May 18, 2017

Notification of Adoption of Audit Supervisory Committee Structure and Partial Amendments to the Articles of Incorporation

ACOM CO., LTD. announces that the Board of Directors Meeting, held on May 18, 2017, resolved to adopt an "Audit and Supervisory Committee" structure and to submit a proposal for "Partial Amendments to the Articles of Incorporation" as described below, at the 40th Ordinary General Meeting of Shareholders to be held on June 22, 2017.

Appointment of directors after adoption of audit supervisory committee structure is separately announced in "Notification of Changes of Representative Directors and Other Personnel Changes" released today.

1. Adoption of Audit Supervisory Committee Structure

(1) Purpose of Adopting Said Structure

(A) Expediting Decision Makings and Enhancing Supervisory Functions of the Board of Directors

The Company aims to establish a structure capable of swift decision makings by delegating decision makings on material business executions to directors from the Board of Directors. The Board of Directors aims to enhance its supervisory functions through thorough monitoring and other measures on delegated matters.

(B) Improving Transparency and Objectivity of Management

The Company aims to improve transparency and objectivity of its management with Audit and Supervisory Committee where majority of members are outside directors conduct audit and supervisory functions.

(2) Schedule of Adoption

The Company plans to adopt Audit and Supervisory Committee structure upon approval of amendments to Articles of Incorporation required for said adoption at the "40th Ordinary General Meeting of Shareholders" to be held on June 22, 2017.

2. Partial Amendments to the Articles of Incorporation

(1) Reasons for the amendments

In line with the adoption of an Audit and Supervisory Committee structure, the Company plans to make required amendments such as establishing new provisions concerning the Audit and Supervisory Committee and Audit and Supervisory Committee Members and deleting provisions concerning the Board of Company Auditors and Company Auditors.

(2) Details of Amendments

Please refer to "Appendix" for the details.

(3) Schedule

Ordinary General Meeting of Shareholders (provisional)	Thursday, June 22, 2017
Effective Date of Amendments to the Article of Incorporation (provisional)	Thursday, June 22, 2017

ACOM CO., LTD.
Meiji Yasuda Seimei Bldg., 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan

[Appendix]

(Underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed Amendments
Article 4 (Organizations) The Company shall have Shareholders Meetings and Directors, as well as the following organizations: (1) Board of Directors (2) Company Auditors (3) Board of Company Auditors (4) Accounting Auditors	Article 4 (Organizations) The Company shall have Shareholders Meetings and Directors, as well as the following organizations: (1) Board of Directors (2) Audit and Supervisory Committee (Deleted) (3) Accounting Auditors
Article 18 (Number) The Company shall have not more than twelve (12) Directors. (New)	Article 18 (Number) The Company shall have not more than ten (10) Directors (excluding Directors serving as Audit and Supervisory Committee Members). 2. The Company shall have not more than five (5) Directors serving as Audit and Supervisory Committee Members.
Article 19 (Method of Election) Directors shall be elected at a general meeting of shareholders.	Article 19 (Method of Election) Directors serving as Audit and Supervisory Committee Members and other Directors shall be elected separately at a general meeting of shareholders.
2. (Omitted) 3. (Omitted)	2. (Unchanged) 3. (Unchanged)
Article 20 (Term of Office) The term of office of Directors shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ended within one (1) year after their appointments. (New)	Article 20 (Term of Office) The term of office of Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ended within one (1) year after their appointments. 2. The term of office of Directors serving as Audit and Supervisory Committee Members shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ended within two (2) years after their appointments.
(New)	3. The term of office of any Director serving as

Current Articles of Incorporation	Proposed Amendments
(New)	an Audit and Supervisory Committee Member elected to fill any vacancy of any former Director serving as an Audit and Supervisory Committee Member who resigned before the expiration of the term of office shall expire when the term of office of his or her predecessor Director serving as an Audit and Supervisory Committee Member would expire. 4. The effective term of pre-election of Directors serving as Audit and Supervisory Committee Members elected to fill any vacancy shall expire at the commencement of the ordinary general meeting of shareholders held with respect to the last business year ended within two (2) years after their appointments.
Article 21 (Representative Directors and Directors with Special Titles) Representative Directors of the Company shall be elected by a resolution of the Board of Directors. 2. The Board of Directors may, by its resolution, appoint from among Directors, one Chairman, one Deputy Chairman and one President and one or more Deputy Presidents, Senior Managing Directors, Managing Directors and Executive Counselors.	Article 21 (Representative Directors and Directors with Special Titles) Representative Directors of the Company shall be elected from Directors (excluding Directors serving as Audit and Supervisory Committee Members) by a resolution of the Board of Directors. 2. The Board of Directors may, by its resolution, appoint one Chairman, one Deputy Chairman and one President and one or more Deputy Presidents, Senior Managing Directors, Managing Directors and Executive Counselors from Directors (excluding Directors serving as Audit and Supervisory Committee Members).
Article 23 (Notice of Convocation) Notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director and Company Auditor not later than three (3) days prior to the date set for such meeting: provided, however, in the case of urgency, this period may be shortened.	Article 23 (Notice of Convocation) Notice of convocation of a meeting of the Board of Directors shall be dispatched to each Director not later than three (3) days prior to the date set for such meeting: provided, however, in the case of urgency, this period may be shortened.
2. Upon the consent of all of the Directors and the Company Auditors, a meeting of the	2. Upon the consent of all of the Directors, a meeting of the Board of Directors may be

Current Articles of Incorporation	Proposed Amendments
Board of Directors may be held without taking the procedures for convocation.	held without taking the procedures for convocation.
(New)	Article 26 (Delegation of Decision on the Execution of Significant Business Operations) In accordance with the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by a resolution of the Board of Directors, delegate the decision on the execution of significant business operations (excluding matters listed in each item of Paragraph 5 of the Article) to Directors in whole or part.
Article 26 (Regulations of the Board of Directors) (Omitted)	Article 27 (Regulations of the Board of Directors) (Unchanged)
Article 27 (Remuneration) Remuneration, bonuses and other compensation (hereinafter, the "Remuneration") which shall be paid to Directors as consideration for the performance of duties shall be determined by a resolution of a general meeting of shareholders.	Article 28 (Remuneration) Remuneration, bonuses and other compensation which shall be paid to Directors serving as Audit and Supervisory Committee Members and other Directors as consideration for the performance of duties shall be determined separately by a resolution of a general meeting of shareholders.
Article 28 (Limitation of Liabilities of Directors) (Omitted) 2. (Omitted)	Article 29 (Limitation of Liabilities of Directors) (Unchanged) 2. (Unchanged)
CHAPTER V COMPANY AUDITORS AND BOARD OF COMPANY AUDITORS	CHAPTER V AUDIT AND SUPERVISORY COMMITTEE
Article 29 (Number) The Company shall have not more than five (5) Company Auditors.	(Deleted)
Article 30 (Method of Election) Company Auditors shall be elected at a general meeting of shareholders. 2. The resolution for election of Company Auditors shall be adopted by a majority of the votes of the shareholders present thereat having not less than one-third (1/3) of the voting rights of the shareholders entitled to exercise their voting rights.	(Deleted)

Current Articles of Incorporation	Proposed Amendments
Article 31 (Term of Office) The term of office of Company Auditors shall expire at the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ended within four (4) years after their appointments. 2. The term of office of any Company Auditor elected to fill any vacancy of any former Company Auditor who resigned before the expiration of the term of office shall expire when the term of office of his predecessor Company Auditor would expire.	(Deleted)
Article 32 (Full-time Company Auditors) The Board of Company Auditors shall, by its resolution, appoint one or more Full-time Company Auditors.	(Deleted)
Article 33 (Notice of Convocation) Notice of convocation of a meeting of the Board of Company Auditors shall be dispatched to each Company Auditors not later than three (3) days prior to the date set for such meeting: provided, however, in the case of urgency, this period may be shortened. 2. Upon the consent of all of the Company Auditors, a meeting of the Board of Company Auditors may be held without taking the procedures for convocation.	Article 30 (Notice of Convocation) Notice of convocation of a meeting of the Audit and Supervisory Committee shall be dispatched to each Audit and Supervisory Committee Member not later than three (3) days prior to the date set for such meeting: provided, however, in the case of urgency, this period may be shortened. 2. Upon the consent of all of the Audit and Supervisory Committee Members, a meeting of the Audit and Supervisory Committee may be held without taking the procedures for convocation.
Article 34 (Method of Adopting Resolutions) Unless otherwise provided for by laws or ordinances, a resolution of the meeting of the Board of Company Auditors shall be adopted by a majority of the votes of the Company Auditors then in office.	Article 31 (Method of Adopting Resolutions) A resolution of the meeting of the Audit and Supervisory Committee shall be adopted by a majority of votes by Audit and Supervisory Committee Members provided a majority of the Audit and Supervisory Committee Members who are eligible to vote are in attendance.
Article 35 (Regulations of the Board of Company Auditors) Matters concerning the Board of Company Auditors shall be governed by the Regulations of the Board of Company Auditors established by the Board of Company Auditors in addition to laws or ordinances or these Articles of Incorporation.	Article 32 (Regulations of the Audit and Supervisory Committee) Matters concerning the Audit and Supervisory Committee shall be governed by the Regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee in addition to laws or ordinances or these Articles of Incorporation.

Current Articles of Incorporation	Proposed Amendments
Article 36 (Remuneration) Remuneration for Company Auditors shall be determined by a resolution of a general meeting of shareholders.	(Deleted)
Article 37 (Limitation of Liabilities of Company Auditors) The Company may, by a resolution of the Board of Directors, exempt Company Auditors (including ex-Company Auditors) failing to perform their duties from their liabilities for damage pursuant to Article 426, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations. 2. The Company may enter into an agreement with Company Auditors, pursuant to Article 427, Paragraph 1 of the Companies Act, which limits the maximum amount of their liabilities for damage regarding failure to perform their duties; provided, however, that such limitation of liability under the relevant agreement shall be limited to the extent permitted by laws and regulations.	(Deleted)
Article 38 (Business Year) (Omitted) Article 39 (Record Date of Dividends) (Omitted) 2. (Omitted)	Article 33 (Business Year) (Unchanged) Article 34 (Record Date of Dividends) (Unchanged) 2. (Unchanged)
Article 40 (Interim Dividends) (Omitted)	Article 35 (Interim Dividends) (Unchanged)
Article 41 (Expiration Period for Dividends) (Omitted)	Article 36 (Expiration Period for Dividends) (Unchanged)
(New)	Supplementary Provisions (Transitional Measure Regarding Limitation of Liabilities of Company Auditors) The Company may, by a resolution of the Board of Directors, exempt Company Auditors (including ex-Company Auditors) failing to perform their duties assigned prior to partial amendment to the Articles of Incorporation which was resolved at the 40th Ordinary General Meeting of Shareholders taking effect, from their liabilities for damage pursuant to Article 426, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations.