February 1, 2018

(Translation)

For Immediate Release

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Renewal of Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)

After introducing "countermeasures to large-scale acquisitions of the Company's shares (takeover defense measures)" (the "Countermeasure") on October 20, 2006, the Company revised the Countermeasure on February 12, 2015 and received approval from its shareholders to renew the revised Countermeasure at the Company's 71st Annual General Meeting of Shareholders held on March 27 of the same year. The effective period of the Countermeasure will expire at the conclusion of the Company's 74th Annual General Meeting of Shareholders to be held on March 28, 2018 (hereinafter, the current Countermeasure is referred to as the "Current Rule.").

In light of factors such as revisions to related laws and regulations, changes in the social and economic situations and current discussions about takeover defense measures, the Company has been studying on a continuous basis how the Countermeasure should be from the viewpoint of further ensuring and enhancing the Company's corporate value and common interests of shareholders. As a result of such deliberation, the Company resolved at the Company's Board of Directors meeting held on February 1, 2018 to renew the Current Rule after partially revising it, subject to approval by the majority of voting rights of the shareholders present at the Company's 74th Annual General Meeting of Shareholders to be held on March 28 of this year (hereinafter, referred to as the "Renewal," and the renewed Countermeasure is referred to as the "Rule.").

Amendments to be made in line with the Renewal are as follows.

Amendment 1. The content in the Basic Policy was revised to incorporate matters concerning the Company's long-term vision and initiatives to raise its corporate value under the mid-term management plan, and measures, etc. regarding corporate governance as a company with an audit and supervisory committee it transitioned to in 2016.

Amendment 2. In order to eliminate arbitrary operation by the management team, the treatment of the suggestion of the Independent Panel is changed so that the Board of Directors is required to make decisions by following the suggestion, while previously, it was required to make decisions by respecting the advice as much as possible.

Amendment 3. A starting point of reckoning the submission deadline for additional information after receiving the Acquisition Statement is clarified.

Amendment 4. It is clarified that no economic benefits such as cash will be delivered when acquiring stock acquisition rights from Non-Qualified Parties.

Amendment 5. It is expressly stated that the countermeasure is not a dead-hand or slow-hand takeover defense measure.

Item	Corresponding section	Current Rule	The Rule
Amendment 1	1. (1) (2)	Omitted.	Omitted.
Amendment 2	2. (1) 2. (3) 7) 8) 3. (2) (4)	the Company's Board of Directors will respect the suggestion of the Independent Panel as much as possible	the Company's Board of Directors will follow the suggestion of the Independent Panel (unless following such suggestion could be considered a violation of Directors' obligation to exercise the duty of due care of a prudent manager)
Amendment 3	2. (3) 2)	a reply deadline as needed (as a general rule, up to sixty (60) days)	a reply deadline as needed (as a general rule, up to sixty (60) days from the date on which the Acquisition Statement was received)
Amendment 4	2. (5) 9)	No description.	Expressly stated.
Amendment 5	3. (5)	No description.	Expressly stated.

Twelve of all directors including five of external directors attended the aforementioned Board of Directors meeting and approved the renewal of Countermeasures to Large-Scale Acquisitions of the Company's Shares.

As of today, we have not received any proposals regarding the large-scale acquisitions of the company's shares.

KAGOME CO., LTD.

Countermeasures to Large-Scale Acquisitions of the Company's Shares (Takeover Defense Measures)

Commenced: October 20, 2006
Revised: April 26, 2007
Revised: May 18, 2009
Revised: May 18, 2012
Revised: February 12, 2015
Revised: February 1, 2018

1. Basic Policy

The Group established "appreciation," "nature" and "corporate openness" as its corporate philosophy in January 2000. Toward further development of the Group, on the occasion of its 100th anniversary in 1999, it reexamined the creed held by the founder and its management, and renewed its commitment to the source of its products and values and to becoming a company that is fair and open toward people and society.

Guided by this corporate philosophy and recognizing that corporate growth and societal growth are inseparable, the Group is, as "an open company," working to offer products with new values, hand in hand with all of its stakeholders around the world. "Nature" is the source of the Group's products and the value it provides. We will remain a corporate group rooted in nature, taking advantage of an integrated value chain that is unique in the world, encompassing the agricultural sector, production and processing functions as well as an extensive sales network. Moreover, the Group promotes a management approach aimed at enhancing its competitiveness and responsiveness to drastic changes in the global market environment. Maintaining its "Appreciation" for all stakeholders, the Group will ceaselessly work to remain a company deserving the favor and support of its stakeholders.

(1) Measures to enhance the corporate value

In formulating the Mid-term Management Plan (2016-2018) which is currently underway, the Group undertook in-depth forecasting on future environmental changes and what these forecasts revealed was the escalation of domestic social issues. In particular, "people's longer, healthy lives" is an issue that we must address first and foremost, while "turning agriculture into a growth sector," "regional revitalization," and "global food shortage" are also recognized as themes that the Group must contribute to their solution. We therefore decided what Kagome strives for by 2025 is "to become a strong company capable of sustainable growth, using food as a means to resolve social issues" and in 2016 established the long-term vision of transforming from a "tomato company" to a "vegetable company." Leveraging a wide variety of products the Company offers including fresh vegetables, as well as juice and condiments, frozen ingredients and supplements that allow convenient and easy consumption of vegetables, and through the provision of information on health value of vegetables and creation of new businesses, we are committed to achieving what Kagome strives for and its long-term vision. The quantitative targets in the long-term vision (2025) are net sales of 300 billion yen and operating income of 20 billion yen, however, in addition to these financial targets, the Company will conduct corporate activities toward becoming a "vegetable company" by setting additional targets of "raising the daily level of vegetable intake per person in Japan from 293g to the target level of 350g or more recommended by the Ministry of Health, Labour and Welfare" and "increasing the ratio of green and yellow vegetables supplied by Kagome in Japan from approximately 12% to 15% or more."

Looking further ahead to a long term until 2035 through 2040, we have set "50% of the workforce consisting of women – from employees to executive officers" as a target and are pursuing activities to promote diversity. These activities will help the Company transform into a company that creates new innovation, enabling it to cater to diversifying consumer needs and push forward with consumer-oriented business strategies.

What Kagome Strives for	
To become a strong company capable of sustainable growth, using food as a means to resolve social issues	
Long-term vision	
By 2025	By around 2035 - 2040
Transform from a “tomato company” to a “vegetable company” ● To become a unique entity that deals with “vegetables” across a variety of food ingredients, categories, temperature zones, containers, and volumes. ● To become a company that provides not only goods but services as well, by expanding its business concept from tomatoes to vegetables.	50% of the workforce consisting of women – from employees to executive officers ● To promote business activities incorporating a wide range of views, catering to diversifying consumer needs. ● To become a strong company where employees of any gender can work enthusiastically, thus bringing about high productivity.

In the Mid-term Management Plan (2016-2018) which is currently underway, key issues were defined under the following categories and we are steadily implementing them by managing their progress while aiming to achieve quantitative targets of consolidated net sales of 215 billion yen and consolidated operating income ratio of 6.0% in 2018.

Categories of the seven key issues
- Enhancing the value of existing businesses and categories
- Creating new categories and business models, and enhancing profitability
- Promoting globalization and profitability
- Promoting our solutions business
- Reforming the way we work. Reforming our earning structure
- Improving corporate value
- Optimal allocation of resources

(2) Measures to strengthen our corporate governance

In accordance with our corporate philosophy of “appreciation,” “nature” and “corporate openness,” we aim to achieve sustainable growth and improve the mid- to long-term corporate value of the Company. We acknowledge corporate governance to be a critical management issue toward these objectives.

The Company considers the further strengthening of “autonomy” complemented by “heteronomy” to be the fundamentals of its corporate governance. We will ensure objectivity and transparency, forming a basis by designing our own concept of corporate governance adapted to the present day, while incorporating diverse outside viewpoints by working to attract more “Kagome Fan Shareholders” and leveraging the function of External Directors among other things.

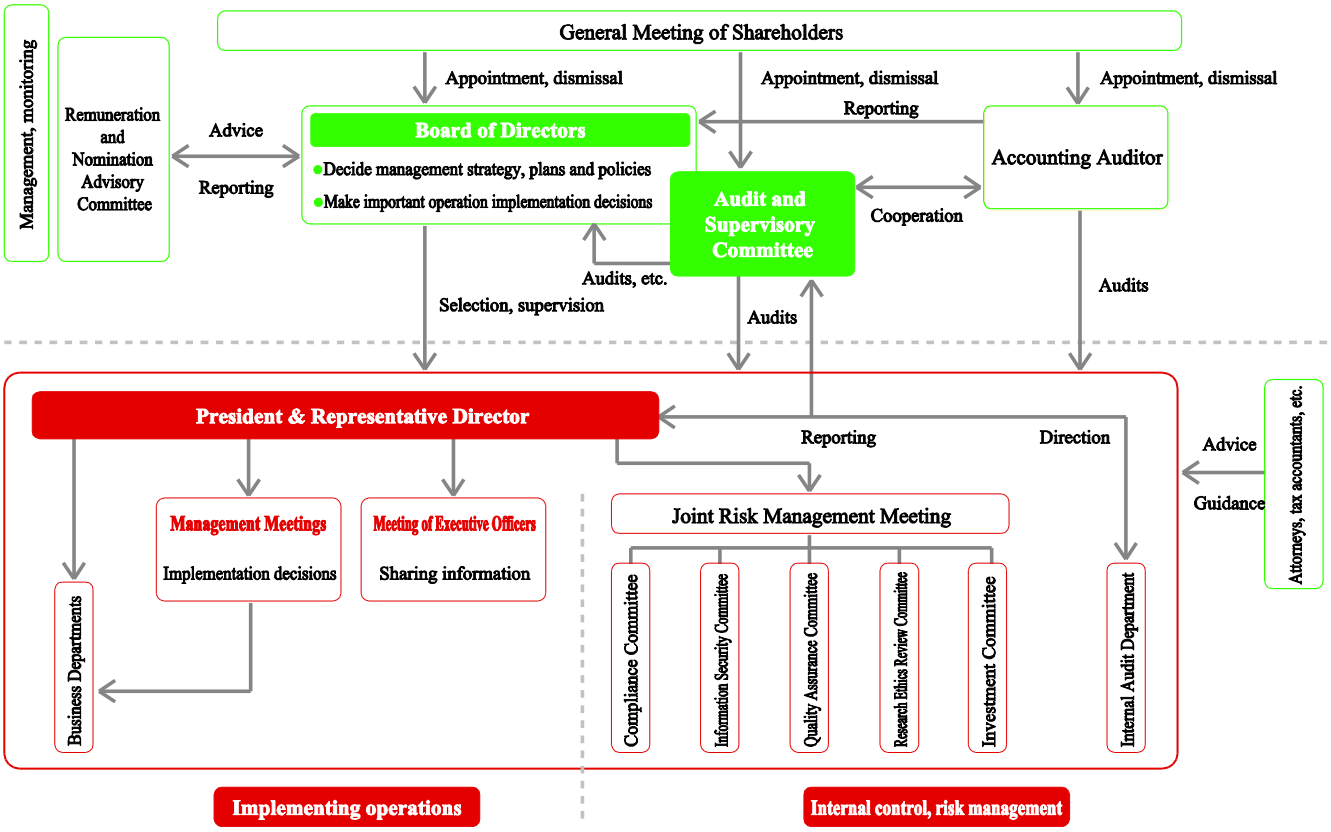
We aim to deliver a high degree of accountability and achieve true “corporate openness” in our dialogue with stakeholders, while employing the unique attributes and originality of Kagome.

In March 2016, we transitioned to a corporate structure with an audit and supervisory committee. This transition separates executive functions from supervisory functions, which helps clarify business responsibility and speed up decision making and execution of operations. Upon this transition, the main duties of the Board of Directors at the Company are to decide its management strategy and policies, and monitor their implementation. Three (3) or more External Directors who satisfy the Standards for Judging the Independence of Independent External Directors set out by the Company are appointed, which is boosting our effectiveness with improved, enhanced advisory and supervisory functions.

The Audit and Supervisory Committee sets a policy of having one (1) or more standing Audit and Supervisory Committee Members, and uses internal control systems to audit the legality and appropriateness of the operations implemented by the Directors.

Nomination and remuneration of Directors are deliberated by the Remuneration and Nomination Advisory Committee, in which independent External Directors account for a half or more of its members. The results of the deliberation are advised to the Board of Directors, who then determines the nomination and remuneration of Directors, thereby enhancing fairness and appropriateness.

Under our executive officer system, we are using set criteria to delegate implementation responsibilities and authority to our departments. In addition, we have established the Meeting of Executive Officers in order to convey and make known the Board of Directors’ resolutions and reported matters as well as to facilitate communication and coordination among Executive Officers. Furthermore, the Management Meetings have been established under the leadership of the President to ensure business is executed agilely and through mutual coordination. Deliberations in the Management Meetings enable appropriate risk taking and also produce clear allocations of responsibilities, while enabling us to make decisions in an expedient manner.



Since its founding in 1899, the Group has been working to raise its corporate value. The Company believes that such efforts under the corporate philosophy would further ensure and enhance the Company's corporate value and common interests of shareholders.

Going forward, in cases where a large-scale purchase of the Company's shares is conducted by a certain acquirer, we believe that it should be up to the shareholders to make the final decision regarding whether or not to sell the Company's shares. However, as a precondition for such decisions, proper and sufficient information needs to be provided to shareholders, upon which it is essential to secure a timeline and opportunity proper and sufficient for their decisions. To that end, the Company's Board of Directors shall collect detailed information from the party attempting the large-scale purchase and provide it to the shareholders. In case it is considered that the large-scale purchase would harm the Company's corporate value and common interests of shareholders, a proper and sufficient amount of information shall be provided to shareholders and seek their decision whether to select the large-scale purchase proposal or an Alternative Proposal prepared by the Company's Board of Directors. The Company believes that this would be the best way to ensure and enhance the Company's corporate value and common interests of shareholders.

Based on these policies, the Company has established and introduced the countermeasures to large-scale acquisitions of the Company's shares (the "Rule") as shown below.

2. Details of the Rule

(1) Purpose of introducing the Rule and its outline

The purpose of the Rule is to ensure and enhance the Company's corporate value and common interests of shareholders by setting out in advance procedures that the Acquirer (to be defined hereinafter) is required to follow in the case of an acquisition of shares in the Company (to be defined hereinafter); ensuring proper and sufficient information, timeline and opportunity for the shareholders to determine whether or not to accept such acquisition proposal by the Acquirer; and preventing acquisitions of shares that would harm the Company's corporate value and common interests of shareholders through the assessment of the acquisition proposal and negotiation with the Acquirer.

The Company believes that activating a counterplan even in the event of an acquisition proposal that may harm the Company's corporate value and common interests of shareholders is an action that has direct impact on the common interests of its shareholders, and therefore, as a general rule, it shall be implemented upon confirming the shareholders' intent. This is why the Rule stipulates that in case an acquisition proposal is made by the Acquirer, the Company's Board of Directors will collect detailed information from the Acquirer, provide it to the Independent Panel (to be defined hereinafter), and carry out careful and sufficient

assessment at the Company's Board of Directors and the Independent Panel. In case the Independent Panel suggested that such acquisition proposal would possibly harm the Company's corporate value and common interests of shareholders, the Company's Board of Directors will follow the suggestion of the Independent Panel (unless following such suggestion could be considered a violation of Directors' obligation to exercise the duty of due care of a prudent manager) and immediately hold the Shareholder Referendum Meeting or other meetings to seek the shareholders' decision on whether or not to activate a counterplan upon providing the shareholders with proper and sufficient information concerning the Acquirer's acquisition proposal, the opinion of the Company's Board of Directors on the proposal as well as the Alternative Proposal prepared by the Company's Board of Directors.

Further, if it is obvious that the acquisition would harm the Company's corporate value and common interests of shareholders, or the Acquirer does not comply with the Rule, the Company's Board of Directors will follow the suggestion of the Independent Panel (unless following such suggestion could be considered a violation of Directors' obligation to exercise the duty of due care of a prudent manager) and resolve to activate the counterplan without holding the Shareholder Referendum Meeting or other meetings.

(2) Details of counterplan

Should an Acquirer emerge, and it is concluded that activation of a counterplan is required under the procedures set out in the Rule, gratis allotment of stock acquisition rights under the terms and details as stipulated in the brief resume (5) (stock acquisition rights with an exercise condition that does not allow the Acquirer to exercise rights and conditions such as acquisition provisions that the Company may acquire stock acquisition rights in exchange for common stock of the Company from persons other than the Acquirer. Hereinafter, the "Stock Acquisition Rights") and other counterplans will be activated as permitted by laws and regulations as well as the Articles of Incorporation.

(3) Procedures for activating a counterplan

1) Targeted Acquisitions

The Rule will be applied if an acquisition falls under either of the following cases: a. A purchase or any other acquisition that would result in the holding ratio of share certificates, etc. of a holder totaling at least 20% of the share certificates, etc. issued by the Company; or b. A tender offer that would result in the holding ratio of share certificates, etc. of the tender offeror or a specially related party thereof totaling at least 20% of the share certificates, etc. issued by the Company (hereinafter, an acquisition subject to the application of the Rule is referred to as the "Acquisition," and the party conducting or attempting the Acquisition (including the party disclosing information, etc. concerning the Acquisition and those making acquisition proposals without the consent of the Company) is referred to as the "Acquirer.").

In addition, the terms and concepts used in the above cases a. and b. are based on the definitions set forth in Chapter II-2 "Disclosure in a Tender Offer" and Chapter II-3 "Disclosure of the Status of Large-Volume Holdings in Share Certificates, etc." in the Financial Instruments and Exchange Act.

2) Request to the Acquirer for the provision of information

The Company will request the Acquirer to suspend the implementation of the Acquisition for a certain period of time (a period until the Company's Board of Directors agrees to the Acquirer's acquisition proposal or resolves not to activate a counterplan), and first submit a document stated entirely in Japanese (the "Acquisition Statement") in the form prescribed by the Company that includes a written pledge undertaking that (i) the Acquirer will comply with the procedures set out in the Rule in the event of the Acquisition (including a commitment to suspend the implementation of the Acquisition during the period until the Company's Board of Directors agrees to the Acquirer's acquisition proposal or resolves not to activate a counterplan); (ii) the Acquirer agrees to properly disclose information concerning the Acquisition when deemed necessary by the Company; and (iii) the Acquirer will keep confidential any information relevant to the Acquisition not required by laws and regulations, etc. to be disclosed until the Company discloses information on the Acquisition; as well as information set out below as necessary for the Company to assess the Acquirer's acquisition proposal (the "Required Information"), upon expressly stating therein that the Acquisition Statement is based on the Rule.

[Required Information]

a. Details (including the specific name, capital structure (capital, shareholders (in the case of funds, status of each partner and other constituent members), details of business, financial position, names of executives, and relationships to each other, etc.) of the Acquirer and its group (including joint holders, specially related parties and persons acting in concert with the Acquirer).
b. The purpose, method and details of the Acquisition (including the number of shares to be acquired, the amount and type of consideration for the Acquisition, the timing and period of the Acquisition (the

probability of extension), the scheme of related transactions, the legality of the Acquisition method, the probability that the Acquisition will be made, the probability of amending or withdrawing the conditions for the Acquisition, any plan of two-tiered tender offers and its details.)

c. The basis for the calculation of the Acquisition price (including the underlying facts of the calculation, the calculation method, the numerical data used in the calculation, the amount and calculation basis of any expected synergies from the series of transactions relating to the Acquisition, and the amount and calculation basis, etc. of such synergies to be distributed to minority shareholders).

d. Backing of Acquisition funds (including the total amount of funding for the Acquisition, the specific name of Acquisition fund providers (including substantial fund providers), financing methods and the details of related transactions).

e. Post-acquisition management policy, business plan (including transfer or acceptance of transfer of business, merger, company split, capital investment, change of management team, etc.), capital policy (including capital increase/decrease, delisting, etc.) and dividend policy for the Company and the Group.

f. Policies for post-acquisition treatment of executives and employees, business partners, customers, relevant local entities and any other stakeholders of the Company and the Group.

g. Specific measures to avoid any conflict of interest with other shareholders of the Company, if any.

h. Any other information that the Company's Board of Directors or the Independent Panel find to be reasonably necessary.

Upon receipt of the Acquisition Statement containing the matters as described above, the Company's Board of Directors will promptly make an announcement to that effect at the time deemed reasonably necessary to make such announcement, promptly provide the Acquisition Statement received from the Acquirer to an Independent Panel comprising at least three (3) members elected based on a resolution of the Company's Board of Directors from among external officers of the Company or academic experts, etc. who are independent from the management team executing business of the Company (the "Independent Panel") and request the Panel to assess whether the information described in the Acquisition Statement is proper and sufficient for the Independent Panel to study the acquisition proposal.

If the information and details described in the Acquisition Statement are judged to be insufficient by the Company's Board of Directors or the Independent Panel, the Company's Board of Directors will set a reply deadline as needed (as a general rule, up to sixty (60) days from the date on which the Acquisition Statement was received) and request that the Acquirer further provide additional information. In such case, the Acquirer should submit the Acquisition Statement that contains such additional information within the specified deadline. If the Acquisition is conducted without the timely submission of the Acquisition Statement containing the additional information requested by the Company's Board of Directors, a counterplan may be activated based on a decision by the Company's Board of Directors.

3) Assessment of the Acquisition Statement and negotiation with the Acquirer by the Company's Board of Directors

Upon receipt of the Acquisition Statement containing proper and sufficient information for assessing the acquisition proposal (the "Proper Acquisition Statement"), the Company's Board of Directors will promptly disclose such fact and commence assessment whether the acquisition proposal would contribute to the Company's corporate value and common interests of shareholders, as well as negotiation with the Acquirer. A period for assessing such acquisition proposal shall be a period of up to sixty (60) days after the announcement of the Proper Acquisition Statement to be determined by the Company's Board of Directors (however, a period of up to ninety (90) days in cases of Acquisitions other than those purchasing all of the Company's shares, etc. through a tender offer with consideration solely in cash (Japanese yen). Collectively, the "Assessment Period"). However, if deemed necessary by the Company's Board of Directors or the Independent Panel, the Assessment Period may be extended for up to thirty (30) days, and in such case, the specific period and reason for extension will be notified to the Acquirer and disclosed to the shareholders.

The Acquirer may amend matters relevant to the Acquisition described in the Proper Acquisition Statement reflecting the discussion with the Company's Board of Directors. If the Company's Board of Directors determines that such amendment is more desirable than the original content from the viewpoint of the Company's corporate value and common interests of shareholders, the amended proposal shall be treated as identical to the original proposal to the extent possible and the original procedure shall be continued, however, if such amendment is not determined more desirable than the original content, the Company's Board of Directors shall cancel the original procedure and treat the amended proposal as a new submission of the Acquisition Statement.

4) Determination of the Record Date for Voting

Upon receipt of the Proper Acquisition Statement, the Company's Board of Directors will promptly set a record date for determining the shareholders who are entitled to exercise voting rights in the procedures for confirming the shareholders' intent (the "Record Date for Voting"). The Record Date for Voting will be a

date within the Assessment Period and will be announced at least two (2) weeks before the Record Date for Voting.

5) Preparation of an Alternative Proposal

The Company's Board of Directors may prepare an Alternative Proposal deemed to be more appropriate in enhancing the Company's corporate value and common interests of shareholders compared to the acquisition proposal by the Acquirer (the "Alternative Proposal"). In this case, the Company's Board of Directors will disclose to the shareholders the Alternative Proposal in a manner enabling comparison with the acquisition proposal, indicating the opinions of the Company's Board of Directors on the acquisition proposal, so that the shareholders may accurately determine which of the proposals, i.e. the acquisition proposal by the Acquirer, or the Alternative Proposal by the Company's Board of Directors, is appropriate.

In preparing the Alternative Proposal and the Company's opinion, the Company's Board of Directors may obtain advice from third parties independent from the management team executing business of the Company (including financial advisers, certified public accountants, attorneys-at-law, consultants or any other experts) at the cost of the Company. By respecting such advice, when obtained, the Company prevents the Company's Board of Directors from making arbitrary decisions.

6) Assessment of the Proper Acquisition Statement and the Alternative Proposal by the Independent Panel

The Company's Board of Directors shall promptly provide the Proper Acquisition Statement received from the Acquirer to the Independent Panel, request the Independent Panel to study whether or not to activate a counterplan against the acquisition proposal by the Acquirer within the Assessment Period, and provide information deemed reasonably necessary for the Independent Panel to make assessment, including the details and background of the negotiation between the Company's Board of Directors and the Acquirer, details of the amendment to the Proper Acquisition Statement made by the Acquirer if any, and details of the Alternative Proposal.

Taking into account the Proper Acquisition Statement and other information provided by the Company's Board of Directors, the Independent Panel will study whether or not to activate a counterplan against the acquisition proposal by the Acquirer, and provide the Company's Board of Directors with a written suggestion containing the details and basis for the decision made by the Independent Panel within the Assessment Period.

To make a proper judgment from the viewpoint of ensuring and enhancing the Company's corporate value and common interests of shareholders, the Independent Panel may obtain advice from third parties independent from the Company's Board of Directors (including financial advisers, certified public accountants, attorneys-at-law, consultants or any other experts) at the cost of the Company.

The outline of the Independent Panel Regulations is as described in Attachment 1. Names and career summaries of the members of the Independent Panel who are to be promptly elected upon approval to renew the Rule at the 74th Annual General Meeting of Shareholders of the Company to be held on March 28, 2018 are as described in Attachment 2.

7) Procedures for confirming the shareholders' intent

If the Company's Board of Directors resolved to activate a counterplan as it is likely that the acquisition proposal by the Acquirer would harm the Company's corporate value and common interests of shareholders following the suggestion of the Independent Panel (unless following such suggestion could be considered a violation of Directors' obligation to exercise the duty of due care of a prudent manager), the Company's Board of Directors will implement procedures for confirming the shareholders' intent by a shareholder vote at the Shareholder Referendum Meeting or procedures for written vote by shareholders (the "Shareholder Referendum") with respect to the activation of the counterplan or the delegation of activation of the counterplan to the Company's Board of Directors.

Prior to fixing the Record Date for Voting, the Company's Board of Directors will determine which of the following methods, i.e. a. Shareholder Referendum Meeting; or b. written vote; would be carried out as the Shareholder Referendum. After the expiration of the Assessment Period, the Company's Board of Directors will implement the Shareholder Referendum as promptly as possible upon considering the number of days deemed physically necessary.

a. Shareholder Referendum Meeting

The confirmation of the shareholders' intent at the Shareholder Referendum Meeting shall be determined by a majority of votes of the shareholders, including the exercise of voting rights in writing or via the Internet, with at least one-third (1/3) of all shareholders with voting rights present.

Convocation procedures of the Shareholder Referendum Meeting and the method to exercise voting rights at the Meeting shall be in accordance with the convocation procedures of general meetings of shareholders set out in laws and regulations as well as the Company's Articles of Incorporation. The Company's general meeting of shareholders may serve as the Shareholder Referendum Meeting.

b. Written vote

The confirmation of the shareholders' intent via written vote shall be determined by the majority of votes of the shareholders of at least one-third (1/3) of all shareholders with voting rights.

In conducting a written vote, a voting slip containing proposals subject to vote (acquisition proposal by the Acquirer and opinions of the Company's Board of Directors on the acquisition proposal as well as its Alternative Proposal will be attached.), the voting deadline and other matters determined by the Company's Board of Directors will be mailed to the shareholders entitled to exercise voting rights at least three (3) weeks before the voting date and votes via voting slip will be accepted up to the date of the voting deadline.

c. Shareholders entitled to exercise voting rights

Shareholders entitled to exercise voting rights at the Shareholder Referendum Meeting or via written vote shall be the shareholders who are stated or recorded in the Company's final shareholder register as of the Record Date for Voting determined by the Company's Board of Directors.

d. The result of the Shareholder Referendum shall be disclosed as soon as it becomes clear.

8) Resolution by the Company's Board of Directors concerning the activation, etc. of a counterplan

If the activation of a counterplan or the delegation of activation of a counterplan to the Company's Board of Directors is resolved by the Shareholder Referendum, the Company's Board of Directors will request the Acquirer to withdraw the Acquisition described in the Proper Acquisition Statement.

If the Acquirer does not withdraw the Acquisition, the Company's Board of Directors will promptly resolve to activate a counterplan including gratis allotment of the Stock Acquisition Rights in accordance with the result of the Shareholder Referendum, and promptly disclose the content of the resolution to the shareholders.

In addition, in the event either a. or b. below occurs after the resolution for gratis allotment of the Stock Acquisition Rights by the Company's Board of Directors, the Company's Board of Directors may adopt a resolution to (i) suspend gratis allotment of the Stock Acquisition Rights until the advent of the exercise period of the Stock Acquisition Rights or (ii) to conduct acquisition of the Stock Acquisition Rights without consideration after gratis allotment is in effect.

a. The Acquirer withdraws the Acquisition, or the Acquisition otherwise ceases to exist after the resolution on gratis allotment
b. There is a change in the facts or otherwise upon which the resolution on gratis allotment was based and the Acquisition by the Acquirer does not meet any of the requirements set out in (4) "Requirements for activating a counterplan based on determination by the Company's Board of Directors" below, or the Acquisition meets the requirement(s) but it is not reasonable to permit the implementation of gratis allotment of the Stock Acquisition Rights, etc.

The Company's Board of Directors will promptly agree to the acquisition proposal by the Acquirer or resolve not to activate a counterplan if (i) the Company's Board of Directors resolved that a counterplan should not be activated as it is unlikely that the acquisition proposal by the Acquirer would harm the Company's corporate value and common interests of shareholders following the suggestion of the Independent Panel (unless following such suggestion could be considered a violation of Directors' obligation to exercise the duty of due care of a prudent manager); (ii) the activation of a counterplan or delegation of activation of a counterplan to the Company's Board of Directors was rejected at the Shareholder Referendum; or (iii) attendance or votes cast by at least one-third (1/3) of voting rights of all shareholders was not obtained at the Shareholder Referendum Meeting or in the written vote.

(4) Requirements for activating a counterplan based on determination by the Company's Board of Directors

If the Company's Board of Directors judged that the Acquisition by the Acquirer falls under any of the following items, the Company's Board of Directors will seek opinions from the Independent Panel on whether or not to activate a counterplan without implementing the Shareholder Referendum and at its discretion, upon explaining the content and basis of its judgment to the Independent Panel. If the Independent Panel agrees, the Board of Directors of the Company will promptly activate a counterplan (gratis allotment of the Stock Acquisition Rights, etc.) upon clarifying the content and basis of its judgment.

1) The Acquirer makes a large-scale acquisition without submitting the Proper Acquisition Statement, or the Acquirer fails to comply with the procedures set out in the Rule, including the case where the Acquirer continues or resumes the large-scale acquisition even during the suspension period of acquisition set out in the Rule, and it is deemed reasonable to activate a counterplan for the sake of ensuring and enhancing the corporate value and common interests of shareholders

2) Acquisitions described below that may cause obvious harm to corporate value of the Company and common interests of shareholders

a. A buyout of share certificates, etc. demanding such share certificates, etc. be purchased by the Company or the Company's related party at a high price.
b. So-called "scorched earth management" that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
c. Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
d. Temporary control of the Company's management to bring about a disposal of high-value assets, etc. that have no current relevance to the Company's business and temporarily declaring a rise in dividends from the profits of the disposal, or selling the shares at a high price by taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporary rise in dividends.

3) Certain Acquisitions that have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions, etc. of shares including tender offers that do not offer to acquire all shares in the initial acquisition, and set acquisition terms for the second stage that are unfavorable to shareholders or do not set clear terms for the second stage).

(5) Outline of gratis allotment of the Stock Acquisition Rights

If a gratis allotment of the Stock Acquisition Rights is resolved as a counterplan at the Company's Board of Directors, the Company will carry out a gratis allotment of the Stock Acquisition Rights to all shareholders other than the Company.

An outline of the gratis allotment of the Stock Acquisition Rights is described below.

1) Number of the Stock Acquisition Rights

The Company will allot stock acquisition rights in the number equivalent to the final and total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain allotment date (the "Allotment Date") that is determined by a resolution of the Company's Board of Directors relating to gratis allotment of the Stock Acquisition Rights ("Gratis Allotment Resolution").

2) Shareholders eligible for allotment

The Company will allot the Stock Acquisition Rights without consideration to those shareholders, other than the Company, who are stated or recorded in the Company's final shareholder register on the Allotment Date, at a ratio of one (1) Stock Acquisition Right for each share in the Company held.

Gratis allotment of the Stock Acquisition Rights will not be conducted to those who are stated or recorded in the shareholder register after the Allotment Date, or those who are not stated or recorded in the Company's final shareholder register on the Allotment Date due to sale of their shares, etc. in the Company prior to the Allotment Date.

3) Effective date of gratis allotment of the Stock Acquisition Rights

The effective date of gratis allotment of the Stock Acquisition Rights will be determined by the Company's Board of Directors in the Gratis Allotment Resolution.

4) Number of shares to be acquired upon exercise of the Stock Acquisition Rights

The number of common stock of the Company to be acquired upon exercise of each Stock Acquisition Right (the "Applicable Number of Shares") shall be one (1) share.

5) The asset amount to be contributed upon exercise of the Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights shall be in cash, and the asset amount per share of shares of the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount to be determined by the Company's Board of Directors within the range of at least 1 yen and up to an amount equivalent to 50% of the fair value of one (1) share of common stock of the Company. "Fair value" means the average closing price of the common stock of the Company on the Tokyo Stock Exchange on each

day during the ninety (90) day period prior to the Gratis Allotment Resolution (excluding days without transactions), with any resulting fractions of a yen to be rounded up to the nearest whole yen.

6) Exercise period of the Stock Acquisition Rights

The commencement date of the exercise period of the Stock Acquisition Rights shall be the effective date of gratis allotment (however, if the Company's Board of Directors specifies another date, such date shall substitute.), and the period shall range from one (1) month to two (2) months as determined by the Company's Board of Directors in the Gratis Allotment Resolution.

However, if the Company acquires stock acquisition rights pursuant to the provision in 9) below, the exercise period for the Stock Acquisition Rights with respect to that acquisition will be up to the day immediately prior to the relevant acquisition date. Further, if the final day of the exercise period falls on a holiday of the payment place for the cash payable upon exercise, the final day will be the preceding business day.

7) Exercise conditions of the Stock Acquisition Rights

As a general rule, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (i) through (vi) below shall be collectively referred to as "Non-Qualified Parties"): (i) Acquirers, (ii) joint holders of Acquirers, (iii) specially related parties of Acquirers, (iv) persons holding the shares in the Company or the Stock Acquisition Rights on behalf of Acquirers, (v) any transferee of or successor to the stock acquisition rights of any party falling under (i) through (iv) without the approval of the Company's Board of Directors, and (vi) any related party of any party falling under (i) through (v) (shall refer to a person who is deemed by the Company's Board of Directors to substantially control, to be controlled by, or to be under common control with such party, or a person deemed by the Company's Board of Directors to act in concert with such party. "Control" means to "control the decisions on the financial and business policies" (as defined in Article 3 of the Ordinance for Enforcement of the Companies Act) of other corporations or entities.)

Further, nonresidents of Japan who are required to follow certain procedures under foreign applicable laws and regulations to exercise the Stock Acquisition Rights may not be able to exercise the Stock Acquisition Rights.

However, a party that the Company's Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company's corporate value or the common interests of shareholders (the Company's Board of Directors may recognize as such at any time. If the Company's Board of Directors recognizes that such acquisition or holding is not contrary to the Company's corporate value and common interests of shareholders under certain conditions, it shall be limited to cases where such conditions are satisfied.), or certain other parties that the Company's Board of Directors separately determines in the Gratis Allotment Resolution shall not be considered as Non-Qualified Parties.

8) Restriction on transfer of the Stock Acquisition Rights

Transfer of the Stock Acquisition Rights shall require the approval of the Company's Board of Directors.

9) Acquisition of the Stock Acquisition Rights by the Company

a. At any time on or before the date immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights, if the Company's Board of Directors recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may acquire all of the Stock Acquisition Rights without consideration on a day to be determined by the Company's Board of Directors.
b. On a day to be determined by the Company's Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Company's Board of Directors, that are held by parties other than those who cannot exercise the Stock Acquisition Rights provided in 7) above, and, in exchange, deliver one (1) common stock of the Company in the number of the Applicable Number of Shares for each Stock Acquisition Right.

   Further, if, after the date upon which the acquisition takes place, the Company's Board of Directors recognizes the emergence of any party holding the Stock Acquisition Rights other than those who cannot exercise the Stock Acquisition Rights provided in 7) above, the Company may, on a date determined by the Company's Board of Directors after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by the day immediately prior to such date determined by the Company's Board of Directors, if any, and, in exchange, deliver one (1) common stock of the Company in the number of the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter. If the Company acquires the Stock

Acquisition Rights held by the Non-Qualified Parties, it is not assumed that the Company will deliver any economic benefits such as cash, as consideration for the acquisition.

10) Issuance of certificates for the Stock Acquisition Rights

Certificates for the Stock Acquisition Rights will not be issued.

(6) Effective period, abolition and amendment of the Rule

The effective period of the Rule shall be the period up to the conclusion of the annual general meeting of shareholders of the Company to be held in 2021. However, if, even before the expiration of the effective period, a general meeting of shareholders of the Company or the Company's Board of Directors passes a resolution to amend or abolish the Rule, the Rule shall be amended or abolished at that time.

In light of revisions to laws and regulations, judicial decisions or trends in society, and opinions of public institutions such as financial instruments exchanges where the Company is listed, etc., if it is determined that revising or amending the Rule would be desirable and a resolution to revise or amend the Rule is passed at the Company's Board of Directors before the expiration of the effective period, the Company will promptly disclose the details of such revision or amendment and any other matters.

3. Rationality of the Rule

(1) The Rule satisfies the requirements in the Guidelines Regarding Takeover Defense

The Rule satisfies the three principles set out in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" jointly announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, and is also in accordance with the proposals in the "Takeover Defense Measures in view of Recent Environmental Changes" announced by the Corporate Value Study Group on June 30, 2008.

(2) The Rule respects the shareholders' intent

The Rule adopts a method whereby the Company's Board of Directors, under the suggestion of the Independent Panel (unless following such suggestion could be considered a violation of Directors' obligation to exercise the duty of due care of a prudent manager) and upon offering proper and sufficient information for the shareholders to make a decision, directly requests shareholders to determine whether or not to activate a counterplan by implementing the Shareholder Referendum, in case that the acquisition proposal by the Acquirer may harm the Company's corporate value and common interests of shareholders and the Company's Board of Directors resolved to activate a counterplan.

Further, the Company decided to renew the Rule resolved at the Company's Board of Directors subject to shareholder approval at the annual general meeting of shareholders to be held in March 2018, and if a resolution to amend or abolish the Rule is passed at a general meeting of shareholders of the Company to be held thereafter, the Rule will be amended or abolished in accordance with such resolution. Further, the Rule is subject to a so-called "sunset" clause setting an effective period of approximately three (3) years.

In addition, the Company sets the term of office of Directors (excluding Directors who are Audit and Supervisory Committee Members) to be one (1) year, and even during the effective period of the Rule, the shareholders' intent can be reflected through the election of Directors at the annual general meeting of shareholders every year.

In this manner, the Rule adopts a scheme whereby the shareholders' intent will be reflected adequately.

(3) Restrictions on activation of a counterplan by decision of the Company's Board of Director

The Company's Board of Directors may activate a counterplan without implementing the Shareholder Referendum only in cases where the Acquirer violates the Rule as described in 2. (4) above, or it is obvious that the Acquisition would harm the Company's corporate value and common interests of shareholders, and in both cases, the Independent Panel must agree to activate a counterplan at the discretion of the Company's Board of Directors.

(4) The Rule values the opinions of the Independent Panel and third-party experts

To ensure that a proper judgment is made whether or not to activate a counterplan against the acquisition proposal by the Acquirer, the Rule adopts a scheme whereby the Independent Panel comprising at least three (3) members independent from the management team executing business of the Company is established, information relevant to the acquisition proposal by the Acquirer is collected, and opinions are sought and suggestions are obeyed on whether or not to activate a counterplan based on the Shareholder Referendum in case of likely harm to the Company's corporate value and common interests of shareholders caused by the acquisition proposal by the Acquirer, as well as on whether or not to activate a counterplan at the discretion of the Company's Board of Directors without implementing the Shareholder Referendum (unless following

such suggestion could be considered a violation of Directors' obligation to exercise the duty of due care of a prudent manager).

In addition, in preparing Alternative Proposal or opinions of the Company's Board of Directors on the Acquirer's acquisition proposal, the Company's Board of Directors may obtain advice from third parties independent from the management team executing business of the Company (including financial advisers, certified public accountants, attorneys-at-law, consultants or any other experts). By respecting such advice, when obtained, the Company prevents the Company's Board of Directors from making arbitrary decisions.

(5) The Rule is not a dead-hand or slow-hand takeover defense measure

The Rule may be abolished by the Company's Board of Directors composed of Directors elected by a general meeting of shareholders of the Company and is therefore not a dead-hand or no-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board of Directors is replaced, the activation of the measure cannot be blocked). Furthermore, as the Company does not adopt a staggered board system for its Directors (excluding Directors who are Audit and Supervisory Committee Members), the Rule is not a slow-hand takeover defense measure (a takeover defense measure that requires time for its activation to be blocked due to the fact that the members of the Board of Directors cannot be replaced all at once).

4. Impact on shareholders

(1) Impact on shareholders when introducing the Rule

As no gratis allotment of the Stock Acquisition Rights will be implemented when introducing the Rule, there will be no direct or specific impact on shareholders and investors of the Company.

(2) Impact on shareholders when activating the Rule

When activating the Rule, the Company will make a gratis allotment of the Stock Acquisition Rights to the shareholders as of the Allotment Date separately determined by the Board of Directors of the Company in the Gratis Allotment Resolution at a ratio of one (1) Stock Acquisition Right per share held by the shareholders. In these procedures, the shareholders will become the holders of stock acquisition rights as a matter of course on the date of gratis allotment and therefore application procedures are not required.

However, if the shareholders do not contribute cash or perform other necessary procedures for exercising Stock Acquisition Rights shown below during the exercise period, the value of shares they hold in the Company will be diluted by the exercise of Stock Acquisition Rights by other shareholders.

In addition, based on a decision by the Board of Directors of the Company, and pursuant to the procedure shown in (3)-3) below, the Company may acquire the Stock Acquisition Rights of shareholders other than Non-Qualified Parties and, in exchange, deliver shares in the Company. If the Company carries out this acquisition procedure, shareholders other than Non-Qualified Parties will receive shares in the Company without exercising their Stock Acquisition Rights or paying an amount of cash equivalent to the exercise price, and, as a general rule, this will not result in dilution of the value of the Company's shares held by them.

In addition, on or after the ex-rights date after the determination of shareholders who should receive a gratis allotment of the Stock Acquisition Rights, as described in 2. (3)-7) and (5)-9) "Acquisition of the Stock Acquisition Rights by the Company" above, the Company may cancel the gratis allotment of the Stock Acquisition Rights, or acquire the Stock Acquisition Rights without consideration after the effective date of gratis allotment by the day immediately prior to the effective date of the exercise of Stock Acquisition Rights. In such cases, no dilution of the value per share will occur, and it is possible that any investors who have sold or bought the shares in the Company expecting a dilution of the value per share may incur commensurate damage as a result of a fluctuation in the share price.

(3) Request to shareholders for actions for the gratis allotment of the Stock Acquisition Rights

1) Record or state in the shareholder register

When conducting gratis allotment of the Stock Acquisition Rights, the Company's Board of Directors will announce the Allotment Date of the Stock Acquisition Rights, and stock acquisition rights will be allotted without consideration to the shareholders as of the Allotment Date. Shareholders who have not completed their statement or recording in the shareholder register are kindly requested to promptly take procedures for statement or recording, etc. in the shareholder register.

2) Exercise procedures for the Stock Acquisition Rights

The Company will mail a request for exercising the Stock Acquisition Rights in the form prescribed by the Company and other documents necessary for exercising the Stock Acquisition Rights to the shareholders

who are stated or recorded in the Company's final shareholder register as of the Allotment Date.

After shareholders submit these documents to the Company within the exercise period after gratis allotment of the Stock Acquisition Rights, the shareholders will be issued one (1) common stock of the Company for each Stock Acquisition Right by contributing to the payment handling bank an amount to be determined by the Company's Board of Directors within the range of at least 1 yen and up to an amount equivalent to 50% of the fair value.

3) Procedures to acquire the Stock Acquisition Rights by the Company

If the Company's Board of Directors decided to acquire the Stock Acquisition Rights, the Company may acquire the Stock Acquisition Rights on a date separately determined by the Company's Board of Directors in accordance with the statutory procedures. In case of this decision, the shareholders holding the Stock Acquisition Rights will receive, as a general rule, one (1) common stock of the Company for each Stock Acquisition Right as consideration for the acquisition of the Stock Acquisition Rights by the Company, without paying the amount equivalent to the exercise price.

In such case, the shareholders may be separately requested to submit, in a form prescribed by the Company, representations and warranties regarding matters such as the fact that they are not Non-Qualified Parties, as well as indemnity clauses and other covenants.

In addition to the above, for the details of the methods of allotment and exercise as well as the method of acquisition by the Company, the Company shall disclose to or notify the shareholders after the resolution by the Company's Board of Directors regarding the Stock Acquisition Rights.

(Attachment 1)

Outline of the Independent Panel Regulations

1. Outline of the Independent Panel

- In accordance with the provisions in the Rule, the Independent Panel shall be established in a position independent from the Company's Board of Directors, by a resolution of the Company's Board of Directors with the following purposes: to study whether or not to activate a counterplan based on the Shareholder Referendum given the likely harm to the Company's corporate value and common interests of shareholders caused by the acquisition proposal by the Acquirer; to give suggestions to the Company's Board of Directors with a document containing the content and basis of its decision; to collect information concerning the acquisition proposal by the Acquirer according to a request from the Company's Board of Directors; as well as providing the Company's Board of Directors with the opinions of the Independent Panel whether or not to activate a counterplan at the discretion of the Company's Board of Directors without implementing the Shareholder Referendum.
- The Independent Panel shall comprise at least three (3) members who are reasonably deemed to be independent from the management team executing business of the Company and shall be elected by the Board of Directors from among (a) External Officers of the Company or (b) academic experts, etc. However, academic experts, etc. shall be company managers or university professors with track records, persons well versed in corporate acquisition operations, attorneys-at-law, certified public accountants or equivalent, and shall conclude agreements with the Company that include provisions on the duty of due care of a prudent manager separately determined by the Company's Board of Directors.
- Terms of office of the members of the Independent Panel shall be a period from appointment up to the conclusion of the annual general meeting of shareholders pertaining to the last fiscal year ending within one (1) year from appointment. However, members may be reelected by a resolution of the Company's Board of Directors. Further, if the members of the Independent Panel who were External Officers of the Company ceased to hold the positions of External Officers of the Company (unless reelected), their terms of office as members of the Independent Panel shall terminate at the same time. However, if such person is an academic expert, etc., such person may be elected as a member of the Independent Panel by a resolution of the Company's Board of Directors.

2. Obligations of the Independent Panel

- In case that the Independent Panel receives the Proper Acquisition Statement from the Company's Board of Directors and is asked to study whether or not to activate a counterplan against the acquisition proposal by the Acquirer within the Assessment Period, and if it is determined that the acquisition proposal by the Acquirer would harm the Company's corporate value and common interests of shareholders, the Independent Panel shall suggest to the Company's Board of Directors to activate a counterplan based on the Shareholder Referendum.
- If the Independent Panel is asked for opinions by the Company's Board of Directors whether or not to activate a counterplan at its discretion and without implementing the Shareholder Referendum upon receiving explanation on the content and basis for such decision, the Independent Panel shall provide its opinions on whether or not the Panel agrees to the decision in writing to the Company's Board of Directors.
- The Independent Panel may suggest the Company's Board of Directors not to activate a counterplan as necessary.
- In addition to the above, the Independent Panel may provide its opinions to the Company's Board of Directors with regard to the matters in each item shown below.
  1) Judgment whether an acquisition falls under the acquisition subject to the Rule
  2) Judgment whether the information contained in the Acquisition Statement is proper and sufficient
  3) Judgment whether extension of the Assessment Period is necessary
  4) Matters to be negotiated with the Acquirer regarding the acquisition proposal by the Acquirer
  5) Judgment whether the acquisition proposal by the Acquirer would harm the Company's corporate value and common interests of shareholders
  6) Validity of the opinions of the Company's Board of Directors on the acquisition proposal by the Acquirer
  7) Validity of the Alternative Proposal
  8) Validity of the Shareholder Referendum
  9) Validity and adequacy of the counterplan
  10) Assessment of the status of compliance by the Acquirer of the Rule
  11) Other matters determined by the Rule or resolution of the Company's Board of Directors

3. Mandate of the Independent Panel

- The Independent Panel may require attendance of Directors, Auditors, Executive Officers or employees of the Company and its affiliated companies and other persons deemed necessary by the Independent Panel, and request explanations regarding matters as required by the Independent Panel to collect necessary information.
- The Independent Panel may obtain advice from third parties independent from the Company's Board of Directors (including financial advisers, certified public accountants, attorneys-at-law, consultants or any other experts) at the cost of the Company as necessary and to the extent reasonable.

4. Convocation and resolution of the Independent Panel

- Each member of the Independent Panel may convene the Independent Panel at any time, in addition to the case where an Acquirer emerges.
- A resolution of the Independent Panel shall be made by a majority vote of the members of the Independent Panel in attendance comprising a majority of the Panel.

(Attachment 2)

Names and career summary of the members of the Independent Panel on and after March 28, 2018 (in syllabary order)

The members of the Independent Panel at the time of the renewal will be the four (4) individuals shown below.

Name (Date of birth)	Career summary	
[Reappointment] Seiichi Kondo (March 24, 1946)	1972	Joined the Ministry of Foreign Affairs of Japan
	1988	Director, International Press Division, Ministry of Foreign Affairs
	1999	Deputy Secretary-General, Organization for Economic Co-operation and Development
	2003	Director-General, Cultural Affairs Department, Ministry of Foreign Affairs
	2006	Ambassador Extraordinary and Plenipotentiary to Permanent Delegation of Japan to the United Nations Educational, Scientific and Cultural Organization
	2008	Ambassador of Japan to the Kingdom of Denmark
	2010	Commissioner for Cultural Affairs
	2013	Retired from the Agency for Cultural Affairs
	2014	External Director of the Company (to present)
	2014	Member of the Independent Panel of the Company (to present)
[Reappointment] Takayuki Hashimoto (July 9, 1954)	1978	Joined IBM Japan, Ltd.
	2000	Vice President, Small & Medium Business, Japan
	2003	Vice President, Business Partner & Personal Computing & System Group
	2007	General Manager, Global Technology Services, Japan
	2008	General Manager, Sales, Japan
	2009	General Manager, IBM Japan
	2012	Chairman, IBM Japan
	2014	External Director of the Company (to present)
	2014	Member of the Independent Panel of the Company (to present)
	2017	Honorary Advisor, IBM Japan (to present)

Name (Date of birth)	Career summary	
[Reappointment] Morihiro Murata (July 20, 1946)	1970	Joined Arthur Young & Co. Tokyo Office
	1974	Registered as Certified Public Accountant
	1994	Joined Tokyo Aoyama Law Office
	1998	Joined Arthur Andersen Tax Office
	2002	Representative of Asahi KPMG Tax Corporation
	2004	Representative Partner of KPMG Tax Corporation
	2006	Representative of Murata Morihiro Accounting Firm (to present)
	2011	External Auditor of the Company
	2012	Member of the Independent Panel of the Company (to present)
	2016	External Director, Audit and Supervisory Committee Member of the Company (to present)
[Reappointment] Hiroshi Mori (February 21, 1965)	1989	Joined Development Bank of Japan (currently Development Bank of Japan, Inc.)
	1993	Seconded to Finance Bureau of Ministry of Home Affairs (currently Ministry of Internal Affairs and Communications)
	2003	Seconded to Tesac Corporation, a company under reorganization Trustee representative, Manager of Corporate Planning Department
	2006	Registered as attorney-at-law, joined Nishimura & Asahi
	2012	Partner at Nishimura & Asahi (to present)
	2013	Substitute Auditor of the Company
	2013	Member of the Independent Panel of the Company (to present)
	2016	External Director, Audit and Supervisory Committee Member of the Company (to present)

(Notes)

1. Messrs. Seiichi Kondo, Takayuki Hashimoto, Morihiro Murata and Hiroshi Mori satisfy the conditions for Independent Director/Auditor for which appointment is required by the Tokyo Stock Exchange, Inc. for the purpose of protecting the general shareholders, and have been notified as such to the said Exchange.
2. There are no special interests between the Company and any of the above persons.

(Attachment 3)

Status of Shares of the Company

As of December 31, 2017

(1) Total number of outstanding shares: 99,616,944 shares

(Notes) 1. Total number of authorized shares: 279,150,000 shares

2. Number of shares per trading unit: 100 shares

(2) Number of shareholders: 177,518

(3) Major shareholders

Major shareholders	Ownership stake in the Company	
	Number of shares held (hundred shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	94,188	10.59
The Master Trust Bank of Japan, Ltd. (Trust Account)	49,819	5.60
Dynapac Co., Ltd.	48,995	5.51
Nissin Foods Holdings Co., Ltd.	15,590	1.75
Toshichika Kanie	14,127	1.59
Eikichi Kanie	11,454	1.29
JP MORGAN CHASE BANK 385151	10,358	1.16
Hisao Kawaguchi	9,835	1.11
Kagome Business Association	9,503	1.07
Kagome Employee Stock Ownership Plan	8,965	1.00
Total	272,835	30.67

(Note) Shareholding ratio was calculated excluding the number of treasury stock (10,658,600 shares). Treasury stock does not include 345,100 shares of the Company held by the Master Trust Bank of Japan, Ltd. (Trust Account), which was set up through adoption of an employee incentive plan (Employee Stock Ownership Plan).

(Attachment 4)

〈Flowchart of Countermeasures to Large-Scale Acquisitions of the Company's Shares〉

