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Securities code: 4958
December 5, 2017

To Our Shareholders,

Takao Umino,
President & COO
T. HASEGAWA CO., LTD.
4-4-14, Nihonbashi-honcho, Chuo-ku, Tokyo

Notice of Convocation of the 56th Annual General Meeting of Shareholders

You are cordially invited to attend the 56th Annual General Meeting of Shareholders of T. HASEGAWA CO., LTD. (the "Company") to be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights by mail or via the internet, etc. Please exercise your voting rights no later than 5:30 p.m. on Wednesday, December 20, 2017 (JST) after reviewing the attached Reference Documents for General Meeting of Shareholders.

1. **Date and Time:** Thursday, December 21, 2017, at 10:00 a.m.
(The reception will commence at 9:00 a.m.)
2. **Venue:** Nomura Conference Plaza Nihonbashi, 6F, Grand Hall
Nihonbashi Muromachi Nomura Building (YUITO),
2-4-3, Nihonbashi-muromachi, Chuo-ku, Tokyo
3. **Purpose of the Meeting**

Matters to be reported

1. The business report, the consolidated financial statements and audit reports of the Accounting Auditors and the Audit & Supervisory Board for the consolidated financial statements for the 56th term (from October 1, 2016 to September 30, 2017)
2. The non-consolidated financial statements for the 56th term (from October 1, 2016 to September 30, 2017)

Matters to be resolved

Proposal 1: Partial amendments to the Articles of Incorporation
Proposal 2: Election of ten (10) Directors
Proposal 3: Election of one (1) substitute Audit & Supervisory Board Member
Proposal 4: Revision of the amount of remuneration for Directors

◎ If you attend the meeting in person, please submit the enclosed Voting Card at the venue's reception. In addition, please assist us in conserving paper resources by bringing this Notice of Convocation with you.

◎ Because the status of stock acquisition rights, the system for ensuring properness of operations, the operating status of system for ensuring properness of operations, the consolidated statements of changes in equity, the notes to consolidated financial statements, the non-consolidated statements of changes in equity and the notes to non-consolidated financial statements, which must be provided at the time of providing this Notice of Convocation, are reported on the Company's website (http://www.t-hasegawa.co.jp/) in accordance with the provisions of laws and regulations and Article 17 of the Articles of Incorporation of the Company, they are not provided in the attached documents to this Notice (the aforementioned items disclosed on the website are available in Japanese only). Accordingly, the attached documents to this Notice constitute a part of the documents that were audited by the Audit & Supervisory Board Members and the Accounting Auditors in preparing the audit reports.

◎ Any corrections in the Reference Documents for General Meeting of Shareholders, business report, consolidated or non-consolidated financial statements will be reported on the Company's website (http://www.t-hasegawa.co.jp/). The corrections in these documents will be available in Japanese only.

Reference Documents for General Meeting of Shareholders

Proposal 1: Partial amendments to the Articles of Incorporation

1. Reasons for the amendments

In preparation for cases in which the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulations, new provisions concerning substitute Audit & Supervisory Board Members will be established to set the period for which the resolutions on the elections of substitute Audit & Supervisory Board Members remain effective and to clarify the tenure that substitute Audit & Supervisory Board Members are to serve if they assume office.

2. Details of amendments

The details of amendments are as follows:

(Underlined parts denote the parts to be amended.)

Current Articles of Incorporation	Proposed amendments
Chapter 5: Audit & Supervisory Board Members and Audit & Supervisory Board	Chapter 5: Audit & Supervisory Board Members and Audit & Supervisory Board
(Appointment methods)	(Appointment methods)
Article 30 (Omitted)	Article 30 (Unchanged)
2. (Omitted)	2. (Unchanged)
(Newly established)	3. At the Company, in keeping with the stipulations of Article 329, Paragraph 3, of the Companies Act, the Company may appoint substitute Audit & Supervisory Board Members at General Meetings of Shareholders to prepare for a shortfall in the number of Audit & Supervisory Board Members stipulated by law.
(Newly established)	4. The effective period of the resolutions regarding the appointment of substitute Audit & Supervisory Board Members in the preceding Paragraph shall expire at the time of commencement of the regular General Meeting of Shareholders related to the last business year that ends within four years from the time of resolutions, unless otherwise shortened by such resolutions.
(Audit & Supervisory Board Members' tenures)	(Audit & Supervisory Board Members' tenures)
Article 31 (Omitted)	Article 31 (Unchanged)
2. The tenure for Audit & Supervisory Board Members appointed as alternates for Audit & Supervisory Board Members who stepped down before the completion of their tenure shall be up to the time of completion of the tenure of Audit & Supervisory Board Member that stepped down.	2. The tenure for Audit & Supervisory Board Members appointed as alternates for Audit & Supervisory Board Members who stepped down before the completion of their tenure shall be up to the time of completion of the tenure of Audit & Supervisory Board Member that stepped down. However, in cases where the substitute Audit & Supervisory Board Members appointed in accordance with Paragraph 3 of the preceding Article assumed their office as Audit & Supervisory Board Member, their tenure shall not continue after the completion of the regular General Meeting of Shareholders related to the last business year that ends within four years from the time of their appointment as substitute Audit & Supervisory Board Members.

Proposal 2: Election of ten (10) Directors

The terms of office of all eight (8) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. In that regard, we request the election of ten (10) Directors, increasing the number of Directors by two (2) to enhance the management system.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of Company's shares held
1 Re-election	 Tokujiro Hasegawa (December 5, 1938)	Apr. 1963 Joined the Company Nov. 1978 Director; General Manager of President's Office of the Company Dec. 1980 Managing Director of the Company Dec. 1998 President of the Company Oct. 2001 President & COO of the Company Dec. 2014 Chairman & CEO of the Company (present) (Important concurrent positions) Director of Hasegawa International Scholarship Foundation	103,932
[Reasons for nomination as a candidate for Director] As Chairman & CEO of the Company, he is in charge of the overall management of the Company and supervises the execution of business of the Company. Having served in key positions in the Company over many years, primarily in administration, he possesses abundant experience and keen insight related to business management and operations. From 2004 to 2011, he served as President of Japan Flavor & Fragrance Materials Association and currently he is Honorary President of that association, and he is thoroughly familiar with the flavor and fragrance industry. We have nominated him as a candidate for Director as we expect he will continue to contribute to the sustainable growth of the Company and the improvement of corporate value. [Special interest between the candidate and the Company] There is no special interest between the candidate and the Company.			
2 Re-election	 Takahiko Kondo (April 9, 1941)	Apr. 1966 Joined the Company Oct. 1995 Executive General Manager; General Manager of Flavor Sales Division, Flavor Headquarters of the Company Dec. 1996 Director; General Manager of Flavor Sales Division, Flavor Headquarters of the Company Dec. 1998 Managing Director Oct. 2001 Director & Senior Executive Vice President of the Company Dec. 2006 Director & Deputy President of the Company Sep. 2014 Representative Director & Deputy President of the Company Dec. 2014 President & COO of the Company Nov. 2017 Deputy Chairman of the Company (present) (Important concurrent positions) Chairman of T. HASEGAWA (SOUTHEAST ASIA) CO., LTD.	32,480
[Reasons for nomination as a candidate for Director] As Deputy Chairman of the Company, he is in charge of the overall management of the Company and supervises the execution of business of the Company. Having served as President & COO of the Company from December 2014 to October 2017, he possesses broad experience and keen insight related to management. In addition, he has served as President of Japan Flavor & Fragrance Materials Association since July 2014 and he is thoroughly familiar with the flavor and fragrance industry. We have nominated him as a candidate for Director as we expect he will continue to contribute to the sustainable growth of the Company and the improvement of corporate value. [Special interest between the candidate and the Company] There is no special interest between the candidate and the Company.			

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibilities in the Company
(Important concurrent positions)</th><th>Number of Company's shares held</th></tr>
<tr><td>3
Re-election</td><td>
Takao Umino
(March 22, 1947)</td><td>Apr. 1970 Joined The Mitsui Bank, Limited (now Sumitomo Mitsui Banking Corporation)
Jun. 2004 Representative Director and President of Sakura Card Co., Ltd. (now Cedyna Financial Corporation)
Jun. 2008 Joined the Company; Senior Advisor
Dec. 2008 Director & Senior Executive Vice President of the Company
Dec. 2014 Director, Deputy President & CFO of the Company
Nov. 2017 President & COO of the Company (present)

(Responsibilities in the Company)
In charge of Audit Division, Quality Assurance Division and Global Business

(Important concurrent positions)
Director & Chairman of T. HASEGAWA U.S.A., INC.
President Commissioner of PT. HASEGAWA FLAVORS AND FRAGRANCES INDONESIA
Outside Corporate Auditor of BROTHER INDUSTRIES, LTD.</td><td>12,800</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
As President & COO of the Company, he demonstrates superior leadership in his role of being in charge of the Company as a whole, and supervises the execution of business of the Company. From his long-standing experience, he possesses a broad range of specialist knowledge and keen insight into the overall corporate management and global business operations. He is actively forging ahead with the growth strategy such as making decisions on important matters of management that include formulation of overseas business strategies and collaboration with other companies. We have nominated him as a candidate for Director as we expect he will continue to contribute to the sustainable growth of the Company and the improvement of corporate value.
[Special interest between the candidate and the Company]
There is no special interest between the candidate and the Company.</td></tr>
<tr><td>4
Re-election</td><td>
Yoshiaki Chino
(January 25, 1950)</td><td>Apr. 1972 Joined the Company
Dec. 2003 Executive General Manager; General Manager of Food Materials Division of the Company
Dec. 2006 Senior Vice President; Deputy General Manager of Fukaya Production Center of the Company
Dec. 2007 Senior Vice President; General Manager of Fukaya Production Center of the Company
Dec. 2011 Executive Vice President; General Manager of Fukaya Production Center of the Company
Dec. 2014 Director & Senior Executive Vice President of the Company (present)

(Responsibilities in the Company)
In charge of Production</td><td>5,780</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
As Director, he has been appropriately fulfilling such roles as making decisions on important matters of management and supervising the execution of business. Having served in key positions in the Company over many years, in the areas of research, production, procurement, etc., he possesses abundant experience and broad knowledge. As Senior Executive Vice President of the Company, he is in charge of production, where he is promoting measures to further enhance the global production and procurement system, which includes both domestic and overseas subsidiaries. We have nominated him as a candidate for Director as we expect he will continue to contribute to the sustainable growth of the Company and the improvement of corporate value.
[Special interest between the candidate and the Company]
There is no special interest between the candidate and the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibilities in the Company
(Important concurrent positions)</th><th>Number of Company's shares held</th></tr>
<tr><td>5
Re-election</td><td>
Tsukasa Saito
(May 15, 1952)</td><td>Apr. 1975 Joined the Company
Dec. 2005 Executive General Manager; Deputy General Manager of Flavor Institute of the Company
Dec. 2007 Senior Vice President; Deputy General Manager of Flavor Institute of the Company
Dec. 2012 Executive Vice President; General Manager of Flavor Institute of the Company
Dec. 2014 Director & Senior Executive Vice President of the Company (present)
General Manager of R&D Center of the Company (present)
General Manager of Quality Assurance Division of the Company

(Responsibilities in the Company)
In charge of Research & Development</td><td>14,400</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
As Director, he has been appropriately fulfilling such roles as making decisions on important matters of management and supervising the execution of business. Having served in key positions in the Company over many years, mainly in the area of research & development, he possesses abundant experience and broad knowledge. As Senior Executive Vice President of the Company, he is in charge of research & development, where he is working to further enhance the quality assurance system and strategically implementing initiatives to further raise the Company's level of technology by forging ahead with the creation of organization structure that enables each of the research institutes to promote organic cooperation between them. We have nominated him as a candidate for Director as we expect he will continue to contribute to the sustainable growth of the Company and the improvement of corporate value.
[Special interest between the candidate and the Company]
There is no special interest between the candidate and the Company.</td></tr>
<tr><td>6
New candidate</td><td>
Makiyo Narushima
(September 5, 1951)</td><td>Apr. 1974 Joined The Mitsui Bank, Limited (now Sumitomo Mitsui Banking Corporation)
Jun. 1996 General Manager of Paris Branch, The Sakura Bank, Limited (now Sumitomo Mitsui Banking Corporation)
Jul. 1999 Joined BNP Paribas
General Manager of International Business Division, Tokyo Branch
Sep. 2005 Joined Crédit Agricole Corporate and Investment Bank
Managing Director of Corporate Sales Division, Tokyo Branch
Sep. 2010 Joined the Company; Senior Advisor
Dec. 2010 Senior Vice President; General Manager of Financial Division, General Manager of Overseas Operations Division, and General Manager of Overseas Sales Department of the Company
Dec. 2013 Executive Vice President; General Manager of Global Business Division and General Manager of Financial Division of the Company
Dec. 2015 Senior Executive Vice President of the Company
Dec. 2016 Senior Advisor of the Company (present)</td><td>3,100</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
He possesses sophisticated specialist knowledge acquired through many years of experience in the financial sector and abundant experience relating to global business operations and, since joining the Company, he has been in charge of global business and finance and directs the appropriate execution of business that will lead to improved business results. We have nominated him as a candidate for Director as we have determined that by making use of this knowledge and experience in the crucial decision making and supervisory function of the Board of Directors he can be expected to continue to contribute to the sustainable growth of the Company and the improvement of corporate value.
[Special interest between the candidate and the Company]
There is no special interest between the candidate and the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, position and responsibilities in the Company
(Important concurrent positions)</th><th>Number of Company's shares held</th></tr>
<tr><td>7
New candidate</td><td>
Minoru Nakamura
(September 5, 1955)</td><td>Apr. 1981 Joined Nippon Kokan Ltd. (now JFE Engineering Corporation)
Aug. 1988 Joined The Mitsui Bank, Limited (now Sumitomo Mitsui Banking Corporation)
Seconded to Mitsui Institute of Research Inc. (now The Japan Research Institute, Limited)
Sep. 2006 Joined the Company; Chief Administrator, Corporate Planning Division
Dec. 2011 Executive General Manager; General Manager of Corporate Planning Division, and General Manager of Information Systems Division of the Company
Dec. 2013 Senior Vice President of the Company
Dec. 2015 Executive Vice President of the Company (present)
General Manager of Corporate Planning Division (present), and General Manager of Human Resources Division of the Company

(Responsibilities in the Company)
In charge of Administration

(Important concurrent positions)
Representative Director and President of T. HASEGAWA BUSINESS SERVICE CO., LTD.</td><td>4,400</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
He possesses abundant specialist knowledge relating to overall management and keen insight acquired through many years of experience including experience in management consulting. As Executive Vice President of the Company, he is in charge of administration and directs the appropriate execution of business that will lead to improved business results. We have nominated him as a candidate for Director as we have determined that by making use of this knowledge and experience in the crucial decision making and supervisory function of the Board of Directors he can be expected to continue to contribute to the sustainable growth of the Company and the improvement of corporate value.
[Special interest between the candidate and the Company]
There is no special interest between the candidate and the Company.</td></tr>
<tr><td>8
New candidate</td><td>
Takumi Kato
(September 11, 1956)</td><td>Apr. 1979 Joined the Company
Dec. 2010 Executive General Manager; General Manager of Flavor Sales Department No. 3, Flavor Sales Division of the Company
Dec. 2011 Senior Vice President; Deputy General Manager of Flavor Sales Division of the Company
Dec. 2014 Executive Vice President of the Company (present)
Dec. 2015 Deputy General Manager of Flavor Sales Division, and General Manager of Food Materials Division of the Company
Dec. 2016 General Manager of Flavor Sales Division (present), and General Manager of Marketing Department, Flavor Division of the Company (present)

(Responsibilities in the Company)
In charge of Flavor Sales and Fragrance Sales</td><td>11,060</td></tr>
<tr><td colspan="4">[Reasons for nomination as a candidate for Director]
In addition to his achievements from many years at the forefront of sales, he has served in key positions in flavor sales, and possesses abundant experience and keen insight relating to the flavor/fragrance and food businesses. As Executive Vice President of the Company, he is in charge of flavor sales and fragrance sales and leads sales activities primarily in the Japanese market. We have nominated him as a candidate for Director as we have determined that by making use of this knowledge and experience in the crucial decision making and supervisory function of the Board of Directors he can be expected to continue to contribute to the sustainable growth of the Company and the improvement of corporate value.
[Special interest between the candidate and the Company]
There is no special interest between the candidate and the Company.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of Company's shares held
9 Re-election Outside Director Independent director/ auditor	 Shoichiro Oguri (July 29, 1943)	Apr. 1966 Joined The Nippon Fire & Marine Insurance Co., Ltd. (now Sompo Holdings, Inc.) Jun. 1999 Director and Senior Vice President of The Nippon Fire & Marine Insurance Co., Ltd. Jun. 2000 Director and Executive Vice President of The Nippon Fire & Marine Insurance Co., Ltd. Apr. 2001 Director and Senior Managing Executive Officer of Nipponkoa Insurance Co., Ltd. (now Sompo Holdings, Inc.) Mar. 2002 Senior Managing Director of Nippon Hilton Co., Ltd. Dec. 2002 Representative Director and President of Nippon Hilton Co., Ltd. Sep. 2004 Managing Director of Arion-Edo Foundation Dec. 2005 Outside Audit & Supervisory Board Member of the Company Dec. 2014 Outside Director of the Company (present)	0

[Special notes on candidate for outside Director]

He is a candidate for outside Director as provided by Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act.

He is presently an outside Director of the Company. At the conclusion of this Annual General Meeting of Shareholders, his term of office as an outside Director will have been three (3) years.

[Reasons for nomination as a candidate for outside Director]

He possesses keen insight as a business manager, acquired through many years of experience, and broad knowledge relating to corporate management. As outside Director, he utilizes his aforementioned capabilities to actively provide advice and suggestions from a neutral and objective standpoint for the purpose of ensuring the decision making of the Board of Directors is carried out suitably and appropriately. We have nominated him as a candidate for outside Director as we expect he will continue to contribute to strengthening the decision making function and supervisory function of the Board of Directors.

[Special interest between the candidate and the Company]

There is no special interest between the candidate and the Company.

[The candidate has been a Director/Audit & Supervisory Board Member of the Company in the past]

The candidate was an outside Audit & Supervisory Board Member of the Company from December 2005 to December 2014.

[Matters concerning independent director/auditor]

The Company presently specifies the candidate as an independent director/auditor in accordance with the rules of Tokyo Stock Exchange and has submitted notification to the same. If this proposal is approved and he is re-elected as outside Director, the Company intends to continuously specify him as an independent director/auditor.

[Outline of details of contract for limitation of liability]

The Company presently enters a contract for limitation of liability with the candidate in accordance with the provisions of Article 427, Paragraph 1, of the Companies Act, where the upper limit of liability for damages under the provisions of Article 423, Paragraph 1, of the Companies Act shall be the minimum liability amount as provided by laws and regulations. If his re-election is approved, the Company intends to continue the said contract.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company (Important concurrent positions)	Number of Company's shares held
10 Re-election Outside Director Independent director/ auditor	 Shingo Ohkado (September 22, 1946)	Apr. 1971 Joined TOPPAN PRINTING CO., LTD. Jun. 2004 Director of TOPPAN PRINTING CO., LTD. Jun. 2008 Managing Director of TOPPAN PRINTING CO., LTD. Jun. 2011 Outside audit & supervisory board member of Toyo Ink SC Holdings Co., Ltd. Dec. 2014 Outside Audit & Supervisory Board Member of the Company Dec. 2015 Outside Director of the Company (present)	0

[Special notes on candidate for outside Director]

He is a candidate for outside Director as provided by Article 2, Paragraph 3, Item 7, of the Ordinance for Enforcement of the Companies Act.

He is presently an outside Director of the Company. At the conclusion of this Annual General Meeting of Shareholders, his term of office as an outside Director will have been two (2) years.

[Reasons for nomination as a candidate for outside Director]

He possesses keen insight acquired through many years of experience and abundant experience and broad knowledge relating to global business operations. As outside Director, he utilizes his aforementioned capabilities to actively provide advice and suggestions from a neutral and objective standpoint for the purpose of ensuring the decision making of the Board of Directors is carried out suitably and appropriately. We have nominated him as a candidate for outside Director as we expect he will continue to contribute to strengthening the decision making function and supervisory function of the Board of Directors.

[Special interest between the candidate and the Company]

There is no special interest between the candidate and the Company.

[The candidate has been a Director/Audit & Supervisory Board Member of the Company in the past]

The candidate was an outside Audit & Supervisory Board Member of the Company from December 2014 to December 2015.

[Matters concerning independent director/auditor]

The Company presently specifies the candidate as an independent director/auditor in accordance with the rules of Tokyo Stock Exchange and has submitted notification to the same. If this proposal is approved and he is re-elected as outside Director, the Company intends to continuously specify him as an independent director/auditor.

[Outline of details of contract for limitation of liability]

The Company presently enters a contract for limitation of liability with the candidate in accordance with the provisions of Article 427, Paragraph 1, of the Companies Act, where the upper limit of liability for damages under the provisions of Article 423, Paragraph 1, of the Companies Act shall be the minimum liability amount as provided by laws and regulations. If his re-election is approved, the Company intends to continue the said contract.

Proposal 3: Election of one (1) substitute Audit & Supervisory Board Member

We request the election of one (1) substitute Audit & Supervisory Board Member as a substitute for Audit & Supervisory Board Member Koji Kataoka in advance to be ready to fill a vacant position should the number of Audit & Supervisory Board Members falls short of the number stipulated by laws and regulation.

The election of substitute Audit & Supervisory Board Member can be nullified by resolution of the Board of Directors if the consent of the Audit & Supervisory Board has been obtained; provided, however, that it is only in a time before assuming office.

Consent of the Audit & Supervisory Board has been obtained concerning this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary, position in the Company and important concurrent positions	Number of Company's shares held
 Toshiya Sugawara (September 27, 1959) New candidate	Apr. 1982 Joined the Company Jun. 2006 General Manager of Flavor Research Department No. 4, Flavor Institute of the Company Jun. 2008 General Manager of Quality Management Division of Fukaya Facility, Fukaya Production Center of the Company Aug. 2010 General Manager of Production Department No.1 of Fukaya Facility, Fukaya Production Center of the Company Dec. 2013 President of T. HASEGAWA FLAVOURS (SUZHOU) CO., LTD. Dec. 2014 Executive General Manager of the Company (present)	260

[Reasons for nomination as a candidate for substitute Audit & Supervisory Board Member]

Since joining the Company, he has had a wide range of experience relating to research & development, quality management, production, and being temporarily transferred to overseas subsidiaries. As such, he possesses broad specialist knowledge. Specifically, he was involved in management as President at the Company's subsidiary in China and contributed to business growth. We have nominated him as a candidate for substitute Audit & Supervisory Board Member as we have determined that by making use of this experience he is capable of appropriately executing the duties of an Audit & Supervisory Board Member.

[Special interest between the candidate and the Company]

There is no special interest between the candidate and the Company.

Proposal 4: Revision of the amount of remuneration for Directors

The amount of remuneration for Directors of the Company was resolved at the 50th Annual General Meeting of Shareholders held on December 21, 2011 to be within 400 million yen per annum, and the amount of remuneration concerning stock acquisition rights as stock-based remuneration stock options to Directors (excluding outside Directors) of the Company was approved at the 54th Annual General Meeting of Shareholders held on December 17, 2015 to be within 140 million yen per annum, and these have stayed in effect until present. However, in consideration of various factors such as the increase in the number of Directors by two (2) if Proposal 2 is approved as proposed and the increased responsibility of the Directors, the Company proposes to revise the amount of remuneration to be within 500 million yen per annum (of which the remuneration for outside Directors is to be within 25 million yen). The Company also proposes that the amount of remuneration for Directors continues to not include employee's salaries portion for Directors who are also employees. In addition, the amount of remuneration concerning stock acquisition rights as stock-based remuneration stock options to Directors (excluding outside Directors) of the Company within 140 million yen per annum, which was approved at the 54th Annual General Meeting of Shareholders held on December 17, 2015, will not be amended. The number of Directors is currently eight (8) (of which two (2) are outside Directors). If Proposal 2 is approved as proposed, the number of Directors shall be ten (10) (of which two (2) are outside Directors).