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Securities Code: 5959
March 13, 2018

To Our Shareholders,

Okabe Co., Ltd.
2-8-2, Oshiage, Sumida-ku, Tokyo
Makoto Hirowatari
President

Notice of Convocation of the 74th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 74th Ordinary General Meeting of Shareholders of Okabe Co., Ltd. (the "Company"), which will be held as described below.

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing. Please indicate your approval or disapproval on the enclosed Form for Exercise of Voting Rights and return the form to the Company no later than 5:40 p.m. on Wednesday, March 28, 2018 after reviewing the attached Reference Documents for the General Meeting of Shareholders.

Details

1. Date and Time:
March 29, 2018 (Thursday), at 10:00 a.m. (JST) (Reception will open at 9:00 a.m.)

2. Venue:
"Nishiki," 4F, TOBU HOTEL LEVANT TOKYO
1-2-2, Kinshi, Sumida-ku, Tokyo

3. Agenda:
Matters to be reported:
1. Business Report, Consolidated Financial Statements, as well as the audit reports of the Accounting Auditor and the Audit and Supervisory Committee on the Consolidated Financial Statements, for the 74th fiscal year (from January 1, 2017 to December 31, 2017)
2. Non-consolidated Financial Statements for the 74th fiscal year (from January 1, 2017 to December 31, 2017)

Matters to be resolved:

Proposal No. 1:	Appropriation of Surplus
Proposal No. 2:	Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)
Proposal No. 3:	Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member
Proposal No. 4:	Continuation of the Measures to Respond to a Large-Scale Purchase of Shares, etc. of the Company (Takeover Defense Measures)

Guidance to the Exercise of Voting Rights

If you are able to attend the Meeting

Please bring the enclosed Form for Exercise of Voting Rights with you and **present it at the reception desk**. We also ask that you bring this Notice for reference during the Meeting.

If you are unable to attend the Meeting

Please indicate your approval or disapproval in respect of each proposal on the enclosed Form for Exercise of Voting Rights and return the form to the Company **no later than 5:40 p.m. on Wednesday, March 28, 2018**.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

Details pertaining to the appropriation of surplus are as follows.

1. Matters relating to year-end dividends

In regard to returning profits to the shareholders, the Company holds a fundamental value of continuing to distribute stable dividends to shareholders, and it follows a policy of determining dividends from surplus after comprehensively considering consolidated results and its needs for internal reserves such as strengthening its financial position and developing its business operations. The Company's basic policy in regard to the method of providing dividends from surplus is to pay interim dividends and year-end dividends. The bodies responsible for determining dividends are the Board of Directors for the interim dividend, and the General Meeting of Shareholders for the year-end dividend.

In addition, on April 14, 2017, the Company celebrated the 100th anniversary of its founding. We would like to thank our shareholders and all other related parties for their support over many years, which has made this possible.

Accordingly, in order to express our gratitude to shareholders for their support thus far, in the year-end dividend for the fiscal year ended December 31, 2017, the Company has decided to pay a commemorative dividend of ¥3 per share, and we thus intend to pay a year-end dividend of ¥15 per share (ordinary dividend: ¥12; commemorative dividend: ¥3).

Approval of this Proposal will result in an annual dividend of ¥30 per share (ordinary dividend: ¥24; commemorative dividend: ¥6), which includes the interim dividend of ¥15 per share (ordinary dividend: ¥12; commemorative dividend: ¥3).

Type of dividend property:	Cash
Matters concerning assignment of dividend property to shareholders and amounts thereof:	¥15 per common share of the Company (ordinary dividend: ¥12; commemorative dividend: ¥3) Total amount: ¥748,886,250
Effective date of dividends from surplus:	March 30, 2018

2. Other matters concerning appropriation of surplus

The Company proposes the following with respect to its objectives that involve appropriating internal reserves for initiatives which include future development of production systems and R&D activities.

Item and amount of surplus to decrease:	Retained earnings brought forward:	¥1,000,000,000
Item and amount of surplus to increase:	General reserve:	¥1,000,000,000

Proposal No. 2: Election of Nine (9) Directors (Excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all eight (8) Directors (excluding Directors who are Audit and Supervisory Committee Members; applicable to the rest of this Proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders.

In that regard, the Company proposes the election of nine (9) Directors, increasing the number of Directors by one (1) to further enhance the management system.

The Audit and Supervisory Committee has determined that all of the candidates for Directors in this Proposal are qualified to serve as Director.

The candidates for Directors are as follows.

No.	Name	Present position and responsibilities in the Company	
1	Makoto Hirowatari	President President of Okabe Holding USA, Inc.	Reelection
2	Kenji Shimamura	Managing Director in charge of R&D Division	Reelection
3	Hiroaki Sugimoto	Managing Director in charge of Production Division	Reelection
4	Akira Motoi	Managing Director in charge of Sales Division	Reelection
5	Kazumasa Otani	Managing Director in charge of International Division	Reelection
6	Yasushi Hosomichi	Director Executive General Manager of Administrative Division General Manager of Accounting & Financial Group, Administrative Division	Reelection
7	Yoshiharu Nohara	Director General Manager of Internal Audit Office	Reelection
8	Yasunobu Yamazaki	Director President of Okabe Co., Inc.	Reelection
9	Toshinari Endou	Operating Officer Executive General Manager of Production Division	New election

Reelection : candidate for reelection as Director New election : new candidate for Director

No.		
1	Makoto Hirowatari (September 1, 1956)	Reelection Number of shares of the Company held 47,026 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Mar.	1980:	Joined the Company
Jan.	2001:	General Manager of Kyushu Office, Okabe Kenzai Co., Ltd.
Mar.	2003:	Director of Okabe Struct Co., Ltd.
Jan.	2005:	Executive General Manager of Sales Promotion Department, Sales Division
Mar.	2005:	Operating Officer of the Company, Executive General Manager of Sales Promotion Department, Sales Division
Apr.	2007:	Operating Officer of the Company, General Manager of Headquarter Sales Division
Mar.	2009:	Director of the Company, and General Manager of Headquarter Sales Division
Mar.	2011:	Managing Director in charge of Sales Division
Mar.	2013:	**President of the Company (to the present)**
Mar.	2016:	**President of Okabe Holding USA, Inc. (to the present)** President of Okabe North America, Inc.

Reasons for nomination as a Director candidate

Makoto Hirowatari possesses abundant experience and wide-ranging insight, having been president of both domestic and overseas subsidiaries, and in charge of Sales Division, as well as serving in other roles in the Company group (the "Group"). He has been involved in the management of the Company as a Director since March 2009. Also, since March 2013, he has led the Group as President of the Company, and has been in charge of the formulation of management plans, and has shown strong leadership in executing management plans. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
2	Kenji Shimamura (January 1, 1957)	Reelection Number of shares of the Company held 31,802 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Mar.	1979:	Joined the Company
Jan.	2001:	General Manager of East Japan Sales, Basepack Department, Sales Division, Okabe Struct Co., Ltd.
Jan.	2004:	Director, and General Manager of Basepack Department, Sales Division, Okabe Struct Co., Ltd.
Jan.	2007:	President of Okako Shikoku Co., Ltd.
Mar.	2007:	Operating Officer of the Company
Jan.	2009:	President of Sanyo Okabe Co., Ltd.
Apr.	2009:	Operating Officer of the Company, and General Manager of Chushikoku Sales Branch
Mar.	2011:	Director of the Company, and General Manager of Chushikoku Sales Branch
Mar.	2012:	Managing Director in charge of R&D Division
Mar.	2014:	Managing Director in charge of R&D Division and Production Division
Mar.	2016:	**Managing Director in charge of R&D Division (to the present)**

Reasons for nomination as a Director candidate

Kenji Shimamura possesses abundant experience and wide-ranging insight, having been president of domestic subsidiaries, General Manager of Chushikoku Sales Branch, and in charge of R&D Division, as well as serving in other roles in the Group. He has been involved in the management of the Company as a Director since March 2011. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
3	Hiroaki Sugimoto (October 19, 1957)	Reelection Number of shares of the Company held 22,032 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Apr.	1991:	Joined the Company
Jan.	2005:	General Manager of East Japan Sales, Basepack Department, Sales Division
Jan.	2007:	General Manager of Basepack Department, Sales Division
Mar.	2009:	Operating Officer of the Company, and General Manager of Basepack Department, Sales Division
Mar.	2012:	Director of the Company, and General Manager of Basepack Department, Sales Division
Mar.	2013:	Managing Director in charge of Sales Division
Mar.	2016:	**Managing Director in charge of Production Division (to the present)**

Reasons for nomination as a Director candidate

Hiroaki Sugimoto possesses abundant experience and wide-ranging insight, having been General Manager of Basepack Department, in charge of Sales Division, and in charge of Production Division, as well as serving in other roles in the Group. He has been involved in the management of the Company as a Director since March 2012. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
4	Akira Motoi (November 26, 1957)	Reelection Number of shares of the Company held 20,374 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Mar.	1980:	Joined the Company
Jan.	2001:	General Manager of Chiba Sales Branch, Tokyo Office, Okabe Kenzai Co., Ltd.
Jun.	2002:	General Manager of Sales Promotion Division, Okabe Kenzai Co., Ltd.
Jan.	2005:	General Manager of Kitakanto Sales Branch, Sales Division
Mar.	2008:	Operating Officer of the Company
Jan.	2009:	President of Okabe Civil Engineering Co., Ltd.
Mar.	2011:	Director of the Company
Apr.	2013:	Director of the Company, and General Manager of Tokyo Sales Branch
Mar.	2016:	**Managing Director in charge of Sales Division (to the present)**

Reasons for nomination as a Director candidate

Akira Motoi possesses abundant experience and wide-ranging insight, having been president of a domestic subsidiary, General Manager of Tokyo Sales Branch, and in charge of Sales Division, as well as serving in other roles in the Group. He has been involved in the management of the Company as a Director since March 2011. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
5	Kazumasa Otani (January 12, 1956)	Reelection Number of shares of the Company held 18,968 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Apr. 2008: Joined the Company
Operating Officer of the Company, and General Manager of Overseas Business Promotion Division
Mar. 2009: Director of the Company, and General Manager of Automotive Parts Division, General Manager of Overseas Business Promotion Division
Jan. 2012: Director of the Company, Executive General Manager of International Division
Oct. 2015: President of Water Gremlin Company
President of Water Gremlin Aquila Company S.p.A.
President of Changxing Water Gremlin Non-Ferrous Co.
Mar. 2017: **Managing Director in charge of International Division (to the present)**

Reasons for nomination as a Director candidate

Kazumasa Otani possesses abundant experience and wide-ranging insight, having been president of overseas subsidiaries, and in charge of International Division, as well as serving in other roles in the Group. He has been involved in the management of the Company as a Director since March 2009. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
6	Yasushi Hosomichi (July 7, 1959)	Reelection Number of shares of the Company held 12,415 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Nov. 2010: Joined the Company
General Manager of Internal Audit Office
Apr. 2013: General Manager of Accounting & Financial Group, Administrative Division
Mar. 2014: Operating Officer of the Company, and General Manager of Accounting & Financial Group, Administrative Division
Mar. 2016: **Director of the Company, Executive General Manager of Administrative Division, and General Manager of Accounting & Financial Group, Administrative Division (to the present)**

Reasons for nomination as a Director candidate

Yasushi Hosomichi possesses abundant experience and wide-ranging insight, having served as General Manager of Internal Audit Office, General Manager of Accounting & Financial Group, Administrative Division, and Executive General Manager of Administrative Division, among other roles in the Group. He has been involved in the management of the Company as a Director since March 2016. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
7	Yoshiharu Nohara (July 28, 1960)	Reelection Number of shares of the Company held 11,275 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Sep.	1986:	Joined the Company
Apr.	2002:	General Manager of Accounting & Finance Division
Mar.	2012:	Operating Officer of the Company, and General Manager of Accounting & Financial Group, Administrative Division
Mar.	2013:	Operating Officer of the Company, and General Manager of Production Division
Sep.	2014:	Operating Officer of the Company, and General Manager of Kyoto Factory
Mar.	2017:	**Director of the Company, and General Manager of Internal Audit Office (to the present)**

Reasons for nomination as a Director candidate

Yoshiharu Nohara possesses abundant experience and wide-ranging insight, having served as General Manager of Accounting & Financial Group, Administrative Division, General Manager of Production Division, General Manager of Kyoto Factory, and General Manager of Internal Audit Office, among other roles in the Group. He has been involved in the management of the Company as a Director since March 2017. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
8	Yasunobu Yamazaki (December 11, 1962)	Reelection Number of shares of the Company held 5,078 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Jan.	2003:	Joined the Company
May	2004:	General Manager of Overseas Division of Okabe Kenzai Co., Ltd.
Oct.	2011:	President of Okabe Co., Inc.
		President of OCM, Inc.
Mar.	2016:	Operating Officer of the Company
Oct.	2016:	President of Water Gremlin Company President of Water Gremlin Aquila Company S.p.A. President of Changxing Water Gremlin Non-Ferrous Co.
Mar.	2017:	**Director of the Company (to the present)**
Jan.	2018:	**President of Okabe Co., Inc. (to the present)**

Reasons for nomination as a Director candidate

Yasunobu Yamazaki possesses abundant experience and wide-ranging insight, having served as General Manager of Overseas Division of Okabe Kenzai Co., Ltd., and as president of overseas subsidiaries, among other roles in the Group. He has been involved in the management of the Company as a Director since March 2017. In view of the above, he has been nominated for another term as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

No.		
9	Toshinari Endou (June 17, 1962)	New election Number of shares of the Company held 4,333 shares

Career summary, position and responsibilities in the Company, and important concurrent positions at other organizations

Oct.	1992:	Joined the Company
Apr.	2010:	General Manager of Manufacturing Department, Kuki Factory
Apr.	2014:	General Manager of Kuki Factory
Aug.	2015:	General Manager of Production Division
Oct.	2015:	General Manager of Ibaraki Factory
Mar.	2016:	Operating Officer of the Company, and General Manager of Ibaraki Factory
Jan.	2018:	**Operating Officer of the Company, and Executive General Manager of Production Division (to the present)**

Reasons for nomination as a Director candidate

Toshinari Endou possesses abundant experience and wide-ranging insight, having served as General Manager of Kuki Factory, General Manager of Ibaraki Factory, and Executive General Manager of Production Division, among other roles in the Group. He has been involved in the management of the Company as an Operating Officer since March 2016. In view of the above, he has been nominated as a candidate for Director, as he is deemed essential in order for the Group to increase its corporate value.

(Notes) 1. Figures for the number of shares of the Company held respectively include shares held in the name of the officer's shareholding association.
2. No relationships involving special interests exist between any of the candidates and the Company.

Proposal No. 3: Election of One (1) Substitute Director Who Is an Audit and Supervisory Committee Member

Akira Yokotsuka was elected as a substitute Director who is an Audit and Supervisory Committee Member at the 73rd Ordinary General Meeting of Shareholders held on March 30, 2017, and the term of effect of his elected status will end upon the commencement of this General Meeting of Shareholders. The Company therefore proposes the election of the following one (1) candidate as a substitute Director who is an Audit and Supervisory Committee Member, by way of precaution against the cases where the number of Directors who are Audit and Supervisory Committee Members falls short of the number prescribed in laws and regulations.

The Company has already obtained the approval of the Audit and Supervisory Committee with respect to this Proposal.

The candidate for a substitute Director who is an Audit and Supervisory Committee Member is as follows.

Name (Date of birth)	Career summary and important concurrent positions at other organizations	Number of shares of the Company held
Akira Yokotsuka (July 14, 1954)	Apr. 1985: Registered with Tokyo Bar Association Apr. 1990: Vice Chairman of the Tokyo Bar Association's Special Committee on Tax Matters Mar. 1991: Established Taono, Kamemaru & Yokotsuka Law Office (now, Akane Law Firm) (to the present) Apr. 2000: Chairman of the Tokyo Bar Association's Special Committee on Legal Ethics	0 shares

(Notes) 1. No relationships involving special interests exist between Akira Yokotsuka and the Company.

2. Akira Yokotsuka is a candidate for appointment as a substitute Outside Director.
Although he has not been involved with corporate management, as an attorney at law he is well versed in corporate legal affairs and compliance, and also has abundant practical experience. We therefore deem him capable of properly executing duties required of an Outside Director, from a perspective that is independent of the Company's management team.

3. If Akira Yokotsuka is appointed to the position of Outside Director, the Company intends to conclude an agreement that limits his liability for damages resulting from negligence in his duties as prescribed in Paragraph 1, Article 427 of the Companies Act of Japan, and also as set forth in the Company's Articles of Incorporation. The agreement will limit his maximum financial liability for damages, to within amounts stipulated by laws and regulations.

Proposal No. 4: Continuation of the Measures to Respond to a Large-Scale Purchase of Shares, etc. of the Company (Takeover Defense Measures)

At a meeting of the Board of Directors held on January 26, 2018, the Company made a resolution regarding the submission of a proposal at the Ordinary General Meeting of Shareholders of the Company to be held on March 29, 2018 ("this Ordinary General Meeting of Shareholders") requesting approval from shareholders regarding continuation of the "Measures to Respond to a Large-Scale Purchase of Shares, etc. of the Company (the "Plan")," which was approved by our shareholders at the Ordinary General Meeting of Shareholders of the Company held on March 27, 2015.

As the effective period of the Plan is until the conclusion of this Ordinary General Meeting of Shareholders, the Company has examined how the Plan should be, including the appropriateness of its continuation, from the perspective of enhancing corporate value and protecting the common interest of shareholders. As a result, taking into consideration changes in circumstances, trends among institutional investors, and other factors, the Company has decided to continue the Plan, subject to receiving the approval of shareholders. If the approval of shareholders is received at this Ordinary General Meeting of Shareholders, the effective period of the Plan shall be until the conclusion of the Ordinary General Meeting of Shareholders to be held in 2021.

The Company therefore proposes the continuation of the Plan.

The main details of revisions made to the Plan are as follows.

1) An upper time limit (60 days) has been set for the deadline for the provision of information in the event that the Board of Directors of the Company requests additional information in regard to information provided by a Purchaser (as defined later in III. 2.).
2) It has been clearly stated that, based on the recommendation of the Independent Committee (as defined later in III. 2.), the Board of Directors of the Company may convene a General Meeting of Shareholders in order to make a resolution regarding the exercise of countermeasures.
3) It has been clearly stated that, when acquiring Share Acquisition Rights (as defined later in III. 2.) held by a non-qualified party (as defined later in Appendix 4), the Company shall not deliver cash, etc., as consideration.
4) Necessary changes have been made in regard to the Audit & Supervisory Board Member (and the Audit & Supervisory Board) System, which was discontinued in line with the Company's shift to a company with audit and supervisory committee.
5) Other amendments have been made to wording.

I. Basic Policy on Persons Who Control Decisions on Financial and Business Policies of the Company

The Company, as a party whose shares are listed on a financial instruments exchange, respects free trading of shares of the Company in the market and does not unconditionally deny a large-scale purchase of shares of the Company by a particular party as long as it contributes to the securing and enhancement of the corporate value of the Company group (the "Group") and eventually the common interest of shareholders. The Company also believes that whether to accept a proposal for a large-scale purchase of shares should ultimately be decided by our shareholders.

However, there may be a proposal for a large-scale purchase of shares that could undermine the corporate value of the Group and eventually the common interest of shareholders by, for example, potentially preventing the Company from maintaining a good relationship with our stakeholders, that does not sufficiently reflect the value of the Group, or that does not provide sufficient information that is necessary for our shareholders to make a final decision.

The Board of Directors of the Company believes that when such a proposal is made, it is the responsibility of the Board as a body mandated by our shareholders to secure necessary time and information and to negotiate with the party submitting such a proposal of large-scale purchase of shares on behalf of our shareholders.

II. Approaches to the Implementation of the Basic Policy

1. Initiatives to enhance corporate value and to protect common interest of shareholders

(1) Source of corporate value and common interest of shareholders

The Company has a history of 101 years, dating back to its founding in 1917. In its early years, the Company manufactured simple construction-related components such as clamps. However, since successfully developing the form tie construction method that revolutionized concrete frame construction methods in 1951, the Company has expanded its business scope not only in construction areas such as the structural and civil engineering sectors, but also in related areas primarily in metals processing, practicing management that constantly seeks to respond to the needs and trust of its customers.

The source for the Company's corporate value which supports such business expansion is rooted in areas such as its corporate principles fostered by a history of 101 years dating back to its founding in 1917, its technological expertise accumulated via management based on these principles, and strong relationships of trust with all transaction partners, ranging from providers of raw materials, etc., to customers that purchase the Company's finished products. The Company recognizes that the "okabe" brand is the result of the fruition of these sources of corporate value.

First, the Company's corporate principles are specifically: 1) We will have a pioneering spirit and will work to demonstrate ingenuity and create innovations at all places of work; 2) We will have a commitment to service and will strive to contribute to society and the Group's development; 3) We will endeavor to cultivate human resources for sustainable development; and 4) The Group will be a workplace that employees will not regret devoting their lives to. These four points comprise the Company's corporate creed, and are based on the view that the Company's existence is made possible by providing satisfaction to not only officers and employees, but to a wide range of all stakeholders who encounter the Company.

Next, regarding the practice of management backed by these corporate principles, the Company recognizes that it is its duty to work toward maintaining and improving its fundamentals as a manufacturer, including product development technologies, production technologies, quality management technologies, and information collection and analysis technologies in both its quality and quantity, providing products that embody these technologies to society. To express this perception, the Company has a corporate mission of "contributing to society by providing safety and security" under the belief that product development that not only contributes to society but is also backed by technological strengths such as contributing to safety and energy efficiency in construction, providing basic structural materials that are resistant to earthquakes via earthquake proofing and seismic isolation construction methods, and playing a part in environmental preservation through various green construction methods is extremely important, with companywide efforts toward distinguished improvement in technological abilities as a requirement.

Furthermore, as the Company has honestly and sincerely executed corporate management during its 101 years of history, it has established strong relationships of trust with all transaction partners, from materials and components manufacturers that act as suppliers for raw materials and transaction partners in logistics to the final users of the Company's products.

In this way, the Company believes that the source of its corporate value lies in areas such as its corporate principles that look widely toward society, providing products backed by its technological abilities, and establishing relationships of trust with all transaction partners, and continuously polishing and evolving these will lead to stronger brand strength while enhancing corporate value. The Company recognizes that enhancing corporate value will lead to securing common interest of shareholders.

(2) Measures from the medium-term management plan

As specific measures to realize improvement in corporate value and shareholder value, the Company has formulated a medium-term management plan as needed. In light of changes in the business environment, the Company is taking on challenges in management issues while paying careful attention to factors such as capital investment, personnel development, and financial balance.

In the three-year medium-term management plan, NEXT100 – Exciting Future, which commenced in fiscal year 2017, the Company outlines a plan to build a foundation for growth for the next 100 years (NEXT100). As part of this, the Company has set forth the vision of the Group, and presented the initiatives to realize this vision: the "three key policies" and "strengthening the business base," as described below.

1) Vision of the Group
   - The Group aims to become a global manufacturer that will achieve globally its corporate mission of "contributing to society by providing safety and security."
   - Harnessing its technological capability, the Group will focus on temporary building and formwork products, building structural materials, and civil engineering products, particularly building structural materials related to earthquake proofing, vibration control, and seismic isolation in the field of construction materials. It will also expand production particularly of battery terminals as well as bolts and nuts in the field of automobile parts.
   - The Group aims to become a corporate group that possesses an exciting organizational culture.

2) Three key policies
   (i) Concentrating management resources in the core businesses
   The Group will concentrate its management resources on its core businesses (construction-related products business and automotive products business). The Group will conduct M&A in its core businesses.
   (ii) Developing new products
   The Group will work to develop products in growth fields in the construction materials business, auto parts business (battery terminals etc.), and marine business.
   (iii) Promoting global operations
   The Group will further promote overseas operations in the construction materials business, auto parts business, and marine business.

3) Strengthening the business base
   The Group will strengthen its business base by pursuing the vision, reconfirming the values of the creed on which the three key policies are based, recruiting and cultivating diverse human resources, strengthening governance, and improving working conditions.

2. Measures to strengthen corporate governance

The Company recognizes that to improve corporate value and fulfill its social responsibility in the future, the establishment of a corporate governance structure is important, and with a basis in improving discipline in its business activities through companywide education in the significance of compliance with the corporate mission, the corporate creed, laws and regulations, etc., the Company is working toward creating a corporate governance structure.

The Company's corporate governance structure consists of a Board of Directors composed of eleven (11) Directors (including two (2) Outside Directors) that makes decisions on significant matters at a meeting of the Board of Directors held at least once per month, and the Directors mutually supervise business execution. Additionally, to strengthen the decision-making functions of Directors, a Management Meeting attended by Executive Directors is held to conduct adequate advance deliberation on significant management issues. Regarding the business execution structure, persons with especially significant official authority are designated as Operating Officers to clarify business execution responsibilities.

In other areas, a Division Manager Meeting composed of the President and managers of each division is held once a week in principle to promote efficiency in business execution spanning multiple divisions while constantly adding requisite deliberation from the viewpoint of compatibility with social norms.

At the Ordinary General Meeting of Shareholders held on March 30, 2017, a resolution was made to amend the Articles of Incorporation, whereby the Company would shift to a company with audit and supervisory committee, and therefore, on the same day, the Company shifted from a company with audit & supervisory board to a company with audit and supervisory committee. With this shift, the Company aims to create a structure that not only achieves more transparent corporate management by having the Audit and Supervisory

Committee audit and supervise the legality and validity of business execution, but also more accurately fulfills the expectations of stakeholders in Japan and overseas. In addition, by adopting a system that allows the Board of Directors to delegate its decision-making authority concerning business execution to Directors, the Company aims to further enhance the speed of management decision-making and execution under the appropriate supervision of the Board of Directors.

Furthermore, the Company has established an Internal Audit Office as a division under direct control of the President, working to enrich auditing functions via initiatives such as implementing effectiveness evaluations regarding the maintenance and operating conditions of internal controls. In addition, as a full-time body, a Compliance Committee with an Executive Director as chairperson has been established to implement educational activities for all employees regarding compliance with laws and regulations, etc.

III. Measures to Prevent Decisions on Financial and Business Policies of the Company from Being Controlled by Inappropriate Parties in the Context of Its Basic Policy on the Control of the Company

1. Purpose of the continuation of the Plan

The Board of the Directors of the Company has decided to continue the Plan with the intent of securing and enhancing the corporate value of the Company and the common interest of shareholders in the event of a large-scale purchase of shares, etc. of the Company by ensuring certain enablements, such as securing necessary information and time and providing opportunity for negotiations with the Purchaser (as defined later in III. 2.) on behalf of shareholders, in order for our shareholders to determine whether or not to accept such a large-scale purchase or for the Board of Directors of the Company to make an alternative proposal.

Additionally, the status of major shareholders of the Company as of December 31, 2017 is as shown on Appendix 1 “Shareholding Status of Major Shareholders of the Company.” Furthermore, the Company has not received proposals regarding a large-scale purchase of shares, etc. of the Company at this time.

2. Content of the Plan

As outlined below, the Plan establishes rules to be adhered to by a party intending to carry out a large-scale purchase of shares, etc. of the Company, clarifies that in certain cases, the party intending to carry out a large-scale purchase may sustain a loss as the Company takes countermeasures, and thereby warns the party intending to carry out a large-scale purchase of shares, etc. of the Company that will not contribute to the Company’s corporate value and eventually the common interest of shareholders by appropriately disclosing such rules and clarifications.

In exercising countermeasures under the Plan and taking other similar actions, the Company will, in accordance with the Independent Committee Regulations, respect the recommendations of an independent committee consisting of the Company’s Outside Directors or outside experts (corporate managers with proven track record, ex-government officials, attorneys at law, certified public accountants, persons with academic experience or persons equivalent thereto) who are independent from the management team in charge of business execution of the Company (hereinafter the “Independent Committee”) to the maximum extent in order to preclude any arbitrary decision by its Board of Directors and ensure transparency through timely information disclosure to shareholders and investors. Committee members of the Independent Committee upon continuation of the Plan (hereinafter “Independent Committee Members”) are planned to be the three (3) persons as shown on Appendix 2.

(1) Procedures for the Plan

1) Large-scale purchases and the like subject to the Plan

The Plan applies to purchases of shares, etc. of the Company that fall under either (i) or (ii) below or acts similar thereto (excluding those that are approved by the Board of Directors of the Company; hereinafter such acts are referred to as “Large-Scale Purchases”). A party who carries out or intends to carry out a Large-Scale Purchase (hereinafter “Purchaser”) shall be required to preliminarily follow the procedures prescribed in the Plan.

(i) A purchase of shares, etc.[1] issued by the Company as a result of which the ownership ratio of shares, etc.[2] of the holder[3] would become 20% or more
(ii) A tender offer[4] of shares, etc.[5] issued by the Company as a result of which the aggregate sum of the ownership ratio of shares, etc.[6] pertaining to the tender offer and the ownership ratio of shares, etc. of their specially related parties[7] would become 20% or more

2) Prior submission of a "Letter of Intent" to the Company
A Purchaser is required to submit to the Board of Directors of the Company a document in Japanese containing, among others, a written pledge to the effect that the Purchaser will comply with the procedures prescribed in the Plan in relation to the proposed Large-Scale Purchase (hereinafter "Letter of Intent") using a form prescribed by the Company before the execution of the Large-Scale Purchase.

More specifically, the Purchaser is required to state the following matters in the Letter of Intent.

(i) Summary description of the Purchaser
  (a) Name and address or location
  (b) Title and name of the representative
  (c) Purpose of the company, etc. and content of business
  (d) Summary description of major shareholders or equity holders (10 largest holders in terms of ownership ratio of shares or equity holding ratio)
  (e) Contact address in Japan
  (f) Law governing the incorporation
(ii) The number of shares, etc. of the Company currently held by the Purchaser and the trading status of the Purchaser regarding the shares, etc. of the Company during the period of 60 days immediately preceding the date of submission of the Letter of Intent
(iii) The outline of the Large-Scale Purchase proposed by the Purchaser (including the classes and the number of shares, etc. of the Company planned to be purchased by the Purchaser through the Large-Scale Purchase and the purpose of the Large-Scale Purchase (if the Purchaser's purposes include: the acquisition of control or the participation in management; pure investment or strategic investment; any transfer or similar transaction of shares, etc. of the Company to a third party after the completion of the Large-Scale Purchase; making a material proposal[8]; or other purposes, the Purchaser must describe that fact and specific description of them; if there are more than one purposes, the Purchaser is required to state all of them))

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1 This term means "Share Certificates, etc." as defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Act. The same shall apply hereinafter unless otherwise prescribed. In the case of any amendment to any of the laws and regulations, etc. referred to in the Plan (including changes in the names of laws and regulations and the establishment of new laws and regulations, etc. that succeed old laws and regulations, etc.), any reference to the provisions of such laws and regulations, etc. in the Plan shall be deemed to be replaced with a reference to the provisions of amended laws and regulations, etc. that substantively succeed the old provisions unless otherwise prescribed by the Board of Directors of the Company.

2 This term means "Ownership Ratio of Share Certificates, etc." as defined in Paragraph 4, Article 27-23 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

3 This term means "holders" as defined in Paragraph 1, Article 27-23 of the Financial Instruments and Exchange Act and includes parties who are included in the category of "holders" pursuant to the provisions of Paragraph 3 of that Article.

4 This term is as defined in Paragraph 6, Article 27-2 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

5 This term means "Share Certificates, etc." as defined in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Act. The same shall apply in (ii).

6 This term means "Ownership Ratio of Share Certificates, etc." as defined in Paragraph 8, Article 27-2 of the Financial Instruments and Exchange Act. The same shall apply hereinafter.

7 This term means "Specially Related Parties" as defined in Paragraph 7, Article 27-2 of the Financial Instruments and Exchange Act; provided, however, that the parties set forth in Item 1 of the same paragraph shall exclude those who are prescribed in Paragraph 2, Article 3 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates, etc. by Person Other than Issuer. The same shall apply hereinafter.

8 This term means "Material Proposal" as defined in Paragraph 1, Article 27-26 of the Financial Instruments and Exchange Act, Paragraph 1, Article 14-8-2 of the Order for Enforcement of the Financial Instruments and Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates. The same shall apply hereinafter unless otherwise prescribed.

3) Provision of the "Necessary Information"

In cases where the Purchaser has submitted the Letter of Intent referred to in 2) above, the Purchaser is required to submit to the Company information that is necessary and sufficient for shareholders to make a decision and for the Board of Directors of the Company to evaluate and examine the Large-Scale Purchase (hereinafter the "Necessary Information") in Japanese in accordance with the following procedure.

First, the Company will send to the Purchaser at the contact address in Japan specified in 2) (i) (e) above an information list specifying information to be initially submitted (hereinafter the "Initial Information List") within 10 business days[9] (the first day not included) from the date of submission of the Letter of Intent. The Purchaser is required to provide sufficient information to the Company in accordance with the Initial Information List.

If the information provided by the Purchaser in accordance with the Initial Information List mentioned above is reasonably determined by the Board of Directors of the Company to be insufficient for shareholders to make a decision and for the evaluation, examination, etc., by the Board of Directors of the Company in view of the details and the form of the Large-Scale Purchase, the Purchaser will be required to provide additional information that is separately requested by the Board of Directors of the Company.

Furthermore, in order to ensure the appropriate and prompt implementation of the Plan, the Board of Directors of the Company may, as necessary, establish a deadline for a reply from the Purchaser. In addition, a period of 60 days, which begins from the day following the day on which the Initial Information List was dispatched, is established as an upper limit of the period allocated for the Board of Directors of the Company to request the provision of information from the Purchaser and for the Purchaser to reply to such requests (hereinafter the "Information Provision Period"), and even in cases when the Necessary Information has not been sufficiently provided, when the upper limit of the Information Provision Period is reached, communication with the Purchaser regarding the provision of information shall be ended, and the Board of Directors of the Company shall engage in evaluation and examination (item "4)" below) based on the information provided up to that point.

Regardless of the details and the form of the Large-Scale Purchase, the information listed in the following items shall, in principle, be included as part of the Initial Information List.

(i) Details (including history, specific name, capital structure, business description, description of financial conditions, and names and business career of officers) of the Purchaser and its group (including joint holders[10], specially related parties, and in the case of a fund, partners and other members)

(ii) The purpose of the Large-Scale Purchase (details of the purpose disclosed in the Letter of Intent), the method and other details of the Large-Scale Purchase (including whether the Purchaser intends to participate in management of the Company, types and amounts of consideration for the Large-Scale Purchase, the timing of the Large-Scale Purchase, the structure of any related transactions, the number of shares, etc. planned to be purchased, the ownership ratio of shares, etc. after the execution of the Large-Scale Purchase, and the legal compliance of the method of the Large-Scale Purchase)

(iii) The basis of calculation of the consideration for the Large-Scale Purchase (including the facts and assumptions of the calculation; the method of calculation; numerical information used in the calculation; the details of the synergy expected to arise from a series of transactions related to the Large-Scale Purchase; the name of a third party, if any, from whom an opinion is obtained in performing the calculation; the outline of such an opinion; and the process through which the amount is determined based on such an opinion)

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9 A business day means a day other than the days set forth in the items of Paragraph 1, Article 1 of the Act on Holidays of Administrative Organs. The same shall apply hereinafter.

10 This term means "Joint Holder" as defined in Paragraph 5, Article 27-23 of the Financial Instruments and Exchange Act and includes persons who are determined by the Board of Directors of the Company to be deemed as "Joint Holder" pursuant to the provisions of Paragraph 6 of that Article. The same shall apply hereinafter.

(iv) Supporting documents explaining the source of funds for the Large-Scale Purchase (including the specific name of the provider of the funds (including substantial providers of funds), funding methods, and the details of any related transactions)
(v) Presence or absence of communication with a third party in conducting the Large-Scale Purchase and the details of the communication and the outline of the third party if such communication exists
(vi) If, with regard to shares, etc. of the Company already held by the Purchaser there are any lending agreement, hypothecation agreement, sell-back agreement, sales reservation agreement or other important contracts or arrangements (hereinafter "Hypothecation Agreements"), the type of the Hypothecation Agreements, the other party to the agreement, and the specific terms and conditions of the Hypothecation Agreements such as the quantity of the shares, etc. that are the subject of the agreement
(vii) If the Purchaser plans to enter into a Hypothecation Agreement or any other agreements with a third party with regard to the shares, etc. of the Company planned to be purchased by the Purchaser through the Large-Scale Purchase, the type of the agreement planned to be concluded, the other party to the agreement, and the specific terms and conditions of the agreement such as the quantity of the shares, etc. that are the subject of the agreement
(viii) The management policy, business plan, capital policy, and dividend policy of the Company and the Group after the Large-Scale Purchase
(ix) The policy on the treatment, etc. of the Company's employees, labor union, business partners, customers, local communities, and other stakeholders of the Company after the Large-Scale Purchase
(x) Specific measures to avoid any conflict of interest with other shareholders of the Company

The Company promptly discloses the fact that a Purchaser has proposed a Large-Scale Purchase to the Board of Directors of the Company. The Company also appropriately discloses the outlines of the proposal and the Necessary Information and any other information that is determined to be necessary for shareholders and investors to make a decision.

When the Board of Directors of the Company determines that the Necessary Information has been sufficiently provided by the Purchaser, the Company notifies the Purchaser to that effect (hereinafter "Information Provision Completion Notice") and also promptly discloses to that effect.

The Information Provision Period shall end on the day the Board of Directors of the Company performs the Information Provision Completion Notice or the day the upper limit of the Information Provision Period is reached, whichever is sooner.

4) Establishment of the Board of Directors' Evaluation Period
The Board of Directors of the Company sets either of the periods listed in (i) or (ii) below starting on the day immediately following the date of the completion of the Information Provision Period, depending on such factors as the difficulty of evaluation of the Large-Scale Purchase, as a period for evaluation, examination, negotiation, opinion formation, and development of an alternative proposal by the Board of Directors of the Company (hereinafter the "Board of Directors' Evaluation Period") and promptly discloses said period:

(i) in the case of a Large-Scale Purchase through a tender offer of all shares, etc. of the Company, the consideration for which consists only of cash (denominated in Japanese yen): a period of up to 60 days; or
(ii) in the case of other Large-Scale Purchases: a period of up to 90 days.

However, in the case of either (i) or (ii) above, the Board of Directors' Evaluation Period shall be extendable if the Board of Directors and the Independent Committee rationally recognize such necessity, and in this event, the Purchaser shall be notified of the specific period for extension and the rationale for requiring such extension period, while disclosure is made to shareholders and investors. Additionally, the extension shall be a period of up to 30 days.

During the Board of Directors' Evaluation Period, the Board of Directors of the Company shall sufficiently evaluate and examine the Necessary Information provided by the Purchaser while

obtaining the advice of external experts from time to time as necessary and shall thereby examine the details of the Large-Scale Purchase proposed by the Purchaser from the perspective of securing and enhancing the corporate value of the Company and the common interest of shareholders. The Board of Directors of the Company will carefully form its opinion on the proposed Large-Scale Purchase through these examination, etc., and notify the Purchaser of it. It will also disclose its opinion to shareholders and investors in a timely and appropriate manner. The Board of Directors of the Company will also negotiate the terms and conditions and the method of the Large-Scale Purchase with the Purchaser as necessary and may present an alternative proposal to our shareholders and investors.

5) Recommendations of the Independent Committee concerning the exercise of countermeasures
During the Board of Directors' Evaluation Period, the Independent Committee shall, in parallel with the evaluation, examination, negotiation, opinion formation, and development of an alternative proposal by the Board of Directors of the Company outlined in 4) above, make recommendations to the Board of Directors of the Company on whether any countermeasures should be exercised, in accordance with the procedure outlined below. The Independent Committee may, at the cost of the Company, obtain advice of third parties that are independent from the management team in charge of business execution of the Company (including investment banks, securities companies, financial advisors, certified public accountants, attorneys at law, consultants, and other experts) in order to ensure that the judgment of the Independent Committee is made in a manner to contribute to the securing and enhancement of the corporate value of the Company and the common interest of shareholders. When the Independent Committee has made the recommendations prescribed in (i) or (ii) below to the Board of Directors of the Company, the Board of Directors of the Company promptly discloses the fact that such recommendations have been made and the outline of the recommendations together with information about any other matters deemed appropriate by the Board of Directors of the Company.

(i) In cases where the Purchaser has not complied with the procedures prescribed in the Plan
In cases where the Purchaser has not complied with the procedures prescribed in the Plan, the Independent Committee may recommend the exercise of countermeasures to the Board of Directors of the Company.

(ii) In cases where the Purchaser has complied with the procedures prescribed in the Plan
In cases where the Purchaser has complied with the procedures prescribed in the Plan, the Independent Committee will, in principle, recommend the non-exercise of countermeasures against the Large-Scale Purchase.

However, even in cases where the Purchaser has complied with the procedures prescribed in the Plan, the Independent Committee may still recommend the exercise of countermeasures to the Board of Directors of the Company as an exceptional case, if any of the acts listed in Appendix 3 is intended, and the Independent Committee has concluded that the proposed Large-Scale Purchase is one that would significantly undermine the corporate value of the Company and the common interest of shareholders and the exercise of countermeasures is appropriate.

6) Resolution of the Board of Directors and confirmation of shareholders' intention
The Board of Directors of the Company shall respect the recommendations of the Independent Committee prescribed in 5) above to the maximum extent and promptly pass a resolution approving the exercise or non-exercise of countermeasures in consideration of these recommendations and from the perspective of securing and enhancing the corporate value of the Company and the common interest of shareholders.

Furthermore, when the Independent Committee recommends the exercise of countermeasures, if it attaches the qualification that the intention of shareholders should be confirmed in advance regarding the exercise, then the Board of Directors of the Company shall convene a General Meeting of Shareholders to confirm the intention of shareholders (hereinafter the "General Meeting to Confirm Shareholders' Intention") as soon as practically possible and submit a proposal regarding the exercise of countermeasures, excluding cases when holding a General Meeting of Shareholders would be extremely difficult for practical reasons. The General Meeting to Confirm Shareholders' Intention may be held together with an Ordinary General Meeting of Shareholders or an Extraordinary General

Meeting of Shareholders. If the Board of Directors of the Company decides to hold a General Meeting to Confirm Shareholders' Intention, then the Board of Directors' Evaluation Period shall end at that point. If a proposal regarding the exercise of countermeasures is approved at the General Meeting to Confirm Shareholders' Intention, then the Board of Directors of the Company shall make a resolution regarding the exercise of countermeasures in accordance with the decision made at the General Meeting to Confirm Shareholders' Intention, and shall perform the necessary procedures. On the other hand, if a proposal regarding the exercise of countermeasures is rejected at the General Meeting to Confirm Shareholders' Intention, then the Board of Directors of the Company shall make a resolution regarding the non-exercise of countermeasures.

The results of voting at the General Meeting to Confirm Shareholders' Intention and voting in writing before the meeting shall be determined in accordance with the criteria for ordinary resolutions at a General Meeting of Shareholders of the Company.

In the case where the above resolution is made, regardless of its content being the exercise or non-exercise of countermeasures, the Board of Directors of the Company shall promptly disclose the outline of said resolution together with information about any other matters deemed appropriate by the Board of Directors of the Company.

7) Commencement of a Large-Scale Purchase
The Purchaser shall comply with the procedures prescribed in 1) to 6) above, and may not commence the Large-Scale Purchase until said procedures are complete.

(2) Countermeasures under the Plan

1) Specific contents of countermeasures
The countermeasures to be exercised by the Board of Directors of the Company based on its resolution as described in (1), 6) above shall be the allotment of share acquisition rights (hereinafter the "Share Acquisition Rights") without contribution. The outline of the allotment of the Share Acquisition Rights without contribution shall be as prescribed in Appendix 4, "Outline of the Allotment of Share Acquisition Rights Without Contribution."

2) Discontinuation of countermeasures or revocation of the decision to exercise countermeasures
Even after the Board of Directors of the Company has passed a resolution approving the exercise of countermeasures or has started to exercise countermeasures, the Board of Directors of the Company may, taking into full account the recommendations of the Independent Committee, determine to discontinue countermeasures or revoke the decision to exercise countermeasures, if (i) the Purchaser has withdrawn the proposal for a Large-Scale Purchase or (ii) there have been changes in the facts, etc. that informed the judgment on whether countermeasures should be exercised, and it is no longer deemed appropriate to maintain the exercised countermeasures from the perspective of securing and enhancing the corporate value of the Company and the common interest of shareholders. For example, in the case where the Board of Directors of the Company had passed a resolution approving the allotment of the Share Acquisition Rights without contribution as countermeasures, if the Purchaser has withdrawn the proposal for the Large-Scale Purchase, the Board of Directors of the Company may discontinue the exercise of countermeasures by such way as aborting the allotment of the Share Acquisition Rights without contribution during the period until the day immediately preceding the ex-rights date pertaining to the record date set for the allotment of the Share Acquisition Rights without contribution and as the Company's acquiring the Share Acquisition Rights without contribution during the period from the effective date of the allotment of the Share Acquisition Rights without contribution to the day immediately preceding the start date of the exercise period of the Share Acquisition Rights.

(3) Effective period, abolition, and change of the Plan

The effective period of the Plan shall be three (3) years until the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held in March 2021 subject to the approval of this Ordinary General Meeting of Shareholders.

However, if a resolution approving the change or abolition of the Plan is passed at a General Meeting of Shareholders of the Company anytime before the expiration of the effective period, the Plan shall be changed or abolished at that time pursuant to the resolution. Similarly, if a resolution approving the abolition of the Plan is passed by the Board of Directors consisting of Directors elected at a General Meeting of Shareholders of the Company, the Plan shall be abolished at that time.

Additionally, due to changes in the Companies Act, Financial Instruments and Exchange Act, other laws and regulations, changes to rules of the financial instruments exchange, changes to interpretations and operations thereof, or changes to taxation systems or judicial precedents, etc., the Board of Directors of the Company may amend or change the Plan as necessary within a reasonable scope upon receiving approval from the Independent Committee.

In cases where the Plan is abolished or changed, the Company shall disclose such a fact and, in the case of a change, the detail of the change together with information about any other matters deemed appropriate by the Board of Directors of the Company.

3. Rationality of the Plan

(1) Fulfillment of the requirements of the guidelines on takeover defense measures

The Plan satisfies all three principles (principle of protecting and enhancing corporate value and common interest of shareholders, principle of prior disclosure and shareholders' intention, and principle of ensuring necessity and appropriateness) prescribed in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" jointly published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, and is also pursuant to the "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008.

(2) Continuation with intent to secure and enhance corporate value of the Company and common interest of shareholders

As stated in 1. above, the Plan is to be continued with the intent of securing and enhancing the corporate value of the Company and the common interest of shareholders in the event of a large-scale purchase of shares, etc., of the Company by ensuring there are options available, such as negotiations with the Purchasers on behalf of our shareholders through securing necessary information and time for our shareholders to determine whether or not to accept such a large-scale purchase or for the Board of Directors of the Company to make an alternative proposal.

(3) Respect of shareholders' intention

The Plan is to be continued after obtaining the approval of our shareholders at this Ordinary General Meeting of Shareholders. As stated in 2. (3) above, if a resolution approving the change or abolition of the Plan is passed at a General Meeting of Shareholders of the Company anytime after it is approved at this Ordinary General Meeting of Shareholders, the Plan will be changed or abolished pursuant to that resolution. Therefore, the intention of shareholders will adequately be reflected on the continuation, change or abolition of the Plan through the procedure mentioned above.

(4) Respect of judgment of highly independent outside parties and disclosure of information

In order to eliminate any arbitrary decision by the Board of Directors of the Company, the Company has established the Independent Committee under the Plan as an advisory body to the Board of Directors that is in charge of making objective decisions and recommendations concerning the administration of the Plan including the exercise of countermeasures.

The Independent Committee consists of at least three (3) committee members who are to be appointed from among Outside Directors or outside experts (corporate managers with proven track record, ex-government officials, attorneys at law, certified public accountants, persons with academic experience, or persons equivalent thereto) who are independent from the management team in charge of business execution of the Company.

The Company will disclose information about the outline of the judgment made by the Independent Committee to shareholders and investors as necessary and has put in place a mechanism to ensure the transparent administration of the Plan in a manner to contribute to the corporate value of the Company and the common interest of shareholders.

(5) Establishing reasonable and objective requirements for activation

As stated in 2. (1) 5) and 6) above, the Company has structured the Plan in a manner that it will not be activated unless reasonable and objective requirements for activation are satisfied and has put in place a mechanism to prevent the Board of Directors of the Company from arbitrarily activating it.

(6) No dead-hand or slow-hand takeover defense measure

As stated in 2. (3) above, the Plan may be abolished anytime by the Board of Directors consisting of Directors who are elected at a General Meeting of Shareholders of the Company. Therefore, the Plan is not a dead-hand type takeover defense measure (i.e. a takeover defense measure whose activation cannot be prevented even after replacing a majority of the members of the Board of Directors).

In addition, the term of office of the Directors of the Company (excluding Directors who are Audit and Supervisory Committee Members) is one (1) year, and the Company has not adopted a system to appoint Directors at different times. Therefore, the Plan is not a slow-hand type takeover defense measure (i.e. a takeover defense measure that takes time to prevent its activation as members of the Board of Directors cannot be replaced simultaneously), either.

4. Impact on shareholders and investors

(1) Impact of the continuation of the Plan on shareholders and investors upon its taking effect

When the continuation of the Plan takes effect, none of the Share Acquisition Rights will be issued. Therefore, upon its taking effect, the Plan will not directly have any specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders.

As noted in 2. (1) above, depending on whether the Purchaser complies with the Plan, the response policy of the Company to the proposed Large-Scale Purchase will be different. Therefore, shareholders and investors are advised to pay attention to any action that the Purchaser may or may not take.

(2) Impact on shareholders and investors at the time of allotment of the Share Acquisition Rights without contribution

In the case where the Board of Directors of the Company decides to exercise countermeasures and carry out allotment of the Share Acquisition Rights without contribution, the Share Acquisition Rights will be allotted without contribution to shareholders recorded in the shareholder register as of the allotment date to be specified separately at the rate of up to one (1) Share Acquisition Right per share held. Due to the nature of such a structure, while the allotment of the Share Acquisition Rights without contribution causes dilution of the value per share of the Company held by each shareholder, it causes no dilution of the total value of the shares of the Company held by each shareholder. As such, the allotment of the Share Acquisition Rights without contribution is not expected to directly have a specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders.

However, as a result of the exercise of these countermeasures, the Purchaser may eventually be subject to certain impact on its legal rights and economic benefits.

In cases where the Board of Directors of the Company has passed a resolution approving the allotment of the Share Acquisition Rights without contribution, but subsequently decides to discontinue countermeasures or revoke the decision to exercise countermeasures in accordance with the procedure and other details prescribed in 2. (2) 2) above, stock price of shares of the Company may fluctuate accordingly. For example, in cases where the Company aborts the exercise of countermeasures, after the shareholders to receive the allotment of the Share Acquisition Rights without contribution are determined, by acquiring

the Share Acquisition Rights without contribution and not delivering new shares, no dilution of the value per share of the Company held by each shareholder occurs. Accordingly, shareholders and investors who have traded shares of the Company based on the expectation that dilution of the value per share of the Company would occur may be exposed to a loss due to stock price fluctuation.

In cases where discriminatory conditions are attached in relation to the exercise or acquisition of the Share Acquisition Rights, while the legal rights and economic benefits of the Purchaser are expected to be affected with regard to said exercise or acquisition, such conditions are not expected to directly have a specific impact on the legal rights and economic benefits pertaining to shares of the Company held by shareholders other than the Purchaser.

(3) Procedures required by shareholders in conjunction with the allotment of the Share Acquisition Rights without contribution

As those shareholders whose names are registered in the last shareholder register as of the date of the allotment of the Share Acquisition Rights would naturally become holders of share acquisition rights as of the effective date of said allotment of the Share Acquisition Rights without contribution, no application procedure needs to be followed by these shareholders.

Moreover, in cases where shareholders take procedures for the acquisition of the Share Acquisition Rights to which the Company has attached acquisition conditions, procedures regarding payment, etc., for said Share Acquisition Rights shall not be required as the shareholders other than the Purchaser shall receive shares of the Company as consideration for Share Acquisition Rights by the Company without paying in cash corresponding to the exercise price of the Share Acquisition Rights.

In addition to the above, after the Board of Directors passes a resolution approving the allotment of the Share Acquisition Rights without contribution, the allotment method, the exercise method, the method of acquisition by the Company and other details of the required procedures will be disclosed or notified by the Company to shareholders in a timely and appropriate manner, in accordance with the applicable laws and regulations and rules of the financial instruments exchange. Shareholders are requested to confirm the details of such disclosure or notification.

Appendix 1

Shareholding Status of Major Shareholders of the Company
(as of December 31, 2017)

1. Total number of authorized shares: 200,000,000

2. Total number of issued shares: 53,790,632

3. Number of shareholders: 23,987

4. Major shareholders (Top 10 shareholders):

Shareholder name	Number of shares held (Thousands of shares)	Shareholding percentage
Kobayashi Metals Limited	5,293	10.60%
Mizuho Bank, Ltd. (Standing proxy: Trust & Custody Services Bank, Ltd.)	2,490	4.98%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,165	4.33%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,707	3.41%
Japan Trustee Services Bank, Ltd. (Trust Account)	1,580	3.16%
Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)	1,388	2.78%
Kazuko Okabe	1,004	2.01%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	909	1.82%
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	876	1.75%
The Dai-ichi Life Insurance Company, Limited (Standing proxy: Trust & Custody Services Bank, Ltd.)	870	1.74%

(Notes) 1. The Company holds 3,864,882 shares of treasury shares, but is excluded from the list of major shareholders above.
2. Shareholding percentage is calculated after deducting treasury shares.

Appendix 2

Career Summary of the Candidates for Independent Committee Members

Atsuo Tanaka (November 16, 1937)

Mar. 1960:	Graduated from the Department of Architecture, Faculty of Engineering, University of Tokyo
Apr. 1960:	Joined TAISEI CORPORATION
Mar. 1964:	Completed master's course, Department of Architecture, Graduate School of Mathematics and Physics, University of Tokyo
Mar. 1967:	Completed doctor's course, Department of Architecture, Graduate School of Engineering, University of Tokyo Doctor of Engineering
Feb. 1987:	Professor, Utsunomiya University
Apr. 2003:	Emeritus Professor, Utsunomiya University (to the present)
Mar. 2008:	Independent Committee Member of the Company (to the present)

Mamoru Hiramatsu (January 1, 1944)

Mar. 1968:	Graduated from the Department of Industry, College of Sociology, Rikkyo University
Apr. 1968:	Service at Nonoguchi Laboratory, Rikkyo University
Oct. 1976:	Service at Otemon Audit Corporation
Aug. 1982:	Registered as a certified public accountant
Aug. 1982:	Established Hiramatsu Certified Public Accountant Office (to the present)
Mar. 2005:	Outside Audit & Supervisory Board Member of the Company
Mar. 2008:	Independent Committee Member of the Company (to the present)

Hiroshi Kamibayashi (November 23, 1945)

Mar. 1970:	Graduated from the Faculty of Law, University of Tokyo
Apr. 1972:	Appointed as a public prosecutor
Dec. 1983:	Private Secretary to the Minister of Justice
Feb. 1985:	Public prosecutor of Criminal Affairs Bureau, Ministry of Justice
Sep. 1986:	Registered as an attorney at law
Jan. 1988:	Established Kamibayashi & Noguchi Law Office (now, Kamibayashi Law Office) (to the present)
Mar. 2014:	Independent Committee Member of the Company (to the present)
Jun. 2014:	External Director, Nitto Boseki Co., Ltd. (to the present)

No relationships involving special interests exist between three (3) members listed above and the Company.

Types of Large-Scale Purchase Proposals That Are Considered to Significantly Undermine the Corporate Value of the Company and the Common Interest of Shareholders

1. In cases where the Purchaser is found to be a party who does not have true intention to participate in corporate management and is acquiring or intends to acquire shares, etc. of the Company only for the purpose of selling the shares, etc. of the Company to the Company or a related party of the Company at a high price after driving the stock price higher (so-called greenmailer)

2. In cases where the Purchaser is found to be acquiring shares, etc. of the Company for the purpose of transferring such assets of the Company or its group companies as intellectual property rights, know-how, corporate secrets, major business partners, and customers that are necessary for the business operation of the Company or its group companies to the Purchaser or its group company, etc. by temporarily taking control over the corporate management of the Company

3. In cases where the Purchaser is found to be acquiring shares, etc. of the Company for the purpose of using the assets of the Company or its group companies as collateral for or the source of funds to repay debts of the Purchaser or its group company, etc. after taking control over the corporate management of the Company

4. In cases where the Purchaser is found to be acquiring shares, etc. of the Company for the purpose of disposing by sale, etc. of real estate, securities and other high-value assets that are not currently related to the business of the Company or its group companies and temporarily paying higher dividends from the disposition proceeds or deliberately selling the shares, etc. of the Company at a high price as the stock price surges during the period of said temporarily higher dividends by temporarily taking control over the corporate management of the Company

5. In cases where it is judged that the method of acquisition of shares, etc. of the Company proposed by the Purchaser would impose restrictions on the opportunity or freedom of the shareholders to make a decision by way of a so-called two-tier tender offer (the method of carrying out the purchase of shares, etc. such as in a tender offer in two steps where the Purchaser does not solicit the sale of all shares, etc. of the Company in the first stage while specifying unfavorable terms and conditions for purchase in the second stage or not clarifying the terms and conditions for purchase in the second stage) and shareholders could be effectively forced to sell the shares, etc. of the Company

Appendix 4

Outline of the Allotment of Share Acquisition Rights Without Contribution

1. Total number of the Share Acquisition Rights to be allotted

   The total number of the Share Acquisition Rights to be allotted shall be the number separately specified by the Board of Directors of the Company in the resolution approving the allotment of the Share Acquisition Rights without contribution (hereinafter "Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution") and this number shall not exceed the number equivalent to the final total number of issued shares of the Company as of a certain day separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution (hereinafter "Allotment Date") (excluding the number of shares of the Company held by the Company as of said date).

2. Shareholders entitled to the allotment

   The Share Acquisition Rights shall be allotted without contribution to shareholders whose names are recorded in the last shareholder register as of the Allotment Date at the rate of up to one (1) Share Acquisition Right per common share of the Company held by said shareholders (excluding shares of the Company held by the Company as of said date) that is separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

3. Effective date of the allotment of the Share Acquisition Rights without contribution

   The effective date shall be the day separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

4. Class and number of shares that are the subject of the Share Acquisition Rights

   The class of the shares that are the subject of the Share Acquisition Rights shall be common shares of the Company and the number of shares that are the subject of a Share Acquisition Right (hereinafter "Number of Subject Shares") shall be the number separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution provided that the Number of Subject Shares shall not exceed one (1); provided, however, that in cases where the Company carries out a share split or share consolidation, the Number of Subject Shares shall be subject to required adjustment.

5. Type and amount of assets to be contributed upon exercise of the Share Acquisition Rights

   The type of assets to be contributed upon exercise of the Share Acquisition Rights shall be cash and the amount of assets to be contributed upon exercise of the Share Acquisition Rights per common share of the Company shall be the amount separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution provided that this amount shall not be less than one (1) yen.

6. Restrictions on the transfer of the Share Acquisition Rights

   Any transfer of the Share Acquisition Rights shall be subject to the approval of the Board of Directors of the Company.

7. Exercise conditions of the Share Acquisition Rights

   A party falling under any of the following categories (hereinafter collectively referred to as "non-qualified parties") is not entitled to exercise the Share Acquisition Rights: (1) specified large volume holder[11], (2) joint holder of a specified large volume holder, (3) specified large volume purchaser[12], (4) specially related party of a specified large volume purchaser, (5) party who has received or succeeded the Share Acquisition Rights from any of the parties listed in (1) through (4) without obtaining the approval of the Board of Directors of the Company, or (6) related party[13] of any of the parties falling under (1) through (5). The details of the exercise conditions of the Share Acquisition Rights shall be separately specified in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

8. Acquisition of the Share Acquisition Rights by the Company

   The Company may acquire the Share Acquisition Rights held by parties other than non-qualified parties and deliver common shares of the Company at the rate of the Number of Subject Shares per Share Acquisition Right in exchange for them on the day separately specified by the Board of Directors of the Company. Furthermore, the Board of Directors of the Company shall not be able to attach, as part of the details of the Share Acquisition Rights, an acquisition condition to the effect that it will deliver cash as consideration for the Share Acquisition Rights held by a non-qualified party. The details of the acquisition conditions of the Share Acquisition Rights shall be separately specified in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

9. Acquisition without contribution in the case of abortion, etc. of the exercise of countermeasures

   In cases where the Board of Directors of the Company has aborted the exercise of countermeasures or other cases separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution, the Company may acquire all of the Share Acquisition Rights without contribution.

10. Exercise period, etc. of the Share Acquisition Rights

    The exercise period of the Share Acquisition Rights and other necessary matters shall be separately specified by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

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11 Specified large volume holder refers to a holder of shares, etc. issued by the Company whose ownership ratio of shares, etc. pertaining to said shares, etc. is 20% or more or a party who falls under the category of specified large volume holder as determined by the Board of Directors of the Company; provided, however, that such a party shall not fall under the category of specified large volume holder if the Board of Directors of the Company has determined that said party's acquiring or holding shares, etc. of the Company is not against the corporate value of the Company and the common interest of shareholders or if said party is a party separately specified as such by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

12 Specified large volume purchaser refers to a party who has given a public notice to the effect that it will carry out a purchase, etc. (meaning "purchase, etc." as defined in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) of shares, etc. (meaning "Share Certificates, etc." prescribed in Paragraph 1, Article 27-2 of the Financial Instruments and Exchange Act; the same shall apply hereinafter in this note) issued by the Company through a tender offer and whose ownership ratio of shares, etc. pertaining to its ownership after the said purchase, etc. (including those prescribed by Paragraph 1, Article 7 of the Order for Enforcement of the Financial Instruments and Exchange Act as to be equivalent thereto) as combined with the ownership ratio of shares, etc. of its specially related parties is 20% or more or a party who falls under the category of specified large volume purchaser as determined by the Board of Directors of the Company; provided, however, that such a party shall not fall under the category of specified large volume purchaser if the Board of Directors of the Company has determined that said party's acquiring or holding shares, etc. of the Company is not against the corporate value of the Company and the common interest of shareholders or if said party is a party separately specified as such by the Board of Directors of the Company in the Resolution Approving the Allotment of the Share Acquisition Rights Without Contribution.

13 "Related party" means a party who substantively controls or is controlled by or is under the common control with the other party (including those who are determined by the Board of Directors of the Company to fall under said definition) or a party who is determined by the Board of Directors of the Company to act in cooperation with the other party. "Control" means the "cases where a party controls decisions on the financial and business policies" of other companies, etc. (meaning the cases defined in Paragraph 3, Article 3 of the Ordinance for Enforcement of the Companies Act).

(Reference)

Flowchart of Procedures in the Plan

