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Securities Code 2201
June 8, 2018

To Shareholders with Voting Rights:

Toru Arai
Representative Director, President
MORINAGA & CO., LTD
5-33-1 Shiba, Minato-ku, Tokyo

NOTICE OF CONVOCATION OF THE 170TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 170th Ordinary Stockholders' Meeting of MORINAGA & CO., LTD. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders described hereinafter and exercise your voting rights by no later than 5:30 p.m. on Wednesday, June 27, 2018.

1. **Date and Time:** Thursday, June 28, 2018, at 10:00 a.m. Japan time (reception opens at 9:00 a.m.)

2. **Place:** "Prince Hall" 5th floor of Annex Tower, Shinagawa Prince Hotel
10-30, Takanawa 4-chome, Minato-ku, Tokyo, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 170th Fiscal Year (April 1, 2017 - March 31, 2018) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors
2. Non-consolidated Financial Statements for the Company's 170th Fiscal Year (April 1, 2017 - March 31, 2018)

Proposals to be resolved:

Proposal 1: Appropriation of Surplus
Proposal 2: Election of 10 Directors
Proposal 3: Election of 1 Statutory Auditor
Proposal 4: Election of 1 Substitute Statutory Auditor
Proposal 5: Determination of Amount and Content of Performance-Linked Stock Compensation for Directors

- Pursuant to the laws and regulations as well as the provisions in Article 17 of the Articles of Incorporation, Basic Policy toward Controlling the Company in the Business Report, Non-consolidated Statements of Changes in Net Assets and Notes to Non-consolidated Financial Statements in the Non-consolidated Financial Statements, and Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements in the Consolidated Financial Statements, are posted on the Company's website on the Internet indicated below and therefore are not attached to this convocation notice. As a result, the attached documents in this Notice of Convocation of Annual General Meeting of Shareholders are a portion of the documents audited during the course of preparation of the Audit Report by the Statutory Auditors and the Accounting Audit Report by the Accounting Auditor.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements require revisions, the revised content will be posted on the Company's website on the Internet indicated below.
- Due to circumstances at the venue, the product explanation briefing following the General Meeting of Shareholders will not be held. We appreciate your understanding on this matter.
- On the day of the General Meeting of Shareholders, executives and attendants of the Company will be wearing light business attire (no neckties). We appreciate your understanding on this matter. Shareholders are also encouraged to attend in light attire.

The Company's website: http://www.morinaga.co.jp/company/ir/stock/invite.html

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

As a result of careful consideration of factors such as business results for the fiscal year under review and future business expansion, the Company proposes year-end dividends for the fiscal year under review of ¥50 per share, an increase of ¥5 compared to the per share dividends for the previous fiscal year.

1. Type of dividend property
   Cash

2. Matters concerning the allotment of dividend property to shareholders and the total amount thereof
   ¥50 per share of common stock of the Company
   Total amount: ¥2,600,288,450

3. Effective date of distribution of surplus
   June 29, 2018

Proposal 2: Election of 10 Directors

The terms of office of all 10 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of 10 Directors is proposed. The candidates are as follows:

No.		Name		Current positions at the Company	Attendance at Board of Directors Meetings
1	Reappointment	Toru Arai		Representative Director, President	100% (16/16)
2	Reappointment	Eijiro Oota		Director, Senior Managing Operating Officer	100% (16/16)
3	Reappointment	Takashi Hirakue		Director, Senior Operating Officer	100% (16/16)
4	Reappointment	Shinichi Uchiyama		Director, Senior Operating Officer	100% (16/16)
5	Reappointment	Machiko Miyai		Director	100% (16/16)
6	Reappointment	Yoshifumi Taima		Director, Senior Operating Officer	100% (11/11)
7	Reappointment	Toshiaki Fukunaga		Director, Senior Operating Officer	100% (11/11)
8	New appointment	Toshiyuki Sakai			
9	Reappointment	Masato Hirota	Outside Director Independent Officer	Director	100% (16/16)
10	New appointment	Shiho Takano	Outside Director Independent Officer		

(Note) The Company has transactions related to food items with Kato Sangyo Co. Ltd., where candidate for Director Machiko Miyai concurrently serves as Outside Director. However, the amounts from these transactions are insignificant (less than 2% of total net sales of the Group). There are no special interests between any of the other candidates for Director and the Company.

Pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and Article 32 of the Company's Articles of Incorporation, the Company has entered into agreements with candidates for Director Machiko Miyai and Masato Hirota to limit their liabilities under Article 423, Paragraph 1 of the Companies Act. The amount of liability for damages under the agreements shall be limited to the amount stipulated by laws and regulations. If Mr. Masato Hirota is reelected, the Company plans to continue such agreements with him. If candidate for Director Shiho Takano is elected, the Company will enter into an agreement with her to limit her liability under Article 423, Paragraph 1 of the Companies Act, pursuant to the stipulations in Article 427, Paragraph 1 of the Companies Act and Article 32 of the Company's Articles of Incorporation. The amount of liability for damages under the agreements shall be limited to the amount stipulated by laws and regulations.

Reappointment : Candidate for Director who is reappointed
New appointment : Candidate for Director who is newly appointed
Outside Director : Candidate for Outside Director
Independent Officer : Candidate for Independent Director/Auditor as prescribed by the regulations of the Tokyo Stock Exchange

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
1	**Toru Arai** (June 3, 1950) Reappointment Number of shares of the Company held: 19,400 Attendance at Board of Directors Meetings: 100% (16/16) Term of office as Director: 10 years	Apr. 1973 Joined the Company Jun. 2008 Assumed the office of Director Commissioned General Manager of Public Relations & IR Division and General Manager of Advertising Division Jun. 2009 Commissioned General Manager of Corporate Planning Office Apr. 2010 Commissioned General Manager of Corporate Planning Division Jul. 2011 Commissioned General Manager of Corporate Strategy Department Jun. 2012 Assumed the office of Managing Director Jun. 2013 Assumed the office of Representative Director, President (current position) [Responsibilities] Overseas Business Headquarters, Internal Audit Division, Business Creation and Development Division Reason for nomination as a candidate for Director As Representative Director, President of the Company from June 2013, Mr. Toru Arai has demonstrated strong leadership toward improving the corporate value of the Group. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for his reelection as Director.
2	**Eijiro Oota** (June 30, 1959) Reappointment Number of shares of the Company held: 8,100 Attendance at Board of Directors Meetings: 100% (16/16) Term of office as Director: 7 years	Apr. 1982 Joined the Company Jun. 2011 Assumed the office of Director Commissioned General Manager of Frozen Dessert Business Headquarters Apr. 2014 Commissioned General Manager of Sales Division (current position) Jun. 2014 Assumed the office of Director, Senior Operating Officer Jun. 2015 Assumed the office of Director, Managing Operating Officer Jun. 2017 Assumed the office of Director, Senior Managing Operating Officer (current position) [Responsibilities] Sales Division, Human Resources Division, General Affairs Division, Logistics Department, Direct Marketing Division Reason for nomination as a candidate for Director Through experience primarily in the sales division and marketing division of the Company, Mr. Eijiro Oota has served in managerial positions in each division, while being involved in the Company's management as Director from 2011 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for his reelection as Director.

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Career summary, positions, responsibilities,
and significant concurrent positions</th></tr>
<tr><td rowspan="4">3</td><td rowspan="4">Takashi Hirakue
(November 24, 1961)

Reappointment

Number of shares of the Company held: 8,600

Attendance at Board of Directors Meetings: 100% (16/16)

Term of office as Director: 8 years</td><td>Apr. 1984 Joined the Company
Jun. 2006 Operating Officer
General Manager of Frozen Dessert Business Headquarters
Jun. 2008 Senior Operating Officer
General Manager of Frozen Dessert Business Headquarters
Apr. 2009 Senior Operating Officer
General Manager of Confectionery Business Headquarters
Jun. 2010 Assumed the office of Director
Commissioned General Manager of Confectionery Business Headquarters
Jun. 2013 Commissioned General Manager of Food Business Headquarters
Apr. 2014 Commissioned Head of Marketing Division
Jun. 2014 Assumed the office of Director, Senior Operating Officer (current position)
[Responsibilities]
Corporate Strategy Department, Quality Assurance Division, Customer Service Center</td></tr>
<tr><td>Reason for nomination as a candidate for Director</td></tr>
<tr><td>Through experience primarily in the sales division and marketing division of the Company, Mr. Takashi Hirakue has served in managerial positions in marketing division, while being involved in the Company’s management as Director from 2010 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for his reelection as Director.</td></tr>
<tr><td rowspan="5">4</td><td rowspan="5">Shinichi Uchiyama
(February 17, 1961)

Reappointment

Number of shares of the Company held: 4,700

Attendance at Board of Directors Meetings: 100% (16/16)

Term of office as Director: 6 years</td><td>Apr. 1983 Joined The Mitsubishi Bank, Ltd.
May 2009 General Manager of Nagoya Corporate Banking Division No.3, Nagoya Corporate Banking Group of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Aug. 2010 General Manager of Trade Business Division of The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Jun. 2012 Assumed the office of Director of the Company
Apr. 2013 Commissioned General Manager of Accounting Division (current position)
Jun. 2014 Assumed the office of Director, Senior Operating Officer (current position)
[Responsibilities]
Accounting Division, Corporate Communications Division</td></tr>
<tr><td>Significant concurrent positions</td></tr>
<tr><td>Representative Director, President of Morinaga Finance Co., Ltd.</td></tr>
<tr><td>Reason for nomination as a candidate for Director</td></tr>
<tr><td>Mr. Shinichi Uchiyama has a wealth of experience through serving in manager roles at financial institutions. Additionally, while serving in a managerial position in the accounting division of the Company, he has been involved in the Company’s management as Director from 2012 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for his reelection as Director.</td></tr>
</table>

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
5	**Machiko Miyai** (September 29, 1960) Reappointment Number of shares of the Company held: 700 Attendance at Board of Directors Meetings: 100% (16/16) Term of office as Director: 4 years	Apr. 1983 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) Oct. 2001 Director-General of Life Research Institute of Matsushita Electric Industrial Co., Ltd. Apr. 2005 Executive Director of Matsushita Electric Industrial Co., Ltd. Apr. 2006 Executive Director, General Manager of Cooking Equipment Business Unit of Matsushita Electric Industrial Co., Ltd. Apr. 2011 Officer, General Manager of Environment Headquarters and Power Saving Headquarters of Panasonic Corporation Oct. 2012 Officer, in charge of Future Life Research, R&D Headquarters of Panasonic Corporation Apr. 2014 Advisor of Panasonic Corporation Jun. 2014 Assumed the office of Director (Outside Director) of the Company (current position) Dec. 2014 Assumed the office of Outside Director of Kato Sangyo Co. Ltd. (current position) May 2015 Assumed the office of Outside Director of YOSHINOYA HOLDINGS CO., LTD. (current position) Significant concurrent positions Outside Director of Kato Sangyo Co. Ltd. Outside Director of YOSHINOYA HOLDINGS CO., LTD. Reason for nomination as a candidate for Director Ms. Machiko Miyai has experience executing important duties in areas such as marketing in the electronics industry. While serving as Outside Director of the Company from 2014 onward, she has provided objective, neutral and extremely helpful advice on overall management. With a wealth of experience and broad knowledge regarding corporate management, she has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for her reelection as Director.
6	**Yoshifumi Taima** (January 19, 1960) Reappointment Number of shares of the Company held: 1,500 Attendance at Board of Directors Meetings: 100% (11/11) Term of office as Director: 1 year	Apr. 1982 Joined the Company Jun. 2006 Operating Officer General Manager of Oyama Factory Oct. 2007 Operating Officer General Manager of Tsurumi Factory Jun. 2008 Representative Director, President of Morinaga Shoji Co., Ltd. Oct. 2015 Operating Officer of the Company General Manager of Production Administration Department, Production Division Apr. 2017 Operating Officer General Manager of Production Division Jun. 2017 Assumed the office of Director, Senior Operating Officer (current position) Commissioned General Manager of Production Division (current position) [Responsibilities] Production Division Reason for nomination as a candidate for Director Through experience primarily in the sales division and production division of the Company, Mr. Yoshifumi Taima has served in a managerial position in the production division, while being involved in the Company's management as Director from 2017 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for his reelection as Director.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
7	**Toshiaki Fukunaga** (February 4, 1960) Reappointment Number of shares of the Company held: 1,700 Attendance at Board of Directors Meetings: 100% (11/11) Term of office as Director: 1 year	Apr. 1982 Joined the Company Apr. 2010 Operating Officer General Manager of Project Planning & Development Division, Research & Development Institute Jun. 2011 Operating Officer General Manager of Chukyo Factory Jan. 2014 President of Morinaga America Foods, Inc. Apr. 2017 Operating Officer of the Company Director-General of Research & Development Institute Jun. 2017 Assumed the office of Director, Senior Operating Officer (current position) Commissioned Director-General of Research & Development Institute (current position) [Responsibilities] Research & Development Institute Reason for nomination as a candidate for Director Through experience primarily in the research division and the production division of the Company, Mr. Toshiaki Fukunaga has served in a managerial position in the research division, while being involved in the Company's management as Director from 2017 onward. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for his reelection as Director.
8	**Toshiyuki Sakai** (September 1, 1959) New appointment Number of shares of the Company held: 0	Apr. 1982 Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) Dec. 2005 Representative Director, President of Panasonic Appliances Air-Conditioning Malaysia Sdn. Bhd. Apr. 2013 Vice President of Panasonic Corporation of North America Jan. 2015 Senior Executive Vice President of Panasonic System Communications Company of North America Apr. 2016 Director of Panasonic Corporation of China Jan. 2018 General Manager of Overseas Business Headquarters of the Company (current position) Significant concurrent positions Chairman of Shanghai Morinaga Co., Ltd. Chairman of Morinaga Food (Zhejiang) Co., Ltd. Chairman of the Board of Corporate Auditors of PT. Morinaga Kino Indonesia Reason for nomination as a candidate for Director Mr. Toshiyuki Sakai has a wealth of experience through serving as Director of overseas subsidiaries in the electronics industry. Additionally, he serves in a managerial position in the overseas division of the Company. With a wealth of experience and broad knowledge regarding corporate management, he has been deemed a person suitable for improving corporate value and achieving continuous growth of the Group, and therefore the Company requests for his election as Director.

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions
9	**Masato Hirota** (January 21, 1953) Reappointment Outside Director Independent Officer Number of shares of the Company held: 500 Attendance at Board of Directors Meetings: 100% (16/16) Term of office as Director: 2 years	Apr. 1975 Joined Kao Soap Co., Ltd. Jun. 2004 Executive Officer of Kao Corporation Assumed the office of Director of Kao Cosmetics Sales Co., Ltd. Jun. 2006 Assumed the office of Director, Executive Officer of Kao Corporation Assumed the office of Outside Director of Kanebo Cosmetics Inc. Assumed the office of Chairman of the Board of Directors of Molton Brown Group Ltd. Jul. 2014 Management Consultant of AUTOBACS SEVEN CO. LTD (current position) Apr. 2016 Representative Director of SMC Corporation Jun. 2016 Assumed the office of Director (Outside Director) of the Company (current position) Reason for nomination as a candidate for Director Mr. Masato Hirota has experience as an executive in the chemicals industry, and based on the above experience, he has provided objective and neutral advice on overall management coming from a broad perspective that extends beyond Company's industry. The Company therefore requests his reelection as Director (Outside Director).
10	**Shiho Takano** (June 20, 1964) New appointment Outside Director Independent Officer Number of shares of the Company held: 0	Apr. 1987 Joined Meiji Dairies Corporation (currently Meiji Co., Ltd.) Sep. 1990 Joined Parfums Yves Saint Laurent Japan Ltd. Sep. 1996 Joined Coca-Cola (Japan) Company, Limited Apr. 1998 Joined Boots MC Company Limited Feb. 2001 Assumed the office of General Manager and Head of Japan operations of L'OCCITANE JAPON K.K Jan. 2004 Assumed the office of Representative Director and President of L'OCCITANE JAPON K.K. Apr. 2015 Assumed the office of Representative Director and Chairman of L'OCCITANE JAPON K.K. Apr. 2016 Assumed the office of Senior Adviser of L'OCCITANE JAPON K.K. Apr. 2017 Assumed the office of Representative Director of Etowa Co., Ltd. (current position) Significant concurrent positions Representative Director of Etowa Co., Ltd. Reason for nomination as a candidate for Director Ms. Shiho Takano has experience as an executive in the cosmetics industry. The Company believes that she will contribute to strengthening the Company's corporate governance by providing objective and neutral advice on overall management coming from a broad perspective that extends beyond Company's industry based on the above experience. The Company therefore requests her election as Director (Outside Director).

Proposal 3: Election of 1 Statutory Auditor

The term of office of Statutory Auditor Norio Chadani will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 1 Statutory Auditor is proposed.

The Board of Statutory Auditors has given its consent to this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions
Tadashi Nishimiya (December 31, 1957) New appointment Number of shares of the Company held: 3,900	Apr. 1981 Joined the Company Jun. 2008 Operating Officer General Manager of Food Business Headquarters Jun. 2010 Senior Operating Officer General Manager of Food Business Headquarters Apr. 2012 Senior Operating Officer General Manager of Corporate Strategy Department Apr. 2014 Senior Operating Officer General Manager of Confectionery & Food Marketing Department, Marketing Division Apr. 2015 Senior Operating Officer Head of Marketing Division Jun. 2016 Assumed the office of Director, Senior Operating Officer (current position) Commissioned Head of Marketing Division (current position)
	Reason for nomination as a candidate for Statutory Auditor
	Through experience primarily in the sales division and marketing division of the Company, Mr. Tadashi Nishimiya is well-versed in the Company's overall business and has a wealth of experience in management. The Company believes that he will utilize his knowledge and experience in auditing the Company and therefore requests his election as Statutory Auditor.

(Note) No special interest exists between Mr. Tadashi Nishimiya and the Company.

New appointment : Candidate for Statutory Auditor who is newly appointed

Proposal 4: Election of 1 Substitute Statutory Auditor

Validity of the election of Mr. Osamu Sudoh as Substitute Statutory Auditor at the 166th Annual General Meeting of Shareholders held on June 27, 2014 will expire at the conclusion of this Annual General Meeting of Shareholders. In order to prepare for cases where a vacancy results in a shortfall in the number of Statutory Auditors prescribed by laws and regulations, we propose the election of 1 Substitute Statutory Auditor.

The Board of Statutory Auditors has given its consent to this proposal.

The candidate is as follows:

Name (Date of birth)	Career summary, positions, and significant concurrent positions
Osamu Sudoh (January 24, 1952) Number of shares of the Company held: 0	Apr. 1980 Registered as an attorney at law and joined Tokyo Yaesu Law Offices Apr. 1993 Established Asahi Law Offices (currently Asahi Law Offices and Nishimura & Asahi), Partner Jun. 1999 Established Sudoh & Takai Law Offices, Partner Sep. 2005 Outside Audit & Supervisory Board Member of BANDAI NAMCO Holdings Inc. (current position) Jun. 2011 Outside Auditor of Mitsui-Soko Co., Ltd. (current position) May 2016 Established SUDOH & PARTNERS, Partner (current position) Jun. 2016 Outside Corporate Auditor of PRONEXUS INC. (current position) Jun. 2016 Statutory Auditor of Keikyu Corporation (current position)
	Significant concurrent positions
	Partner of SUDOH & PARTNERS Outside Audit & Supervisory Board Member of BANDAI NAMCO Holdings Inc. Outside Auditor of Mitsui-Soko Co., Ltd. Outside Corporate Auditor of PRONEXUS INC. Statutory Auditor of Keikyu Corporation
	Reason for nomination as a candidate for Substitute Statutory Auditor
	Although Mr. Osamu Sudoh has not been directly involved in corporate management, he has a wealth of experience and knowledge as an attorney at law well-versed in the field of corporate legal affairs. The Company believes that he will provide objective and neutral audits from a broad perspective that extends beyond Company's industry based on his experience and knowledge, and therefore requests his election as Substitute Statutory Auditor.

(Notes) 1. No special interest exists between Mr. Osamu Sudoh and the Company.

2. Mr. Osamu Sudoh is a candidate for Substitute Outside Statutory Auditor.

3. If Mr. Osamu Sudoh assumes the office of Outside Statutory Auditor, the Company will enter into an agreement with him to limit his liability under Article 427, Paragraph 1 of the Companies Act and Article 42 of the Company's Articles of Incorporation. The amount of liability for damages under the agreement shall be limited to the amount stipulated by laws and regulations.

Proposal 5: Determination of Amount and Content of Performance-Linked Stock Compensation for Directors

1. Reason for proposal and reason the compensation is appropriate

Compensation for Directors of the Company is comprised of "basic compensation" and "bonuses." The Company, however, is proposing the new implementation of a performance-linked stock compensation plan (hereinafter, the "Plan") to deliver shares of the Company to Directors of the Company (excluding Outside Directors and non-residents of Japan; the same hereinafter) according to achievement of performance targets, etc.

The implementation of the Plan aims to further clarify the relationship between compensation of Directors and the stock price of the Company, improve business results over the medium- to long-term, and increase awareness on contributing to the enhancement of corporate value. The Company believes its implementation to be appropriate. The Plan is to change 10% of the total compensation having been granted in cash so far to stock compensation, which does not increase the amount of compensation for Directors. The implementation of the Plan was considered at the Officer Appointment and Remuneration Committee as an advisory board of the Board of Directors.

This Proposal requests the approval for granting stock compensation to Directors separately from the maximum compensation for directors (within ¥500 million per annum, excluding the employee salaries of Directors who concurrently serve as employees) approved at the 169th Annual General Meeting of Shareholders held on June 29, 2017.

The number of Directors subject to the Plan shall be eight (8), provided that Proposal 2 "Election of 10 Directors" is approved as originally proposed.

2. Amount and Content of Compensation in the Plan

(1) Outline of the Plan

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

1. Persons eligible for the Delivery, etc. of the Company's Shares, etc. in this Proposal	・Directors of the Company (excluding Outside Directors and non-residents of Japan)

2. Effect that shares of the Company subject to this Proposal will have on the total number of outstanding shares of the Company	
Maximum amount of cash contributed by the Company (as stated in (2) below)	・Maximum amount of cash contributed for the Target Period covering three (3) fiscal years is limited to ¥180 million in total.
Maximum number of the Company's Shares, etc. subject to the Delivery, etc., to Directors from the Trust and method of acquisition of shares of the Company (as stated in (2) and (3) below)	・The maximum number of points (number of shares of the Company) awarded to Directors per fiscal year is limited to 15,000 points (15,000 shares), and the ratio to the total number of outstanding shares (as of March 31, 2018, excluding treasury stock) is approximately 0.03%. ・Shares of the Company will be acquired from the stock market or the Company (disposal of treasury shares)

3. Contents of conditions for performance target achievement (as stated in (3) below)	・Fluctuates according to the levels of achievement of the Company's performance indicators of each fiscal year

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

(2) Maximum amount of cash contributed by the Company

The Plan will be for three (3) consecutive fiscal years (initially, from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021, and thereafter, for periods of three (3) fiscal years if the trust period is extended as stated in paragraph 4 hereof, hereinafter, the "Target Period").

The Company will contribute an aggregate maximum of ¥180 million cash as compensation for Directors for each Target Period, and will establish the Trust, with a trust period of three (3) years (including extensions of the trust period as stated in paragraph 4 hereof, the same hereinafter), with Directors who satisfy the beneficiary requirements as the beneficiaries.

The Trust, under direction of the trust administrator, will acquire shares of the Company from the stock market or the Company (disposal of treasury shares) using entrusted cash. The Company will award points (see (3) below) to Directors during the trust period and the Trust will make Delivery, etc. of the Company's Shares, etc.

At the expiration of the trust period of the Trust, the Trust may be continued by making modifications to the trust agreement and additional entrustments instead of setting up a new trust. In such case, the trust period of the Trust will be extended for a length of time equivalent to the initial trust period, and thus the Target Period will be three (3) fiscal years subsequent to the extension of the trust period. The Company will, for each extended trust period, contribute additional cash within the limit of a total of ¥180 million. During the extended trust period, the Company will continue to award points to Directors and the Trust will continue to make Delivery, etc. of the Company's Shares, etc. However, when such additional contribution is made and there are any shares of the Company (excluding the Company's Shares, etc., corresponding to the points awarded to Directors that haven't completed Delivery, etc.) and cash remaining within the trust assets as of the final day of the trust period prior to extension (hereinafter collectively, the "Residual Shares, etc."), the sum of the amount of the Residual Shares, etc. and the trust money to be additionally contributed shall be within the limit of ¥180 million.

If the trust period is not extended as stated in paragraph 4 hereof and any Director who may satisfy the beneficiary requirements is still in service at the expiration of the trust period of the Trust, any point will not be awarded to Directors thereafter, however, the trust period of the Trust may be extended up to a maximum of ten (10) years until the Delivery, etc. of the Company's shares, etc. to the Director is completed.

(3) Calculation method for the number of the Company's Shares, etc. to be acquired by Directors and the maximum thereof

At any predetermined time during the trust period, directors will be awarded points according to position, achievement of performance targets, etc., in each fiscal year. In principle, the Delivery, etc., of the Company's Shares, etc., will be made according to cumulative points (hereinafter, the "Cumulative Points") at the time of retirement of each Director.

One (1) point is equivalent to one (1) share of the Company. In the event that the shares of the Company in the Trust increase or decrease due to a share split, gratis allotments, or reverse share split, etc., the number of shares of the Company subject to the Delivery, etc. for one (1) point will be adjusted according to the percentage of the increase or decrease.

The maximum number of total points to be awarded to Directors during the trust period of the Trust shall be limited to 15,000 points per fiscal year. The maximum number of shares of the Company acquired by the Trust during the Target Period (hereinafter, the "Number of Shares Acquired") is the number of shares equivalent to that the maximum number of annual points awarded to Directors multiplied by three (3), which is the number of years of the trust period (45,000 shares). In the event that the points are adjusted as stated above, the maximum Number of Shares Acquired will be adjusted according to it.

The maximum total number of the Company's Shares, etc. subject to the Delivery, etc. to Directors is determined by reference to the most recent stock price, etc., based on the maximum amount of trust money stated in (2) above.

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

Delivery, etc. of the Company's Shares, etc. equivalent to the number of the Company's Shares, etc. determined under (3) above will be made to Directors, who satisfy the beneficiary requirements, at the time of their retirement. At this time, the Directors will receive delivery of shares of the Company for the number corresponding to 50% of cumulative points (shares of less than one (1) trading unit will be rounded down), and concerning the remainder, the Directors will receive money equivalent to the amount obtained through the conversion of such shares into cash within the Trust.

If any Director passes away during the trust period, the successor to the Director will receive money equivalent to the amount obtained through the conversion of all the shares of the Company corresponding to the cumulative points earned at the time of his/her death into cash within the Trust.

If any Director becomes a non-resident of Japan during the trust period, the Director will receive money equivalent to the amount obtained through the conversion of all the shares of the Company corresponding to the cumulative points earned into cash within the Trust.

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

To ensure the neutrality on management, voting rights for shares of the Company within the Trust shall not be exercised during the trust period.

(6) Other contents of the Plan

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