the Companies Act, and are also candidates for Independent Auditors unlikely to have conflicts of interest with general shareholders prescribed by the Tokyo Stock Exchange, Inc.
3. It is proposed that Shinji Amako be elected to Outside Corporate Auditor, having determined that he will be able to execute audits from an outsider's perspective to a greater degree as Outside Corporate Auditor by utilizing the broad insight, etc. he has gained through his extensive experience in operations and overseas assignments and as a management executive of a manufacturer in a different industry.
4. It is proposed that Masakazu Kawabata be elected to Outside Corporate Auditor, having determined that he will be able to execute audits from an outsider's perspective to a greater degree as Outside Corporate Auditor by utilizing the broad insight, etc. he has gained through his extensive experience in operations and as a management executive of financial institutions and other companies in different industries.
5. The Company plans to conclude an agreement with Masakazu Kawabata to limit his liability for damages provided for in Article 423, paragraph 1 of the Companies Act if their election is approved.
   The liability for damages pursuant to said liability limitation agreement is limited in amount to the Minimum Liability Amount provided for in Article 425, paragraph 1 of the Companies Act.

Proposal No. 4: Payment of Bonuses to Directors

In consideration of the operating results in the fiscal year ended March 31, 2016, it is proposed that 25,000,000 yen be paid in total as Directors' bonuses to the five Directors (excluding Outside Directors) as at March 31, 2016. It is also proposed that the specific amount, timing and method of payment, etc. to each Director be left to the discretion of the Board of Directors.

Proposal No. 5: Continuation of Measures against Large-scale Purchases of the Company's Shares (Takeover Defense Measures)

The Company adopted "Measures against Large-scale Purchases of the Company's Shares, etc. (Takeover Defense Measures)" (hereinafter referred to as "the Old Plan") by obtaining shareholders' approval at the 61st Annual General Meeting of Shareholders held on June 26, 2007. The Company subsequently obtained approval at the 64th and 67th Annual General Meetings of Shareholders held on June 21, 2010 and June 25, 2013, respectively, to continue the Old Plan in the form of "Measures against Large-scale Purchases of the Company's Shares (Takeover Defense Measures)" (hereinafter referred to as "the Current Plan"). The Current Plan is due to expire at the close of this General Meeting of Shareholders.

Even after the continuation of the Current Plan, the Company has continued to examine how the Current Plan should be, including whether or not to continue the Current Plan, as one of the initiatives to protect and enhance the Company's corporate value, and in turn, its shareholders' common interests, considering changes in the socioeconomic climate and various developments surrounding the takeover defense measures in recent times.

As a result, at the meeting of the Board of Directors of the Company held on April 28, 2016, the Board decided to continue the Current Plan by amending parts of it (the Plan to be continued afresh is hereinafter referred to as "the Plan"), conditional upon shareholders' approval at this General Meeting of Shareholders. In regards to the continuation of the Plan, all four Corporate Auditors of the Company—including three Outside Corporate Auditors—have expressed their opinion in favor of the continuation of the Plan, assuming that the Plan would be properly executed in concrete terms. Of note, no specific proposals for large-scale purchases, etc. of the Company's shares have been made as of this date.

Major changes made to the Current Plan upon the continuation of the Plan are as follows:

(i) Language to be used upon submission of information required for evaluation by the large-scale purchaser to the Board of Directors of the Company and all other notices and communications will be limited to Japanese language only;

(ii) Deadline will be established (i.e., 60 days) in cases where the Board of Directors of the Company requests that additional information be provided in addition to the information required for evaluation submitted by the large-scale purchaser; and

(iii) Some terms have been amended and some phrases have been rewritten (no changes have been made to the basic scheme of the Plan).

The Company therefore requests shareholders to approve the continuation of the Plan.

I. Basic policy on ideal person who has control over decisions on the Company's financial and business policies

The Company believes that a person who has control over decisions on its financial and business policies must be someone who has sufficient understanding of various sources of the Company's corporate value, such as its management philosophy, financial base, business activities as well as its relationship with stakeholders who support the Company based on trust, and also protects and enhances the Company's corporate value, and in turn, its shareholders' common interests, in the medium and long run.

As a matter of principle, shares of the Company—a listed company—must be traded freely by shareholders, and qualifications of the person who has control over decisions on the Company's financial and business policies must ideally be determined through free trading of the Company's shares as a fundamental rule. Accordingly, the Company does not categorically deny large-scale purchases, etc. of its shares, and believes that the decision of whether to accept or reject a purchase proposal should be made based on the shareholders' will.

However, quite a few large-scale purchases of shares and purchase proposals are inappropriate: examples include those with a clearly abusive objective, those that have the risk of coercing shareholders to sell their shares, those that cause apparent damage to corporate value, and in turn, shareholders' common interests judging from the objective, etc. of such purchases and proposals, and those that fail to provide sufficient information and time for directors and shareholders of the targeted company to examine the purchase terms, etc. or directors of the targeted company to make an alternative proposal.

Anyone who makes such large-scale purchases or purchase proposals is inappropriate as a person who has control over decisions on the Company's financial and business policies, so the Company believes that it is indispensable to have a framework to prevent large-scale purchases, etc. that are detrimental to its corporate value, and in turn, shareholders' common interests.

II. Special efforts that help realize the basic policy on company control

The Company implements the following measures as efforts to enhance its corporate value, and in turn, shareholders' common interests, so that many shareholders and investors will continue to make long-term investments in the Company. These efforts are deemed to help realize the basic policy referred to in I. above.

1. The Company' management philosophy and sources of its corporate value

Since its establishment in 1923, the Company has adhered to its origins—i.e., manufacturing products of superior quality and reliability as a printing machine systems manufacturer—for over 90 years, and has contributed to the development of printing culture by providing high-quality, high-performance printing machines and services around the world.

The Company's management philosophy is "To Become a Company that Delivers Kando (Customer Satisfaction beyond Expectations) to Customers", that is, to become a company that satisfies and impresses customers worldwide by persistently promoting the "Project to create Kando for customers" with the aim of

realizing high quality management. Specifically, the Company pursues the following three matters through the "KANDO-PROJECT":

(i) Carry out activities to create the "KOMORI" brand and maintain and manage the brand;

(ii) Implement thorough perceptional quality control activities and boost customer satisfaction; and

(iii) Promote the solutions business and improve convenience for customers.

The Company's relationship with customers based on trust that has been built in the process of such customer-oriented business activities is the source of its corporate value.

2. Efforts to enhance corporate value, and in turn, shareholders' common interests based on the Medium-Term Management Plan

The Company launched the "Fifth Medium-term Management Plan" in April 2016, in order to enhance its corporate value, and in turn, shareholders' common interests. While the Fifth Medium-term Management Plan is basically the same as the "Fourth Medium-term Management Plan" in two major aspects, namely, "transforming the business structure" and "achieving business model innovation", it also seeks to: further strengthen the offset printing business, which is its core business; further materialize the strategies and measures that had been formulated and partially implemented in the Fourth Medium-term Management Plan and make their accomplishments more pronounced; and effectively utilize the Company's resources and demonstrate their potential value to the greatest extent possible.

The major strategies under the Fifth Medium-term Management Plan are the following 7 items.

(i) Transform the profit structure (achieve business model innovation in sales activities and expand the print engineering service provider (PESP) business)

Provide expendables (K-Supply, etc.), peripherals (Apressia, etc.), planned work and solutions that integrate these (including KP-Connect Cloud Solution) and expand the business.

(ii) Execute radical manufacturing reform (development and manufacturing)

Adapt to the production of a wide variety of products in variable quantities by introducing new production methods, etc. and make improvements in terms of lead time, inventory levels and costs.

(iii) Build and commercialize a business model for digital printing press (DPS) business

Release into the market inkjet printer Impremia IS29 under joint development with Konica Minolta, Inc. and next-generation digital printer Impremia NS40 which brings together the nanotechnology developed by Israel-based Landa Corporation and the Company's technologies and expand their sales, and build a business model unique to the Company.

(iv) Achieve greater differentiation by generating synergies among businesses

Develop and provide high-value-added solutions unique to the Company that combine technologies and expertise in offset printing, digital printing, securities printing, printed electronics (PE), etc.

(v) Bolster human resources development and recruitment, and utilize overseas human resources

Improve skills and conduct human resources development on a global scale as well as at the management level as the Company expands into multiple lines of businesses and roles change, and build a lean, agile organizational structure while streamlining organizational functions.

(vi) Improve the efficiency of indirect work, SGA20 (reduce selling, general and administrative

expenses)

Improve the efficiency of work by utilizing information and communication technology (ICT), outsourcing, etc. of in-house operations, and improve profitability through the promotion of SGA20.

(vii) Materialize financial strategies and M&A

Improve the efficiency of assets and capital by strategically utilizing financial resources in a proactive manner, push ahead with growth strategies and review capital policies such as dividends and shareholder returns.

3. Efforts to strengthen corporate governance

The Company acknowledges that one of its most important management priorities is to meet the expectations of all stakeholders, fulfill its responsibilities and maximize corporate value. Establishing corporate governance is deemed indispensable to achieve this.

The Company also recognizes that securing management transparency, prompt decision making, compliance, and strengthening the audit function are fundamental to corporate governance. Based on these fundamental concepts, the Company pursues efforts to ensure solid corporate governance in all facets of management, including the supervision of management. Furthermore, the Company has appointed two Outside Directors among seven Directors, for the purpose of improving the transparency of the Board of Directors and strengthening supervisory functions. The appointment of Outside Directors is deemed to have further ensured the objectivity and impartiality of supervisory functions.

The Company will continue making efforts to strengthen and augment corporate governance, in pursuit of corporate value, and in turn, shareholders' common interests.

III. Efforts to prevent decisions on the Company's financial and business policies from being controlled by persons who are inappropriate in light of the basic policy (content of the Plan)

1. Purpose of continuation of the Plan

The Plan is to be continued as an initiative to prevent decisions on the Company's financial and business policies from being controlled by persons who are inappropriate in light of the basic policy on company control.

Even if a person makes large-scale purchases, etc. of the Company's shares, the Board of Directors of the Company does not believe that such person would be inappropriate as a person who has control over decisions on the Company's financial and business policies provided that the objective, etc. of such purchases would help protect and enhance the Company's corporate value, and in turn, its shareholders' common interests. The Board also believes that the decision of whether or not to accept a purchase proposal that involves the transfer of control should ultimately be made based on the shareholders' will.

However, quite a few large-scale purchases, etc. of shares do not contribute to the corporate value of the company targeted by such purchases, etc., and in turn, the common interests of its shareholders, such as those which—judging from the objective, etc. of such purchases, etc.—have the risk of causing apparent damage to its corporate value, and in turn, shareholders' common interests, those with the risk of effectively coercing

shareholders to sell their shares, and those that fail to provide reasonably sufficient information and time needed for the Board of Directors and shareholders to examine what the large-scale purchases, etc. of shares involve and other such matters or for the Board of Directors to make an alternative proposal.

To address this, the Board of Directors of the Company has established certain rules about providing information in the event of large-scale purchases, securing time to examine them and other such matters as described below (hereinafter referred to as "Rules on Large-scale Purchases") based on the view that in cases where large-scale purchases, etc. are made with respect to the Company's shares, securing information and time needed for shareholders to make an appropriate decision and engaging in negotiations, etc. with the purchaser in accordance with certain reasonable rules would be conducive to the Company's corporate value, and in turn, its shareholders' common interests, and has decided to continue them in the form of the Plan, conditional upon shareholders' approval at this General Meeting of Shareholders, as takeover defense measures inclusive of policies to be taken in response in cases where large-scale purchases are made by a person who is inappropriate in light of the basic policy on company control.

2. Purchases of the Company's shares within the scope of the Plan

Purchases of the Company's shares within the scope of the Plan shall mean: purchases of share certificates, etc. (Note 3) of the Company aimed at making the ratio of voting rights (Note 2) of a specific shareholder group (Note 1) 20% or higher; or purchases of share certificates, etc. of the Company which would result in making the ratio of voting rights of a specific shareholder group 20% or higher (in either case, regardless of the specific method of purchase—e.g., market transactions, tender offer—except purchases approved by the Board of Directors of the Company in advance; such purchases and the person who makes such purchases are hereinafter referred to as "Large-scale Purchases" and "Large-scale Purchaser", respectively).

Note 1: "Specific shareholder group" means:

(i) the holder (meaning the holder prescribed in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act, including persons included in holders pursuant to paragraph 3 thereof; the same shall apply hereinafter) of share certificates, etc. (meaning Share Certificates, etc. prescribed in Article 27-23, paragraph 1 of said Act) of the Company and the joint holder (meaning the Joint Holder prescribed in Article 27-23, paragraph 5 of said Act, including persons deemed as Joint Holders pursuant to paragraph 6 thereof; the same shall apply hereinafter) thereof; or

(ii) a person who makes a purchase, etc. (meaning purchase, etc. prescribed in Article 27-2, paragraph 1 of said Act, including those made at a Financial Instruments Exchange Market) of share certificates, etc. (meaning Share Certificates, etc. prescribed in Article 27-2, paragraph 1 of said Act) of the Company and specially related party (meaning Specially Related Party prescribed in Article 27-2, paragraph 7 of said Act) thereof.

Note 2: "Ratio of voting rights" means:

(i) if the specific shareholder group falls under the case referred to in Note 1 (i), the ownership ratio of share certificates, etc. (meaning the Ownership Ratio of Share Certificates, etc. prescribed in Article

27-23, paragraph 4 of the Financial Instruments and Exchange Act; in this case, the number of share certificates, etc. held (meaning the Number of Share Certificates, etc. Held prescribed in said paragraph; the same shall apply hereinafter) by the Joint Holder of said holder shall also be added) of said holder; or

(ii) if the specific shareholder group falls under the case referred to in Note 1 (ii), the sum of the ownership ratio of share certificates, etc. (meaning the Ownership Ratio of Share Certificates, etc. prescribed in Article 27-2, paragraph 8 of said Act) of said Large-scale Purchaser and said specially related party. The total number of voting rights (as prescribed in Article 27-2, paragraph 8 of said Act) and the total number of issued shares (as prescribed in Article 27-23, paragraph 4 of said Act) in the most recently submitted annual report, quarterly report and report on repurchase may be referred to upon calculating the respective ratios of voting rights.

Note 3: "Share certificates, etc." mean those corresponding to either Share Certificates, etc. prescribed in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act or Share Certificates, etc. prescribed in Article 27-2, paragraph 1 of said Act.

3. Establishment of an Independent Committee

In order to properly conduct the Plan, prevent the Board of Directors of the Company from making arbitrary judgments and ensure the reasonableness and fairness of the Board's judgments, an Independent Committee will be established pursuant to the Independent Committee Rules (please refer to Appendix 2 for the outline). The Independent Committee shall consist of three or more members, who will be selected from among persons corresponding to Outside Corporate Auditors, Outside Directors or outside experts (Note) who are independent from the management team that executes operations of the Company, in order to enable fair and impartial judgments. The name and career summary of the candidates for members of the Independent Committee are as stated in Appendix 3.

Prior to implementing countermeasures, the Board of Directors of the Company shall seek advice from the Independent Committee as to whether or not to implement the countermeasures, and the Independent Committee shall make a recommendation to the Board as to whether it is in a position where it can implement the countermeasures by carefully evaluating and examining the Large-scale Purchases from the viewpoint of enhancing the Company's corporate value, and in turn, its shareholders' common interests. The Board of Directors of the Company shall make a decision on implementing the countermeasures by respecting the Independent Committee's recommendation to the greatest extent possible. The outline of the recommendation given by the Independent Committee shall be released to the public as appropriate.

In order to ensure that the judgment is made by the Independent Committee to contribute to the Company's corporate value, and in turn, its shareholders' common interests, the Independent Committee may, at the Company's expense, obtain the advice of independent third-party specialists (financial advisers, certified public accountants, lawyers, consultants and other specialists), etc. as necessary.

Note: "Outside experts" mean company managers with extensive managerial experience, former government

employees, persons who are well-versed in investment banking operations, lawyers, certified public accountants, academic experts whose principal field of research is the Companies Act, etc. or persons equivalent thereto.

4. Outline of Rules on Large-scale Purchases

(1) Submission of letter of intent by the Large-scale Purchaser to the Company

If a Large-scale Purchaser intends to make Large-scale Purchases, the Large-scale Purchaser is required to submit a letter of intent in the format prescribed by the Company stating the following matters in Japanese to the Board of Directors of the Company before making the Large-scale Purchases or proposing Large-scale Purchases:

(i) Name and address of the Large-scale Purchaser;
(ii) Governing law for its incorporation;
(iii) Position and name of its representative;
(iv) Its contact information in Japan;
(v) Outline of proposed Large-scale Purchases; and
(vi) Pledge to comply with the Rules on Large-scale Purchases prescribed in the Plan.

If the Board of Directors of the Company has received a letter of intent from a Large-scale Purchaser, the Board will promptly announce to the public that such letter of intent has been received, and as necessary, the content of such letter of intent.

(2) Provision of information required for evaluation by the Large-scale Purchaser to the Company

The Board of Directors of the Company will deliver to the Large-scale Purchaser a document stating matters that must be submitted to the Board as information on Large-scale Purchases within ten (10) business days from the day subsequent to the day on which the letter of intent stating all matters referred to in (i) through (vi) of (1) above was received, and the Large-scale Purchaser will be required to submit to the Board, in writing, the information on Large-scale Purchases (hereinafter referred to as "Information Required for Evaluation") in accordance with the statement in said document.

General items of Information Required for Evaluation are as shown in (i) through (vi) below, the specifics of which vary with the attribute of the Large-scale Purchaser and the objective and description of the Large-scale Purchases, but in any case, shall be limited to the extent necessary and sufficient for the Company's shareholders to make a judgment and for the Board of Directors of the Company to form an opinion. Language that may be used in the submission of Information Required for Evaluation and all other notices and communications to the Board of Directors of the Company is limited to Japanese only.

(i) Details of the Large-scale Purchaser and its group (joint holder, specially related party and partner (including constituent members in the case of a fund)) (including name, business activities, background or history, capital composition, financial position, and information on experience in businesses similar to the businesses of the Company and its group, etc.)

(ii) Objective, method and description of Large-scale Purchases (including amount and type of consideration for Large-scale Purchases, timing of Large-scale Purchases, mechanism of related transactions, legality of the method of Large-scale Purchases, feasibility of Large-scale Purchases, etc.)

(iii) Basis of calculation of price of Large-scale Purchases (including facts on which the calculation is premised, calculation method, numerical information used in the calculation, and description of synergies expected to be generated from the series of transactions pertaining to Large-scale Purchases).

(iv) Proof of funds for Large-scale Purchases (including specific name of provider of funds (including substantive provider), method of raising funds, and description of related transactions)

(v) Prospective candidates for officers after participating in the management of the Company and its group (including information on experience in businesses similar to the businesses of the Company and its group, etc.), management policy, business plan, financial policy, capital policy, dividend policy, asset utilization measures, etc.

(vi) Whether or not changes are planned in regards to the relationship between stakeholders (e.g., customers, clients, employees) and the Company and its group after participating in the management of the Company and its group, and the description of such changes, if any.

The Board of Directors of the Company may set a deadline for the Large-scale Purchaser to provide information as necessary, in view of promptly implementing the Rules on Large-scale Purchases; provided, however, that if the Large-scale Purchaser has requested an extension on reasonable grounds, such deadline may be extended. If the Board of Directors of the Company determines that, as a result of its close examination of the Information Required for Evaluation submitted based on the above, the Information Required for Evaluation does not constitute necessary and sufficient information for evaluating and examining Large-scale Purchases, the Board may request the Large-scale Purchaser to provide additional information until all Information Required for Evaluation is received, by setting a reasonable deadline as appropriate (no more than sixty (60) days from the day on which Information Required for Evaluation was first received).

If the Board of Directors of the Company determines that necessary and sufficient Information Required for Evaluation has been submitted by the Large-scale Purchaser for evaluating and examining the Large-scale Purchases, the Board will send a notice to that effect to the Large-scale Purchaser, and will make a public announcement to that effect.

Despite additional Information Required for Evaluation being requested by the Board of Directors of the Company, if the Large-scale Purchaser has given a reasonable explanation that some of such Information would be difficult to provide, negotiations, etc. over the provision of information with the Large-scale Purchaser may be terminated even if all of the Information Required for Evaluation requested by the Board has not been received, and a public announcement may be made to that effect; also, evaluation and examination by the Board of Directors referred to in (3) below may be launched.

Information Required for Evaluation provided to the Board of Directors of the Company will be submitted to the Independent Committee, and if deemed necessary for shareholders to make a judgment, all or part of such Information will be released to the public at a time deemed appropriate by the Board.

(3) Evaluation and examination of Information Required for Evaluation by the Board of Directors of the Company, etc.

Depending on the level of difficulty of the evaluation, etc. of Large-scale Purchases, the Board of Directors of the Company will set a period of up to sixty (60) days in cases where all shares of the Company are to be purchased by tender offer where consideration is exclusively in the form of cash (Japanese yen) or a period of up to ninety (90) days in the case of other Large-scale Purchases after the Large-scale Purchaser has completed providing the Board with Information Required for Evaluation as the period for the Board to conduct evaluation, perform examination, engage in negotiation, form an opinion and formulate an alternative proposal (hereinafter referred to as "the Board of Directors' Evaluation Period").

During the Board of Directors' Evaluation Period, the Board of Directors of the Company will fully evaluate and examine the Information Required for Evaluation provided while receiving advice from independent third-party specialists (financial advisers, certified public accountants, lawyers, consultants and other specialists), etc. as necessary, carefully put together the Board's opinion by respecting the Independent Committee's recommendation to the greatest extent possible, and announce its opinion to the public. Also, the Board of Directors of the Company may, as necessary, negotiate improvements in the terms of the Large-scale Purchases with the Large-scale Purchaser, and present the Board's alternative proposal to shareholders.

5. Policy in response to cases where Large-scale Purchases are made

(1) Cases in which the Large-scale Purchaser has failed to comply with Rules on Large-scale Purchases

If the Large-scale Purchaser has failed to comply with the Rules on Large-scale Purchases, regardless of the specific purchase method, the Board of Directors of the Company may tackle the Large-scale Purchases by taking countermeasures permitted under the Companies Act and other laws as well as the Articles of Incorporation of the Company, such as gratis allotment of share options, with the aim of defending the Company's corporate value, and in turn, its shareholders' common interests. When determining whether or not the Rules on Large-scale Purchases have been observed, the circumstances of the Large-scale Purchaser shall be considered fully to a reasonable extent, and at the least, failure to submit part of the Information Required for Evaluation alone shall not lead to the judgment that the Large-scale Purchaser has failed to comply with the Rules on Large-scale Purchases.

(2) Cases in which Large-scale Purchaser has complied with Rules on Large-scale Purchases

In cases where the Large-scale Purchaser has complied with the Rules on Large-scale Purchases, the Board of Directors of the Company will, even if the Board is opposed to such Large-scale Purchases, limit its actions to persuading shareholders by expressing its opinion against the purchase proposal and by making an alternative proposal, and in principle, will not take measures against such Large-scale Purchases. The decision of whether or not to accept the Large-scale Purchaser's purchase proposal will be up to the shareholders, by taking into consideration such purchase proposal and the opinion on such purchase proposal, alternative proposal, etc. presented by the Company.

However, even in cases where the Large-scale Purchaser has complied with the Rules on Large-scale

Purchases, if the Large-scale Purchases correspond to, for example, any of (i) through (v) below, and are clearly deemed to have an abusive objective and are determined by the Board of Directors of the Company to substantially impair its corporate value, and in turn, shareholders' common interests, such as inflicting irrecoverable losses to the Company as a consequence, the Board may, as an exception to the rule, take the countermeasures stated in (1) above to the extent necessary and appropriate for the purpose of defending the Company's corporate value, and in turn, its shareholders' common interests:

(i) The Large-scale Purchaser is acquiring the Company's shares merely for the purpose of making the concerned parties of the Company buy back the shares at a higher price by driving up share prices, though there exists no true intention of participating in the management of the Company (so-called "greenmailer" scenario);

(ii) The Large-scale Purchaser is acquiring the Company's shares with the aim to carry out so-called "scorched-earth management" such as temporarily taking control of the management of the Company and transferring intellectual property, know-how, confidential business information, major clients, customers, etc. that are necessary for the business management of the Company or its group companies to the acquirer or its group companies, etc.;

(iii) The Large-scale Purchaser is acquiring the Company's shares with the plan to pledge the assets of the Company or its group companies, etc. as collateral for debts of the acquirer or its group companies, or as funds for repaying such debts, after taking control of the management of the Company;

(iv) The Large-scale Purchaser is acquiring the Company's shares for the purpose of temporarily taking control of the management of the Company so as to sell or otherwise dispose of real estate, securities and other high-value assets, etc. that are not currently related to the businesses of the Company or its group companies and pay temporarily high dividends out of the proceeds from such disposal or sell the shares at a higher price when the opportunity arises, that is, when the share price surges on the back of temporary high dividends; or

(v) The method of purchase of the Company's shares proposed by the Large-scale Purchaser has the risk of limiting shareholders' opportunities or freedom to make a judgment and may effectively coerce shareholders to sell the Company's shares, such as so-called "coercive, two-tiered takeovers" (which involve purchasing shares through tender offer, etc. by setting unfavorable acquisition terms or not clearly indicating acquisition terms in the second tier, without soliciting for the purchase of all shares of the Company in the first tier).

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

When the Board of Directors of the Company is making a judgment as to whether or not to implement countermeasures in (1) or (2) above, the Board shall respect the Independent Committee's recommendation to the greatest extent possible and fully examine the necessity, reasonableness, etc. of the countermeasures before voting on whether or not to implement the countermeasures and other such matters as an organ under the Companies Act.

In regards to exactly what kind of measures are to be taken, measures deemed most appropriate by the Board of Directors of the Company at that time shall be chosen. For example, in cases where gratis allotment of

share options is to be carried out by the Board of Directors of the Company as a specific countermeasure, the outline of such gratis allotment is as stated in Appendix 4 as a general rule. However, in cases where gratis allotment of share options is to be carried out in practice, exercise of share options is conditional upon the ratio of voting rights not exceeding a certain ratio of voting rights belonging to a specific shareholder group; in addition, an exercise period that takes into consideration the effects as a countermeasure may be established, as well as other conditions of exercise.

In cases where the Independent Committee makes a recommendation on the implementation of countermeasures and requests the convocation of the General Meeting of Shareholders to vote on such implementation, the Board of Directors of the Company may set a period of up to sixty (60) days for shareholders to fully examine whether or not to implement countermeasures under the Plan (hereinafter referred to as "Shareholders' Examination Period") and convene the General Meeting of Shareholders of the Company during said Shareholders' Examination Period.

When a resolution has been passed in the meeting of the Board of Directors of the Company to convene the General Meeting of Shareholders and determine the reference date, the Board of Directors' Evaluation Period shall end on that day and shall immediately shift to the Shareholders' Examination Period.

Upon the convocation of said General Meeting of Shareholders, the Board of Directors of the Company will send to shareholders a document stating the Information Required for Evaluation provided by the Large-scale Purchaser, the Board's opinion on the Information Required for Evaluation, the Board's alternative proposal and other matters deemed appropriate by the Board, together with the notice of convocation of the General Meeting of Shareholders, and properly disclose that such document and notice have been sent in a timely manner.

In cases where a resolution has been passed to implement or not to implement the countermeasures at the General Meeting of Shareholders, the Board of Directors of the Company shall abide by such resolution of the General Meeting of Shareholders. Accordingly, in cases where a resolution against implementing the countermeasures has been passed at the General Meeting of Shareholders, the Board of Directors of the Company will not implement the countermeasures. The Shareholders' Examination Period shall end at the close of such General Meeting of Shareholders, and the outcome of such General Meeting of Shareholders will be disclosed properly in a timely manner after the resolution.

(4) Waiting period of Large-scale Purchases

In cases where the Shareholders' Examination Period is not established, the waiting period for Large-scale Purchases shall be the Board of Directors' Evaluation Period, whereas in cases where the Shareholders' Examination Period is established, the waiting period for Large-scale Purchases shall be the Board of Directors' Evaluation Period plus the Shareholders' Examination Period. During the waiting period for Large-scale Purchases, Large-scale Purchases may not be executed. Accordingly, Large-scale Purchases may only be started after the waiting period for Large-scale Purchases has elapsed.

(5) Suspension, etc. of implementation of countermeasures

If the Board of Directors of the Company has determined that it would not be appropriate to implement

countermeasures such as in cases where the Large-scale Purchaser has withdrawn or changed Large-scale Purchases after the decision was made at the meeting of Board of Directors of the Company or the General Meeting of Shareholders to implement specific countermeasures in (3) above, suspension, etc. of the implementation of the countermeasures may be imposed by respecting the Independent Committee's opinion or recommendation to the greatest extent possible.

For example, in cases where gratis allotment of share options is to be executed as a countermeasure, if the Board of Directors of the Company has determined that it would not be appropriate to implement the countermeasure such as in cases where the Large-scale Purchaser has withdrawn or changed Large-scale Purchases since the Board's resolution for the gratis allotment or since the execution of the gratis allotment, suspension of the gratis allotment of share options may be imposed until the day before the day on which share options come into effect, or suspension of the implementation of the countermeasure by way of gratis acquisition of share options by the Company, etc. may imposed until the day before the day on which share options become exercisable after the gratis allotment of share options, subject to recommendation received from the Independent Committee.

In cases where such suspension, etc. of the implementation of countermeasures is to be imposed, information will be disclosed promptly, together with matters deemed necessary by the Independent Committee.

6. Impact of the Plan on shareholders, etc.

(1) Impact of Rules on Large-scale Purchases on shareholders

The Rules on Large-scale Purchases are aimed at providing information required for shareholders to determine whether to accept or reject Large-scale Purchases and the opinion of the Board of Directors of the Company which is currently engaged in the management of the Company, and ensuring that shareholders will have the opportunity to receive the presentation of an alternative proposal. This is deemed to enable shareholders to make an appropriate judgment of whether to accept or reject Large-scale Purchases based on sufficient information, which should help safeguard the Company's corporate value, and in turn, its shareholders' common interests. Accordingly, the establishment of the Rules on Large-scale Purchases forms the premise for shareholders to make an appropriate judgment, and is deemed to be in the shareholders' interests.

As explained in 5. above, the Company's policy in response to Large-scale Purchases will vary depending on whether or not the Large-scale Purchaser complies with the Rules on Large-scale Purchases, and other such factors. Shareholders are thus advised to keep a close eye on the actions of the Large-scale Purchaser.

(2) Impact on shareholders in the event of implementation of countermeasures

In cases where the Large-scale Purchaser has failed to comply with the Rules on Large-scale Purchases, and even in cases where the Large-scale Purchaser has complied with the Rules on Large-scale Purchases, if the Large-scale Purchases are deemed to substantially impair the Company's corporate value, and in turn, its shareholders' common interests, such as inflicting irrecoverable losses to the Company, the Board of Directors of the Company may take countermeasures permitted under the Companies Act and other laws as well as the Articles of Incorporation of the Company, such as gratis allotment of share options, for the purpose of

defending the Company's corporate value, and in turn, its shareholders' common interests. However, such countermeasures do not, by design, expect to give rise to situations in which shareholders will incur extraordinary losses in terms of legal rights or in financial terms (excluding Large-scale Purchasers who fail to comply with the Rules on Large-scale Purchases and Large-scale Purchasers who make Large-scale Purchases that are deemed to impair the interests of the Company's shareholders such as inflicting irrecoverable losses to the Company). In cases where the Board of Directors of the Company has decided to take specific countermeasures, the Board will disclose them properly in a timely manner in accordance with laws and regulations, as well as financial instruments exchange regulations.

For example, in cases where gratis allotment of share options is to be executed as one of the countermeasures, shareholders of the Company will receive the allotment of shares without having to apply for their subscription, and will receive the Company's shares in exchange of the acquisition of the share options by the Company without having to pay money equivalent to the exercise price of the share options through share option acquisition procedures carried out by the Company; therefore, shareholders need not perform any procedures for application or payment, etc. In this case, however, the Company may require each shareholder who is entitled to receive the allotment of share options to submit a separate document pledging that he/she is not a Large-scale Purchaser, etc. based on the format prescribed by the Company.

Even after the allotment date of the share options and the day on which share options come into effect, the Company may, for example, due to the withdrawal of Large-scale Purchases by the Large-scale Purchaser or in other such circumstances, suspend the allotment of share options by the day before the day on which share options become exercisable, or acquire the share options without consideration, without issuing the Company's shares for the share options. In such cases, shareholders and investors who have sold their shares based on the assumption that the per-share value of shares would be diluted, etc. may incur losses proportionate to fluctuations in the share price.

7. Commencement of application, expiry and abolition of the Plan

The Plan shall come into effect conditional upon approval by the shareholders at this General Meeting of Shareholders, on the day on which such approval is given. The effective period of the Plan shall be until the close of the 73rd Annual General Meeting of Shareholders of the Company due to be held in June 2019. Even after the Plan has come into effect following the approval of the continuation of the Plan at this General Meeting of Shareholders, the Plan shall be abolished at the point in time when:

(i) a certain ratio of shareholders have expressed their will to abolish the Plan at the General Meeting of Shareholders of the Company; or

(ii) a resolution to abolish the Plan has been passed by the Board of Directors of the Company, etc.

Even during the effective period of the Plan, the Board of Directors of the Company may conduct a review from time to time in view of enhancing the Company's corporate value, and in turn, its shareholders' common interests, and amend the Plan with the approval of the General Meeting of Shareholders. In cases where the Board has made the decision for the continuation, amendment, abolition, etc. of the Plan in such a manner, the Board will promptly disclose such decision.

The Board of Directors of the Company may, even during the effective period of the Plan, make corrections or

amendments to the Plan with the approval of the Independent Committee as necessary in cases where such corrections or amendments will not be detrimental to shareholders, such as in cases where laws, regulations, financial instrument exchange regulations, etc. relating to the Plan have been newly created, amended or abolished and it would be appropriate to reflect such newly-created, amended or abolished laws, regulations, financial instrument exchange regulations, etc., and cases in which it would be appropriate to correct phrases due to errors, omissions and other such reasons.

IV. Reasonableness of the Plan (the fact that the Plan conforms to the basic policy, is conducive to the Company's corporate value, and in turn, its shareholders' common interests and is not aimed at maintaining the position of the Company's officers)

1. The fact that the Plan meets the criteria of Guidelines Regarding Takeover Defense

The Plan conforms to the three principles prescribed in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" announced by the Ministry of Economy, Trade and Industry (METI) and the Ministry of Justice on May 27, 2005, namely: the principle of protecting and enhancing corporate value and shareholders' common interests; the principle of prior disclosure and shareholders' will; and the principle of ensuring the necessity and reasonableness.

The Plan also takes into account the content of the report titled "Takeover Defense Measures in Light of Recent Environmental Changes" announced on June 30, 2008 by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry.

2. The fact that the Plan aims to protect and enhance corporate value, and in turn, shareholders' common interests

As described in aforementioned "III.1. Purpose of continuation of the Plan", the Plan is to be continued with the aim of protecting and enhancing the Company's corporate value, and in turn, its shareholders' common interests, by securing necessary information and time for shareholders to determine whether to accept or reject Large-scale Purchases or for the Board of Directors of the Company to present an alternative proposal when Large-scale Purchases are made with respect to the Company's shares, and by enabling negotiations, etc. with the purchaser, etc. in the interests of shareholders.

The effect of the Plan is conditional upon shareholders' approval, and the fact that the Plan may be abolished at the discretion of shareholders is deemed to ensure that the Plan will not impair shareholders' common interests.

3. The fact that the Plan reflects the shareholders' will

The Plan shall come into effect subject to approval at this General Meeting of Shareholders. As shareholders' will regarding the Plan will be confirmed at this General Meeting of Shareholders, the shareholders' will shall be reflected.

After the continuation of the Plan, if a resolution to abolish the Plan is passed at the General Meeting of Shareholders of the Company even before the expiry of the Plan, the Plan will be abolished at that point in time, reflecting the will of shareholders.

4. Importance placed on outsiders with a high degree of independence

As described in aforementioned "III. 5. Policy in response to cases where Large-scale Purchases are made", advice shall be sought from the Independent Committee consisting of members who are independent from the management team that executes operations of the Company, and the Committee's recommendation on the implementation of countermeasures in the Plan shall be respected to the greatest extent possible. Also, procedures to ensure the appropriate execution of the Plan are in place to protect the Company's corporate value, and in turn, its shareholders' common interests.

5. The fact that the Plan is not a dead-hand or slow-hand takeover defense measure

The Plan may be abolished at any time by the Board of Directors consisting of Directors elected at the General Meeting of Shareholders of the Company. It is possible for a person who intends to purchase the Company's shares in large volumes to elect a director he/she nominates at the General Meeting of Shareholders of the Company and make the Board of Directors consisting of such director abolish the Plan. Accordingly, the Plan is not a dead-hand takeover defense measure (i.e., a takeover defense measure whose implementation cannot be stopped even by replacing the majority of members of the Board of Directors).

As the term of office of Directors of the Company is one year, the Plan is not a slow-hand takeover defense measure (i.e., a takeover defense measure that needs time for its implementation to be stopped, as directors cannot be replaced at once).

[End of document]

(Appendix 1)

Status of the Company's Shares (as of March 31, 2016)

1. Authorized number of shares: 295,500,000 shares

2. Issued number of shares: 68,292,340 shares

3. Number of shareholders: 3,956 (number of shareholders of share units, excluding treasury stock and shares held at Japan Securities Depository Center, Inc.)

4. Major shareholders (10 largest shareholders)

Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	3,978	6.42
Japan Trustee Services Bank, Ltd. (trust account)	2,836	4.58
MISAKI ENGAGEMENT MASTER FUND	2,210	3.57
Komori Estate Ltd.	2,090	3.37
Yoshimaro Komori	2,006	3.24
Meiji Yasuda Life Insurance Company	1,895	3.06
Noriko Komori	1,872	3.02
STATE STREET BANK AND TRUST COMPANY 505223	1,771	2.86
Komori Corporation Trading-Partner Shareholding Association	1,459	2.35
MELLON BANK TREATY CLIENTS OMNIBUS	1,130	1.82

Notes:

1. Number of shares held is rounded down to the nearest thousand.

2. The Company holds 6,328,000 shares of treasury stock, which are not included in the above.

[End of document]

(Appendix 2)

Outline of Independent Committee Rules

- The Independent Committee shall be established by resolution of the Board of Directors of the Company.

- The Independent Committee shall consist of three or more members who shall be selected by the Board of Directors of the Company from among persons corresponding to Outside Corporate Auditors, Outside Directors or outside experts who are independent from the management team that executes operations of the Company, in order to enable fair and impartial judgments; provided, however, that outside experts shall be selected by targeting company managers with extensive managerial experience, former government employees, persons who are well-versed in investment banking operations, lawyers, certified public accountants, academic experts whose principal field of research is the Companies Act, etc. or persons equivalent thereto.

- In regards to matters on which advice is sought by the Board of Directors of the Company, the Independent Committee shall recommend its decision to the Board of Directors of the Company as a general rule, together with the reason and basis for such decision. When making such decision, each member of the Independent Committee shall do so from the viewpoint of whether or not it will contribute to the Company's corporate value, and in turn, its shareholders' common interests.

- The Independent Committee may, at the Company's expense, obtain the advice of independent third-party specialists (financial advisers, certified public accountants, lawyers, consultants and other specialists), etc. as necessary.

- Resolutions of the Independent Committee shall be adopted through majority vote of Committee members.

[End of document]

(Appendix 3)

Career Summary of Candidates for Independent Committee Members

The following four persons are slated to become members of the Independent Committee after continuing into the Plan.

Shinji Amako

(Career summary)

Born April 21, 1956

April 1979	Joined Kubota Tekko K.K. (now Kubota Corporation).
April 1998	Head of Technology Group, Cast Steel Manufacturing Division, Hirakata Plant, Kubota Corporation
October 2002	Head of Overseas Group, Cast Steel Sales Division, Kubota Corporation
July 2005	General Manager of Cast Steel Sales Division, Kubota Corporation
April 2009	Director, Kubota Corporation
April 2010	General Manager of Raw Materials Sales Division, Kubota Corporation
April 2012	General Manager of Raw Materials Business Unit, Kubota Corporation
April 2013	President of Kubota Materials Canada Corporation (to present)

Shinji Amako is a candidate for Outside Company Auditor provided for in Article 2, item (xvi) of the Companies Act. Shinji Amako is due to be appointed to Outside Corporate Auditor of the Company if the proposal for his election is approved and adopted at this General Meeting of Shareholders.

Harunobu Kameyama

(Career summary)

Born May 15, 1959

April 1992	Registered as attorney at law (Daiichi Tokyo BAR Association)
April 1997	Opened Harunobu Kameyama Law Office (now Kameyama Sogo Law Office)
June 2005	Auditor of Kyoritsu International Foundation (to present)
June 2007	Outside Corporate Auditor of the Company
April 2010	Civil conciliation commissioner of Tokyo Summary Court (to present)
October 2012	Outside Director of Takaoka Toko Co., Ltd. (to present)
June 2013	Retired from Outside Corporate Auditor of the Company, appointed to Outside Director of the Company (to present)
October 2013	Outside Corporate Auditor of SOMAR Corp. (to present)

Harunobu Kameyama is a candidate for Outside Director provided for in Article 2, item (xv) of the Companies Act.

Masakazu Kawabata

(Career summary)

Born July 4, 1953

April 1977	Joined The Fuji Bank, Ltd. (now Mizuho Bank, Ltd.).
May 1999	General Manager of Trust Planning Department, The Fuji Bank, Ltd.
April 2002	General Manager of Corporate Planning Division, Mizuho Holdings, Inc.
March 2003	General Manager of Corporate Planning Division, Mizuho Financial Group, Inc.
August 2003	General Manager of Shinjuku Branch, Mizuho Bank, Ltd.
April 2005	Executive Officer and General Manager of Shinjuku Branch, Mizuho Bank, Ltd.
April 2006	Managing Executive Officer, Mizuho Bank, Ltd.
May 2009	Vice President & Representative Director, Mizuho Research Institute Ltd.
January 2012	President & Representative Director, Mizuho Capital Co., Ltd.
April 2016	Special Advisor of the Company (to present)

Masakazu Kawabata is a candidate for Outside Company Auditor provided for in Article 2, item (xvi) of the Companies Act. Masakazu Kawabata is due to be appointed to Outside Corporate Auditor of the Company if the proposal for his election is approved and adopted at this General Meeting of Shareholders.

Hiroko Sakamoto

(Career summary)

Born July 30, 1954

October 1984	Joined Chuo Audit Corporation (ultimately Misuzu Audit Corporation).
July 1997	Appointed to Partner of Chuo Audit Corporation
July 2001	Appointed to Representative Partner of Chuo Audit Corporation
July 2007	Joined A&A Partners
July 2007	Appointed to Representative Partner of A&A Partners.
July 2010	Appointed to Partner of A&A Partners due to abolition of Representative Partner system (to present).
June 2013	Outside Corporate Auditor of the Company

Hiroko Sakamoto is an Outside Company Auditor provided for in Article 2, item (xvi) of the Companies Act.

Neither do any of the aforementioned candidates for Independent Committee members have any special interest in the Company, nor does the Company have any special interest in any of said candidates.
Outside Director Harunobu Kameyama and Outside Corporate Auditor Hiroko Sakamoto have been notified as Independent Director and Independent Auditor, respectively, to the financial instruments exchange on which the Company is listed. Candidates for Outside Corporate Auditors Shinji Amako and Masakazu Kawabata are also candidates for Independent Auditors.

[End of document]

(Appendix 4)

Outline of Gratis Allotment of Share Options

1. Shareholders entitled to gratis allotment of share options and allotment method of share options

Share options shall be allotted to each shareholder recorded in the latest shareholder register as of the allotment date prescribed by the Board of Directors of the Company at a ratio of one share option per share of common stock of the Company that he/she holds (excluding common stock of the Company held by the Company), without being required to make any new payments.

2. Class and number of shares to be issued by exercise of share options

The class of shares to be issued by the exercise of share options shall be common stock of the Company, and the number of shares to be issued by the exercise of one share option shall be one share; provided, however, that in cases where the Company is to perform a stock split or stock consolidation, necessary adjustments shall be made.

3. Total number of share options to be allotted to shareholders

The total number of share options to be allotted to shareholders shall be no more than the authorized number of shares of the Company minus the issued number of shares of the Company (excluding the Company's common stock held by the Company) as at the allotment date prescribed by the Board of Directors of the Company. The Board of Directors of the Company may allot share options more than once.

4. Property to be contributed upon exercise of each share option and amount thereof

Property to be contributed upon the exercise of each share option shall be cash, the amount of which shall be determined by the Board of Directors of the Company at one yen or more. If the Board of Directors of the Company has decided to acquire share options, new shares may be issued to shareholders in exchange of the acquisition of the share options by the Company without paying the amount equivalent to the exercise price.

5. Restrictions on transfer of share options

Acquisition of share options by transfer of such share options shall require the approval of the Board of Directors of the Company.

6. Exercise conditions of share options

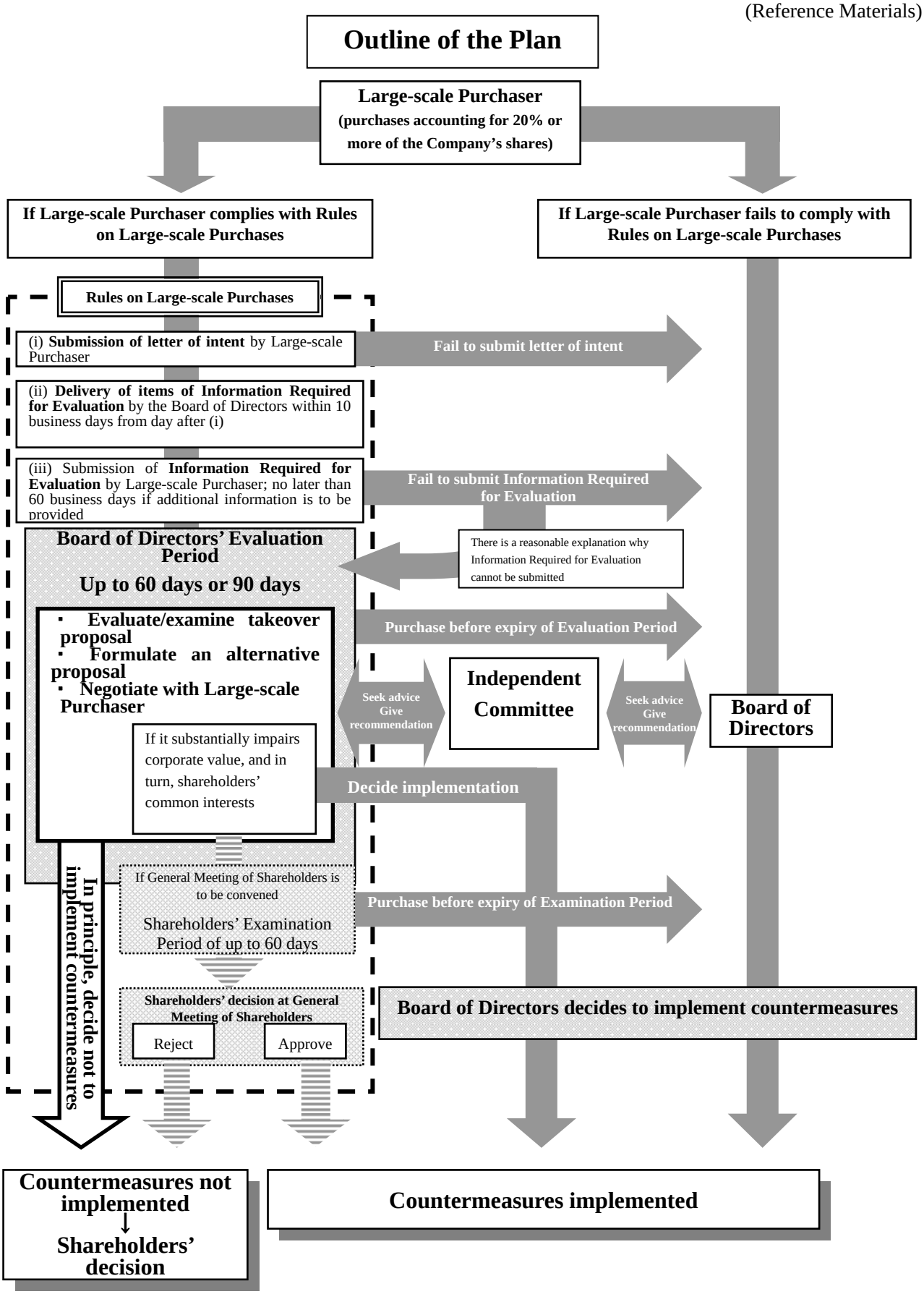
Share options may not be exercised by anyone who belongs to a specific shareholder group whose ratio of voting rights is 20% or higher (provided, however, that those to which the Board of Directors of the Company has given consent in advance shall be excluded).

Share options may not be exercised until after ten (10) days have elapsed since the Board of Directors of the Company recognized and disclosed the completion of Large-scale Purchases.

7. Exercise period of share options, etc.

The day on which the allotment of share options comes into effect, exercise period, call option clauses and other necessary matters shall be determined separately by the Board of Directors of the Company. Call option clauses may be established to the effect that the Company may acquire share options held by persons other than those who are not allowed to exercise share options due to the exercise conditions referred to in 6. above and issue the number of shares of common stock of the Company determined separately by the Board of Directors of the Company per share option, or that the Company may acquire share options without issuing shares of the Company, without consideration.

(Reference Materials)



Note: This diagram is intended to help you understand the Plan and depicts the flow of major procedures; it does not necessarily show all the procedures. For details, please refer to the text.