Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Securities Code: 9913)
June 4, 2019

To Our Shareholders:

NIPPO LTD.
10-1, Nishiki 1-chome, Naka-ku, Nagoya-shi
Yasuchika Iwasa, Representative Director and President

Notice of the 68th Ordinary General Meeting of Shareholders

Dear Shareholders:

You are cordially invited to attend the 68th Ordinary General Meeting of Shareholders of NIPPO LTD. (the "Company"), which will be held as indicated below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. After reviewing the Reference Materials for the General Meeting of Shareholders presented hereinafter, please exercise your voting rights by indicating "for" or "against" for each agenda item on the enclosed Voting Rights Exercise Form, and mail it for receipt no later than 5:30 p.m. on June 20, 2019 (Japan time).

1. Date and time: Friday, June 21, 2019 at 10:00 a.m. (reception starting at 9:00 a.m.) (Japan time)
2. Place: Room 201 on the 2nd floor of Nagoya Bankers Association
4-2, Marunouchi 2-chome, Naka-ku, Nagoya-shi

3. Meeting agenda:

Matters to be reported:
1. The Business Report and Consolidated Financial Statements for the Company's 68th fiscal year (April 1, 2018 – March 31, 2019) and results of audits of the Consolidated Financial Statements by the accounting auditor and the audit and supervisory committee
2. Non-consolidated Financial Statements for the Company's 68th fiscal year (April 1, 2018 – March 31, 2019)

Matters for resolution:

Proposal No. 1: Reduction of capital reserve and appropriation of surplus
Proposal No. 2: Election of four directors (excluding directors serving as audit and supervisory committee members)
Proposal No. 3: Continuation of countermeasures to large-scale purchases of the Company's shares (takeover defense measures)

4. Other matters relating to this Notice:

Of the documents to be provided in connection with this Notice, "Notes on Consolidated Financial Statements" and "Notes on Non-consolidated Financial Statements," which are disclosed on the Company's website (http://www.nip.co.jp/ir/ **in Japanese only*) pursuant to laws and regulations and Article 11-2 of the articles of incorporation of the Company, are not included in this Notice or the documents accompanying this Notice. Please note that the Consolidated Financial Statements and the Non-consolidated Financial Statements included in the documents accompanying this Notice are part of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the accounting auditor and the audit and supervisory committee in preparing the accounting audit report and the audit report.

End

If you attend the meeting, please bring the enclosed Voting Rights Exercise Form with you and submit it at the reception desk.

Please be aware that any revision or amendment to the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, or Reference Materials for the General Meeting of Shareholders will be posted on the Company's website (http://www.nip.co.jp/ir/ **in Japanese only*).

Reference Materials for the General Meeting of Shareholders

Proposals and Matters of Reference

Proposal No.1: Reduction of capital reserve and appropriation of surplus

The Company has recorded a deficit of JPY 344,684,315 in retained earnings brought forward in its non-consolidated accounts for the fiscal year ended March 31, 2019. The Company is to effect the reduction of capital reserve and appropriation of surplus in order to prepare for early resumption of payment of dividends by covering this deficit, and to ensure flexibility and mobility in our future capital policy.

Regrettably, no year-end dividend will be paid for the fiscal year ended on March 31, 2019.

1. Outline of the reduction of capital reserve
   (1) Item of reserve to be reduced and amount of reduction
   Capital reserve JPY 344,684,315

   (2) Item of surplus to be increased and amount of increase
   Other capital surplus JPY 344,684,315

   (3) Effective date of the reduction of capital reserve
   June 24, 2019

2. Outline of appropriation of surplus
   (1) Item of surplus to be reduced and amount of reduction
   Other capital surplus JPY 344,684,315

   (2) Item of surplus to be increased and amount so increased
   Retained earnings brought forward to the following term JPY 344,684,315

   (3) Effective date of appropriation of surplus
   June 24, 2019

Proposal No.2: Election of four directors (excluding directors serving as audit and supervisory committee members)

The term of office of all of the three directors, other than directors serving as audit and supervisory committee members, will end upon the completion of the General Meeting. As Mr. Katsunori Suzuki resigned as a director as of May 31, 2019, the Company proposes to elect the four directors (of which one is an outside director) as set out below.

Please note that with respect to this proposal, the Company has received from the audit and supervisory committee an opinion that all of the candidates for directors are appropriate for the position.

The candidates for directors (excluding directors serving as audit and supervisory committee members) are as follows:

Candidate No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company (significant offices concurrently held)	Number of Company's shares owned
1	Yasuchika Iwasa (February 26, 1959)	Apr. 1981 Joined the Company. Apr. 1986 Mold Technical Manager of the Company Apr. 2002 Overseas Sales General Manager of the Company Sep. 2008 Chairman, NIPPO (HONG KONG) LTD. Apr. 2012 Executive Officer of the Company Apr. 2013 Head of Chinese Areas and Overseas Trading of the Company Jun. 2013 Director of the Company Apr. 2014 Chief of Electronics Business Headquarters of the Company Apr. 2016 President of the Company (present position) Jun. 2019 Chief of Mechatronics Headquarters of the Company (present position)	108,729 shares
	Reason for nomination as a candidate for director	Mr. Iwasa satisfies the selection criteria set forth in the policies and procedures for the nomination of candidates for directors by the board of directors, and has strong will, strategies and leadership necessary to turn the NIPPO group's results around. In view of the above, the Company nominates him as a candidate for director again.	

2	Hisatomo Mikami (March 2, 1969)	Apr. 1991 Joined INAX Corporation (currently known as LIXIL Corporation). Apr. 2004 Joined the Company. Apr. 2006 Manager of General Affairs Department, Administration Headquarters of the Company Apr. 2011 General Manager of Corporate Planning Department of the Company Apr. 2013 Executive Officer of the Company Apr. 2013 Head of CSR Management Division, Corporate Headquarters of the Company Apr. 2016 Chief of Corporate Headquarters of the Company (present position) Jun. 2016 Director of the Company (present position)	27,120 shares
	Reason for nomination as a candidate for director	Mr. Mikami satisfies the selection criteria set forth in the policies and procedures for the nomination of candidates for directors by the board of directors. He has experiences and knowledge of corporate operations necessary to turn the NIPPO group's results around and is suitable as a managing executive who supports the President. In view of the above, the Company nominates him as a candidate for director again.	
3	Atsushi Nakamura* (November 10, 1969)	Apr. 1994 Joined the Company. Apr. 2011 Manager of First Sales Section, Electronics Business Headquarters of the Company Apr. 2014 Deputy General Manager of Second Sales Section, Electronics Business Headquarters of the Company Apr. 2015 General Manager of Second Sales Section, Electronics Business Headquarters of the Company Apr. 2016 Executive Officer of the Company (present position) Apr. 2016 Senior General Manager of Electronics Business Headquarters (currently known as Trading Headquarters) of the Company (present position)	10,800 shares
	Reason for nomination as a candidate for director	Mr. Nakamura satisfies the selection criteria set forth in the policies and procedures for the nomination of candidates for directors by the board of directors. He has contributed to the NIPPO group's performance through business operations of the Trading Headquarters, and is suitable as a managing executive who supports the President. In view of be above, he has been nominated as a candidate for director.	

4	Kisao Tanaka (November 22, 1957)	Aug. 1983 Joined REIHO MANUFACTURING CO., LTD. ("REIHO") May 1989 Director and Factory Head of REIHO Sep. 2001 Representative Director of REIHO (present position) Jun. 2005 Director of the Company (present position)	
	Reason for nomination as a candidate for director	Mr. Tanaka satisfies the selection criteria set forth in the policies and procedures for the nomination of candidates for directors by the board of directors. With extensive experience and deep insight as an executive of a company engaged in scrupulous manufacturing, he will be able to provide useful advice on and supervision of the management of the Company. In view of be above, the Company nominates him as a candidate for outside director again.	241,802 shares

(Notes)

1. The candidate with an asterisk (*) is for a new appointment.
2. The Company sells carbon and other products to REIHO, whose representative director is Mr. Kisao Tanaka. The other candidates have no special interest or stake in the Company.
3. Mr. Kisao Tanaka is a candidate for outside director.
   Pursuant to Article 427, Paragraph 1 of the Companies Act, if Mr. Tanaka is elected as an outside director, the Company is to enter into a liability limitation agreement with him to limit his liability for damage to the higher of a predetermined amount of not less than JPY 1 million or the amount provided by laws and regulations.
4. Mr. Kisao Tanaka is currently an outside director of the Company, and his term of office as outside director will be fourteen years at the conclusion of the General Meeting.
5. The number of Company's shares owned by each candidate in the table above includes the number of Company's shares owned by such candidate through the executive stock ownership program and the employee stock ownership program as of March 31, 2019.

Proposal No.3: Continuation of countermeasures to large-scale purchases of the company's shares (takeover defense measures)

The Company determined a basic policy regarding persons who control decisions on the Company's financial and business policies (as provided in Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act; the "Basic Policy") and resolved to introduce its plan for countermeasures to large-scale purchases of the shares or other equity securities of the Company (the "Company Shares") (as described below; the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed as inappropriate (Article 118, Item 3(b)(2) of the Ordinance for Enforcement of the Companies Act) under the Basic Policy at its board of directors (the "Board") meeting held on April 23, 2019.

While the Plan was introduced by the resolution of the Board, it provides for measurers to abolish itself by the shareholders' general will. Specifically, as stated below, the Plan may be abolished by resolution of the shareholders' meeting or by resolution of the Board consisting of directors elected at the shareholders' meeting. Thus, the Plan satisfies the principle of shareholders' will as provided in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. The Plan took effect as of April 23, 2019 and the effective term of the Plan shall be from the said date to the conclusion of the General Meeting. If approved at the General Meeting, such effective term may be extended until the conclusion of the ordinary shareholders' meeting to be held in June 2020.

Accordingly, the Company proposes the continuation of the Plan to be approved by the shareholders.

Countermeasures to Large-scale Purchases of NIPPO Shares (Takeover Defense Measures)

I. Basic Policy regarding Persons who Control Decisions on the Company's Financial and Business Policies

As an organ of a company with its stock listed on a financial instruments exchange, the Board respects free trading of the Company Shares on the market and does not categorically reject a large-scale purchase of the Company Shares by a particular party as long as it contributes to the protection and enhancement of the corporate value of the NIPPO group (the "Group") and eventually to shareholders' common interests. The Company also believes that the decision on whether or not to accept a proposal for a large-scale purchase of shares should be ultimately made by the shareholders.

However, there may be a proposal for a large-scale purchase of shares which could undermine the Group's corporate value and eventually, shareholders' common interests by, for instance, preventing the Group from maintaining a good relationship with its stakeholders. It is also possible that some of such proposals do not fully reflect the Group's value or do not provide sufficient information required for our shareholders to make a final decision.

The Board believes that upon receipt of such proposals for large-scale purchases of shares, it must, as a duty of a body mandated by shareholders, secure necessary time and information and negotiate with the proposers on behalf of shareholders.

II. Special Efforts to Implement the Basic Policy

(1) Efforts to enhance the corporate value

Established in March 1952, the Company started its trading business (the "Trading Business") as a dealership of the chemical product division (currently known as Hitachi Chemical Co., Ltd.) of Hitachi, Ltd. The Company's trade area extended to Nagoya and Tokyo in line with the development of the Hitachi group, when, in July 1968, the Company launched the resin molding business following the evolution of chemical technology and the resulting development of resin materials with the catchphrase "light, strong, heavy-duty and non-perishable." Since then, the Company has engaged in these two original businesses.

With its bases located in Japan, the Chinese areas and the ASEAN trade area, where the Company expanded its trading sphere as a dealership of the Hitachi Chemical group, the Trading Business is currently putting efforts into "networking with unique partner manufacturers" and "technical and other education of our employees" with the objective of ensuring our competitive edge in the commercial distribution to our customers.

Meanwhile, the resin molding business has broadened its business field from OA/DI parts in the category of household appliances to automobile parts and medical equipment. Its technological field has also expanded from resin-only molding to printing, assembling and inserting of other materials. During the past five years, with a view to ensuring our future competitive edge, the Company established new plants in the Philippines, Indonesia, Mexico and other countries, and has promoted the introduction of full and semi-automated production lines in anticipation of a sharp rise in labor costs and shortage of workers in Japan that could occur in the near future. However, hampered by high technological obstacles, mass production was delayed than planned and such introduction of full and semi-automated production lines resulted in the impairment of the Company's principal fixed assets in Japan.

The Company efforts to improve its corporate value in the future will include: (i) to build up concrete results through "networking with unique partner manufacturers" and "technical and other education of our

employees" in the Trading Business, and (ii) to make the money-losing plant in Mexico profitable by putting its mass production on track and to promote horizontal transfer to the group companies of the Company's core technologies gained through the introduction of full and semi-automated production lines in the resin molding business.

Aiming at the goals set in Mid-term Management Plan 2022, namely, "ROE of 7% or higher," "achievement of record profits (operating income)" and "sustainable dividend increase through growth in profits," the Company will earnestly continue with the above-mentioned efforts to protect and enhance the Company's corporate value and eventually, shareholders' common interests.

(2) Reinforcement of Corporate Governance

The Company has advanced the following initiatives with the belief that solid corporate governance is essential to gain unwavering trust from its stakeholders:

(Corporate governance system)

Regarding corporate governance as a "framework to check the lawfulness and efficiency of the management on behalf of shareholders," the Company has developed the system of supervision and audit of the execution of duties by directors by establishing the shareholders' meeting, the board of directors, the audit and supervisory committee, the representative director and the accounting auditors, as the most appropriate framework. In addition, with the establishment of "Basic Concept of Internal Control System" and "Framework for Promotion of Internal Control System," the Company has developed a system required to ensure the appropriateness of the operations of the corporate group comprising the Company and its affiliates.

The Board meetings are held at least once in two months, in principle. Before being reported to the Board, material management matters are fully discussed at the management strategy meeting composed of full-time directors (including the chairperson of the audit and supervisory committee).

The audit and supervisory committee consists of four audit and supervisory committee members (one full-time audit and supervisory committee member and three outside directors serving as audit and supervisory committee members). The committee meets at least once in two months, in principle, to discuss and adopt resolutions on material management matters, the results of the audit by the audit and supervisory committee members and the internal audit as well as the results of audit by the accounting auditors, among other things.

(Internal audit and audit by the audit and supervisory committee members)

The Company's Internal Audit Division, a division under the president's direct control, investigates, on a regular and irregular (extraordinary) basis, whether or not the internal operations are conducted in due compliance with the Company's rules and regulations, reports the results of such audit to the president and the chairperson of the audit and supervisory committee. In addition, the Internal Audit Office points out any problems identified and issues recommendations for improvement to the audited divisions.

The audit and supervisory committee members attend the Board meetings and other important meetings to audit the status of execution of duties by the full-time directors (excluding the audit and supervisory committee members), and conduct audits on full-time directors (excluding audit and supervisory committee members), executive officers, managers and employees, when necessary.

(Other efforts)

In addition to the above, the Company has worked on improving corporate governance based on its latest corporate governance code.

III. Measures to Prevent Decisions on the Company's Financial and Business Policies from being Controlled by Persons Deemed as Inappropriate under the Basic Policy

1. Purpose of the Plan

The Plan is in line with the Basic Policy stated in I. above for the purpose of protecting and enhancing the Company's corporate value and eventually, shareholders' common interests. It aims to clearly set the rules that should be observed by the persons intending to make large-scale purchases of the Company Shares. Also, it aims to secure necessary and sufficient information and time for the shareholders to make appropriate decisions as well as the opportunity to negotiate with the persons intending to make large-scale purchases.

Effective as of the close of the 58th ordinary general meeting of shareholders held on June 29, 2009, the Company abolished the "basic policy regarding persons who control decisions on the Company's financial and business policies" introduced at the 56th ordinary general meeting of shareholders of the Company held on June 28, 2007 (the "Former Plan"). However, in recent years, the Japanese capital market has seen continued movement of certain acquirers to go ahead with unsolicited large-scale purchases of shares without obtaining the approval of the management of the target companies. Under the current Japanese capital market and legal system, we cannot deny the possibility that there may be a large-scale purchase that would clearly impair the Group's corporate value and shareholders' common interests.

To be specific, under the Financial Instruments Exchange Act, which took effect on September 30, 2007, any person who has acquired shares for the purpose of making important suggestions with the intention of participating in the management of the issuer may not use the special reporting system and is required to submit a large-volume holding report within five business days. In addition, upon the launch of a tender offer, the target issuer company may request an "extension of the tender offer period" and exercise the "right to ask questions." Nevertheless, even under these legal systems, it is impossible to legally secure the provision of information and time for consideration before the launch of a tender offer and to legally restrict the accumulation of shares through buying in the market. Thus, one cannot deny that these legal systems may not necessarily function effectively against large-scale purchases of shares that could impair the corporate value of a listed company and eventually, shareholders' common interests.

Coming to another point, since the abolishment of the Former Plan, the Company has focused on development of products that fit with our selected growth areas, namely, the automobile, precision medical equipment and electronics markets. Our long-term visions established in 2018 ("Mid-term Management Plans 2019, 2022 and 2025") have three pillars which correspond to each of the growth areas, namely, (i) establishment of technologies for mass production of critical automobile security parts with molded products as the core, (ii) expansion of contract manufacturing of precision medical equipment with a focus on disposable products, and (iii) search and provision of next-generation products in various business areas, with special emphasis on electronic parts. In these growth areas, where we are required to develop products that better cater to clients' specific needs, the Company and its customers work in close partnership and exchange technical and other confidential information. As a result, the Company has come to possess far more amount of customers' technical and other confidential information than it did before the abolishment of the Former Plan. If a large-scale purchase of the Company Shares is executed without sufficient consideration, the resulting transfer of control, coupled with the risk of leakage of such confidential information, could seriously damage the good relationships between the Company and its stakeholders, including such customers.

Under such circumstances, the Company renewed the consideration of the necessity of countermeasures against such large-scale purchases, and reached a conclusion that it is necessary to prepare

countermeasures against large-scale purchases in order to ensure that a process is in place to have a large-scale purchaser provide information and allow the Board to consider and assess the proposed purchase, and to prevent any clearly foreseeable damage to the Group's corporate value and shareholders' common interests. The Company believes that preparation of such countermeasures is necessary and effective to eliminate, as much as possible, large-scale purchases that would not be beneficial to the Group's corporate value and shareholders' common interests. The Company also believes that the Plan ensures that necessary information and time for consideration will be provided before the start of a large-scale purchase and contributes to the maintenance and improvement of our corporate value and shareholders' common interests.

2. Plan Details

As described below, the Plan establishes the rules that a person seeking to make a large-scale purchase of the Company Shares should observe, requires the compliance with such rules, and specifies the countermeasures to be triggered in the case where a person intending to make a large-scale purchase fails to comply with the Plan or where the large-scale purchase is found to be detrimental to the Group's corporate value and eventually, to shareholders' common interests. Appropriate disclosure of such rules and countermeasures serves as an alert to any person seeking to make a large-scale purchase of the Company Shares in a way prejudicial to the Group's corporate value and shareholders' common interests.

The status of the Company's large shareholders as of March 31, 2019 is as shown in page 11 of the Business Report[*Note: available only in Japanese*]. At the moment, the Company has not received any particular proposal for a large-scale purchase of the Company Shares.

(1) Procedures under the Plan

(A) Large-Scale Purchase subject to the Plan

The Plan covers purchases of the Company Shares or any similar acts that fall under any of (i) through (iii) below (excluding those that have been approved by the Board; any such act is hereafter referred to as the "Large-Scale Purchase"). A person making or intending to make a Large-Scale Purchase (the "Purchaser") must follow the procedures predetermined in the Plan.

(i) A purchase or other acquisition[1] of the shares, etc.[2] issued by the Company that would result in the holding ratio of shares, etc.[3] of any particular shareholder of the Company amounting to 20% or more of such shares, etc.;

---

[1] Including the holding of a claim for delivery of shares, etc. under a purchase and sale or other agreement, and the conduct of any of the transactions provided in Article 14-6 of the Order for Enforcement of the Financial Instruments Exchange Act.

[2] This term means the g of a claim for delivery of shares, etc. under a purchase and saph 1 of the Financial Instruments Exchange Act". Hereinafter the same applies unless otherwise indicated. In the event of any amendment (including a change of the name of any law or regulation, and enactment of a new law or regulation succeeding to the old one) to any of the laws or regulations cited in the Plan, the provisions of the relevant law or regulation cited in the Plan shall be replaced by the provisions of a law or regulation that effectively succeed to such provisions after the amendment, unless otherwise specified by the Board.

[3] This term means the "Ownership Ratio of Share Certificates, etc." as set forth in Article 27-23, Paragraph 4 of the Financial Instruments Exchange Act. Hereinafter the same applies unless otherwise indicated. However, for the purpose of calculation of such holding ratio of shares, etc., (a) a Specially Related Party as defined in Article 27-2, Paragraph 7 of the said Act, and (b) an investment bank, securities company or other financial institution that has entered into a financial advisory agreement with such particular shareholder, or a tender offer agent or securities company acting as the lead manager for such particular shareholder (collectively, the "Contracted Financial Institutions") are deemed to be joint holders (meaning the Joint Holders as defined in Article 27-23, Paragraph 5 of the Financial Instruments Exchange Act; including those whom the Board finds to be deemed joint holders under Paragraph 6 of the said Article; hereinafter the same.) with such particular shareholder under the Plan. For the purpose of calculation of such holding ratio of shares, etc., the total number of issued shares in the Company may be determined by reference to the latest information published by the Company.

(ii) A purchase or other acquisition[4] of the shares, etc.[5] issued by the Company that would result in the total of the holding ratio of shares, etc.[6] of a particular shareholder of the Company and the holding ratio of shares, etc. of the specially related parties[7] of such particular shareholder amounting to 20% or more of such shares, etc.; and

(iii) Irrespective of whether or not any of the acts provided in (i) and (ii) above has taken place, any agreement or other act between a particular shareholder of the Company and any other shareholder of the Company (as used in this (iii), "other shareholder" includes "other shareholders") that will render such other shareholder(s) a joint holder or joint holders of such particular shareholder, or any act that will establish a relationship between such particular shareholder and such other shareholder(s)[8] whereby one of them substantially controls the other, or they act jointly or concertedly[9] (however, limited to cases where the aggregated holding ratio of shares, etc. issued by the Company of such particular shareholder and that of such other shareholder(s) amounts to 20% or more).

(B) Prior Submission of Statement of Intention to the Company

Prior to initiating a Large-Scale Purchase, a Purchaser will be required to submit to the Board a written statement in Japanese containing a pledge by the Purchaser to comply with the procedures set forth in the Plan in making a Large-Scale Purchase (the "Statement of Intention") in the form prescribed by the Company.

Specifically, the Statement of Intention must contain the following information:

(i) Outline of the Purchaser
  (a) Name and address/location of the Purchaser;
  (b) Name and title of the representative;
  (c) Purposes of the company/entity and description of its business;
  (d) Outline of large shareholders or large investors (top ten holders/investors by shareholding or investment ratio);
  (e) Contact information in Japan; and
  (f) The law governing the establishment of the Purchaser

---

[4] "Purchase and other acquisition" includes purchases or other types of acceptance of a transfer for value, and transactions analogous to the acceptance of a transfer for value as provided in Article 6, Paragraph 3 of the Order for Enforcement of the Financial Instruments Exchange Act.

[5] This term means the "Share Certificates, etc." as set forth in Article 27-2, Paragraph 1 of the Financial Instruments Exchange Act. The same applies in (ii).

[6] This term means the "Share Certificates, etc. Holding Rate" as set forth in Article 27-2, Paragraph 8 of the Financial Instruments and Exchange Act; hereinafter the same applies unless otherwise indicated. For the purpose of calculation of such shareholding rate, the total number of voting rights of the Company may be determined by reference to the latest information published by the Company.

[7] This term means the Specially Related Party as defined in Article 27-2, Paragraph 7 of the Financial Instruments Exchange Act. However, among the persons listed in Item 1 of the said Paragraph, those provided in Article 3, Paragraph 2 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers are excluded from the "specially related parties." For the purpose of the Plan, (i) the joint holder and (ii) the Contracted Financial Institutions are deemed to be specially related parties of the relevant shareholder. Hereinafter the same applies unless otherwise indicated.

[8] The determination of whether or not "a relationship between such particular shareholder and such other shareholder(s) whereby one of them substantially controls the other, or they act jointly or concertedly" has been established shall be made based on, among others, (i) whether substantive interests in the Company Shares have been formulated through a new capital contribution relationship, business alliance relationship, transactional or contractual relationship, interlocking directorate, funding relationship, credit facility relationship, derivatives, stock lending or otherwise; and (ii) the direct or indirect influences that such particular shareholder and such other shareholder(s) would have on the Company.

[9] The determination of whether or not the act prescribed in (iii) of the body text has taken place shall be made by the Board in accordance with the recommendations from the Independent Committee. The Board may request the shareholders of the Company to provide information to the extent it is necessary for the determination as to whether any act satisfies the said requirements under (iii).

(ii) The number of the Company Shares already held by the Purchaser, and the status of transactions of the Company Shares by the Purchaser during the 60 days prior to the submission of the Statement of Intention; and

(iii) Outline of the Large-Scale Purchase proposed by the Purchaser (including the type and number of the Company Shares to be acquired by the Purchaser by way of the Large-Scale Purchase, and the purpose of the Large-Scale Purchase (where the purpose is the acquisition of control or participation in the management, pure investment or policy investment, the transfer of the Company Shares to a third party following the Large-Scale Purchase, or the making of important suggestions[10] or the like, the Statement of Intention must state to that effect and specify the details. If there are two or more purposes, all of them must be stated in the Statement of Intention.)).

(C) Provision of Necessary Information

After the submission of the Statement of Intention mentioned in (B) above, the Purchaser will be required to provide the Company with information in Japanese that is necessary and sufficient for shareholders and investors to make a judgment on the Large-Scale Purchase and for the Board to assess and consider the same (the "Necessary Information") in accordance with the procedures described below.

Within ten business days[11] following the date of receipt of the Statement of Intention, the Company will send to the Purchaser, at the address provided in the contact information in Japan under (B)(i)(e) above, an information list stating the information items that should be initially provided. Then the Purchaser will be required to submit to the Company sufficient information in accordance with the information list.

If the Board reasonably determines, in light of the substance and manner of, and other circumstances surrounding the Large-Scale Purchase, that the information provided by the Purchaser in accordance with the information list is insufficient for shareholders and investors to make a judgment or for the Board to assess and consider the proposed purchase, the Purchaser will be required to provide additional information to be separately requested by the Board.

Irrespective of the substance and manner of, or other circumstances surrounding the Large-Scale Purchase, the following information items will be included in the information list, in principle:

(i) Details (including history, specific name, capital structure, business description, financial condition, and name and occupational career of officers, etc.) of the Purchaser and its group (in the event of a joint holder, specially related party or fund, including each of its partners and other members);

(ii) Purposes (detailed purposes as disclosed in the Statement of Intention), method and details (including whether or not the Purchaser has the intention to participate in management, type and amount of consideration for the Large-Scale Purchase, timing of the Large-Scale Purchase, structure of the related transactions, the number of shares to be purchased and the ownership percentage after such purchase, and legality of the method of the Large-Scale Purchase.) of the Large-Scale Purchase;

(iii) Basis of calculation of consideration for the Large-Scale Purchase (including basic facts for the calculation, calculation method, numerical data used for the calculation and details of the synergy expected to be generated by a series of transactions related to the Large-Scale Purchase and, if

[10] Meaning the important suggestions as set forth in Article 27-26, Paragraph 1 of the Financial Instruments Exchange Act, Article 14-8-2, Paragraph 1 of the Order for Enforcement of the Financial Instruments Exchange Act, and Article 16 of the Cabinet Office Order on Disclosure of the Status of Large-Volume Holdings in Share Certificates.

[11] "Business day" means any day other than the days listed in each item of Article 1, Paragraph 1 of the Act on Holidays of Administrative Organs. Hereinafter the same applies.

opinions of any third party have been heard upon the calculation, the name of such third party, summary of such opinions and how the amount was determined based on such opinions);

(iv) Proof of funds for the Large-Scale Purchase (including the specific name of the provider of funds (including substantial provider), method of raising funds, and details of related transactions);

(v) Whether or not there is communication on intention with a third party in relation to the Large-Scale Purchase and, if there is such communication, details thereof and summary of such third party;

(vi) If there is any lease agreement, security agreement, repurchase agreement, purchase/sale option, or any other material agreement or arrangement in relation to the Company Shares already held by the Purchaser (the "Security Agreement, etc."), specific details of such Security Agreement, etc. including the type of such agreement, counterparty, and the quantity of shares subject to such agreement;

(vii) If the Security Agreement, etc. is scheduled to be concluded in relation to the Company Shares which the Purchaser plans to purchase in the Large-Scale Purchase or any other agreement is planned to be made with a third party, specific details of such agreement including the type of such agreement planned to be made, counterparty, and the quantity of shares subject to such agreement;

(viii) Management policy, business plan, capital policy and dividend policy of the Company and the Company's group after the Large-Scale Purchase;

(ix) Policy on treatment, etc. of the Company's employees, trading partners, customers and community, and any other interested party of the Company after the Large-Scale Purchase; and

(x) Specific measures for avoiding conflicts of interest with other shareholders of the Company.

The Board will appropriately disclose the fact that the Large-Scale Purchase has been proposed by the Purchaser, and promptly disclose the summary of such proposal, summary of the Necessary Information and any other information (if any) which is deemed to be necessary for shareholders or investors to make their decisions.

In addition, when the Board determines that the provision of the Necessary Information by the Purchaser has been made sufficiently, it will notify the Purchaser thereof (the "Completion Notice") and promptly disclose such fact.

(D) Setting, etc. of Board Assessment Period

After giving the Completion Notice, the Board will set, with the immediately following date as the first day for calculation, either of the periods mentioned in (i) or (ii) below, according to the degree of difficulty, etc. of assessment of the Large-Scale Purchase, as the period for the assessment, consideration, negotiation, formation of opinions and planning of alternatives by the Board (the "Board Assessment Period"), and promptly disclose it. Unless otherwise provided for in the Plan, the Large-Scale Purchase shall be commenced only after the lapse of the Board Assessment Period.

(i) In the event of tender offer for all of the Company Shares only in consideration for cash (JPY), 60 days at a maximum; or

(ii) In any other event of the Large-Scale Purchase, 90 days at a maximum.

Provided, however, that in the event of either (i) or (ii) above, only if the Board deems it reasonably necessary, the Board Assessment Period may be extended (for 30 days at a maximum), in which case the Company will notify the Purchaser of such extended period and the specific reason for such extension, as well as disclose them to its shareholders and investors.

The Board shall fully assess and consider the Necessary Information provided by the Purchaser

during the Board Assessment Period, with the advice of outside experts according to need, and consider and examine the details of the Large-Scale Purchase to be made by the Purchaser for the purposes of protection and enhancement of corporate value and shareholders' common interests of the Company. Through such consideration, etc., the Board will gather its opinion on the Large-Scale Purchase with due care, notify the Purchaser thereof, and disclose them to shareholders and investors in a timely and appropriate manner.

In addition, the Board will negotiate with the Purchaser in relation to the conditions and method of the Large-Scale Purchase according to need and, furthermore, the Board may present an alternative to shareholders and investors.

(E) Independent Committee's Advice on Triggering of Countermeasures

Under the Plan, upon triggering or non-triggering of countermeasures, the Independent Committee shall be established as a body to eliminate the Board's arbitrary judgment and secure objectivity and rationality of the Board's judgment and responses, and it shall give advice to the Board on whether or not to trigger countermeasures. The Independent Committee shall only consist of the Company's outside directors (including audit and supervisory committee members) or outside experts (proven company owners, former central government officials, lawyers, certified public accountants or academic experts, or other persons equivalent thereto), who are independent of the Company's executive management team, in accordance with the Independent Committee Rules (see Exhibit 1 for summary). From the time of introduction of the Plan, the Independent Committee consists of 3 members listed in Exhibit 2.

The Independent Committee shall give advice to the Board on whether or not to trigger countermeasures during the Board Assessment Period in accordance with the following procedures, in parallel with the assessment, consideration, negotiation, formation of opinions and planning of alternatives by the Board as described in (D) above. In this regard, for the purpose of ensuring that the Independent Committee's judgment will be made for protecting and enhancing corporate value and shareholders' common interests of the Company, the Independent Committee may, at the Company's expense, obtain advice from outside experts (including investment banks, security companies, financial advisers, certified public accountants, lawyers, consultants and other experts), who are independent of the Company's executive management team.

When the Independent Committee has given advice set forth in (i) or (ii) below to the Board, the Board will promptly disclose the fact and summary of such advice and other matters which the Board considers appropriate.

(i) The Purchaser has failed to perform the procedures set forth in the Plan:

In the event that the Purchaser has violated the procedures set forth in the Plan in any material respect, if such violation is not cured within 5 business days from (and excluding) the date on which the Board demanded such Purchaser to cure such violation in writing, then the Independent Committee will give advice to the Board to trigger countermeasures in principle, unless it is obvious that it is necessary not to trigger such countermeasures for the purposes of protection and enhancement of corporate value and shareholders' common interests of the Company or otherwise there are special circumstances.

(ii) The Purchaser has performed the procedures set forth in the Plan:

In the event that the Purchaser has performed the procedures set forth in the Plan, the Independent Committee will give advice to the Board not to trigger countermeasures in principle.

Provided, however, that even if compliance with the procedures set forth in the Plan has been made, when, for example, such Purchase is considered to significantly impair the corporate value and shareholders' common interests of the Company due to any events listed in (a) to (j) below and it is determined reasonable to trigger countermeasures, then the Independent Committee may exceptionally give advice the Board to trigger countermeasures.

(a) Notwithstanding that the Purchaser has no genuine intention to participate in management of the Company, if the Purchaser is considered to have purchased or seek to purchase the Company Shares only for the purpose of driving up the stock price and causing the Company or the Company's affiliate to purchase the Company Shares (so-called greenmailer);

(b) If the Purchaser is considered to have purchased the Company Shares for the purpose of temporarily controlling the management of the Company and transferring the assets of the Company or the Group, including intellectual property rights, know-hows, trade secret, major trading partners or customers that are necessary for business management of the Company or the Group, to such Purchaser or its group companies;

(c) If the Purchase is considered to, after obtaining the control over the management of the Company, cause obvious damage to the corporate value or shareholders' common interests of the Company by way of diverting the assets of the Company or the Group to securing or repaying obligations of such Purchaser or its group companies;

(d) If the Purchaser is considered to have purchased the Company Shares for the purpose of temporarily controlling the management of the Company, causing the Company to dispose of expensive assets such as real estate and securities, which are presently not related to the business of the Company or the Group, by way of sale or otherwise, and causing the Company to temporarily pay high dividends with the proceeds of such disposal or selling off the Company Shares at high price at the timing of sharp rise in stock prices due to a temporary high dividend;

(e) If the method of purchase of the Company Shares proposed by the Purchaser is considered to be likely to restrict opportunity or freedom of judgment of shareholders and virtually force shareholders to sell their Company Shares, including so-called coercive two-tier purchase (i.e. the Purchase of shares such as a tender offer, in which the purchase of all of the Company Shares is not induced in the first stage of purchase, and the purchase conditions in the second stage of purchase are set unfavorably, or not stated clearly);

(f) If the purchase conditions of the Company Shares offered by the Purchaser (including, but not limited to, type and amount of consideration for the purchase, basis of calculation of such amount, other specific terms (including the timing and method of such purchase), illegality and feasibility) are considered to be significantly insufficient or inappropriate in the light of the corporate value of the Company;

(g) If the Purchase is considered to be likely to significantly hinder the protection and enhancement of corporate value and shareholders' common interests of the Company, including cases where the obtaining of control by the Purchaser destroys the relationship not only with the Company's shareholders but also its customers, employees or other interested parties as the source of the corporate value, and the corporate value or shareholders' common interests of the Company are expected to be significantly damaged;

(h) If the corporate value of the Company in the event that the Purchaser obtains the control over the Company is considered to be significantly inferior to the corporate value of the Company in the event that such Purchaser does not obtain the control, in terms of comparison with medium- to long-term future corporate value;

(i) If the Purchaser is considered to be significantly inappropriate to become a controlling shareholder of the Company in terms of public policy, including cases where the management team or major shareholders or investors of the Purchaser includes any person affiliated with anti-social forces or terrorist-related organization; or

(j) In any other case equivalent to (a) to (i) above, when (i) it is objectively and reasonably determined that the corporate value or shareholders' common interests of the Company are likely to be significantly damaged, and (ii) countermeasures are not triggered at that time, and if the Purchase is considered to be unable to avoid or likely to be unable to avoid such significant damage to the corporate value or shareholders' common interests of the Company.

(F) Resolution of the Board

The Board shall respect the Independent Committee's advice set forth in (E) above as much as possible, and promptly pass a resolution on triggering or non-triggering of countermeasures or any other necessary resolution based on such advice, for the purposes of protection and enhancement of corporate value and shareholders' common interests of the Company.

Even if the Independent Committee has given advice not to trigger countermeasures, when the Board determines, taking into consideration various reasons such as the details of the Large-Scale Purchase by the Purchaser and the time required for holding a shareholders' meeting and in light of the relevant laws and regulations and the due care of a good manager of directors of the Company, it practically appropriate to hold a shareholders' meeting of the Company in addition to consultation to the Independent Committee in order to confirm the shareholders' will, then the Board may hold a shareholders' meeting of the Company in a manner described in (G) below, in order to ask shareholders whether or not to trigger countermeasures.

In addition, even after the resolution of triggering of countermeasures by the Board or after the triggering of such countermeasures, if (i) the Purchaser has cancelled the Large-Scale Purchase or (ii) there is any change in the facts based on which the determination of whether or not to trigger countermeasures has been made, which resulted in circumstances where it is considered not reasonable to trigger countermeasures for the purposes of protection and enhancement of corporate value and shareholders' common interests of the Company, then the Board shall pass a resolution of cancellation of triggering of countermeasures.

When said resolution has been passed, the Board will promptly disclose the summary of such resolution and any other matters which the Board considers appropriate.

(G) Convocation of Shareholders' Meeting of the Company

Upon determining whether or not to trigger countermeasures pursuant to the Plan at its discretion, when the Board determines, taking into consideration various reasons such as the details of the Large-Scale Purchase by the Purchaser and the time required for holding a shareholders' meeting and in light of the relevant laws and regulations and the due care of a good manager of directors of the Company, it practically appropriate to consult the Independent Committee as well as hold a shareholders' meeting of the Company in order to confirm the shareholders' will, then the Board will convene shareholders' meeting of the Company as soon as possible. In such case, the Large-Scale Purchase shall be performed after the rejection of a resolution of triggering of countermeasures at the shareholders' meeting of the Company and the conclusion of such shareholders' meeting. If a resolution of triggering of countermeasures under the Plan has been passed at the shareholders' meeting of the Company, the Board shall pass a resolution of triggering of countermeasures under the Plan against such Large-Scale Purchase.

If a resolution of triggering of countermeasures under the Plan has been rejected at such shareholders' meeting, the Board will not trigger countermeasures under the Plan against such Large-Scale Purchase.

Even when procedures for convening such shareholders' meeting have been performed, if the Board subsequently determines it reasonable to pass a resolution of non-triggering of countermeasures or pass a resolution of triggering of countermeasures at a Board meeting, then the Company may suspend the procedures for convening such shareholders' meeting of the Company. In the event of such resolution, the Company will also promptly disclose the summary of such resolution and any other matters which the Board considers appropriate.

(2) Specific Details of Countermeasures under the Plan

Countermeasures to be triggered by the Company under the Plan shall be gratis allotment of stock acquisition rights (the "Stock Acquisition Rights") in principle.

While summary of gratis allotment of the Stock Acquisition Rights shall be as described in Exhibit 3 "Summary of Gratis Allotment of the Stock Acquisition Rights," in the event of actual gratis allotment of the Stock Acquisition Rights, the Company may set forth certain exercise period, exercise conditions and acquisition provision taking into consideration their effect as countermeasures against the Large-Scale Purchase, such as (i) exercise conditions to the effect that exercise of rights by certain Purchaser, as well as its joint holder and specially related party and any other person substantially controlled by them or any other person acting in cooperation or coordination with them as determined by the Board through prescribed procedures (the "Exceptional Persons") shall not be permitted to exercise the rights, or (ii) acquisition provision to the effect that when the Company acquires a part of the Stock Acquisition Rights, the Company may only acquire the Stock Acquisition Rights held by any other holders of the Stock Acquisition Rights other than the Exceptional Persons. Furthermore, acquisition of the Stock Acquisition Rights through transfer shall be subject to approval of the Board.

When countermeasures under the Plan have been triggered, the Company will promptly disclose the summary of the relevant resolution and any other matters which the Board considers appropriate.

(3) Effective Term, Abolition and Modification of the Plan

The effective term of the Plan shall be from April 23, 2019 to the conclusion of the General Meeting and, if approved at the General Meeting, such effective term may be extended until the conclusion of the ordinary shareholders' meeting to be held in June 2020.

Provided, however, that even before the expiration of such effective term, if a resolution of modification or abolition of the Plan has been passed at a shareholders' meeting of the Company, the Plan shall be modified or abolished at that time in accordance with such resolution. In addition, if a Board meeting consisting of directors elected by a shareholders' meeting of the Company has passed a resolution of abolition of the Plan, the Plan shall be abolished at that time.

When the Board deems it necessary to make a formal modification associated with an amendment to the Companies Act, Financial Instruments and Exchange Act, or any other laws or regulations or rules of a financial instruments exchange, or change in interpretation or operation thereof or change in tax system or court case, the Board may amend or modify the Plan based on the opinion of the Independent Committee from time to time. On the other hand, when the Board modifies the Plan in a manner in which shareholders of the Company are substantially affected, the Board will ask for the approval of shareholders by referring such modification to the upcoming shareholders' meeting.

When the Plan has been abolished or any modification has been made to the Plan in a manner in which shareholders of the Company are substantially affected, the Company will promptly disclose the fact of such abolition or modification and (in the event of modification) the details of such modification and any

other matters which the Board considers appropriate.

3. Rationality of the Plan

The Plan satisfies the 3 principles (principle of protecting and enhancing corporate value and shareholders' common interests, principle of prior public disclosure and shareholders' will, and principle of ensuring the necessity and reasonableness) prescribed by the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005, and conforms to the "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008 and "Principle 1-5. So-called Takeover Defense" of the "Corporate Governance Code" published on June 1, 2015 and revised on June 1, 2018 by the Tokyo Stock Exchange and any other practice and discussions regarding takeover defense measures, and has a high degree of rationality.

(1) Principle of Protecting and Enhancing Corporate Value and Shareholders' Common Interests

As mentioned in 1. Above, the Plan will be introduced for the purpose of allowing, upon Large-Scale Purchase of Company Shares, (i) the shareholders to determine whether to accept such Large-Scale Purchase, or (ii) the Board to collect necessary information and the time to propose a counterplan and negotiate with the Purchaser on behalf of the shareholders, in order to protect and enhance the corporate value and the common interests of shareholders of the Company.

(2) Principle of Prior Disclosure and Shareholders' Will

The Company determined at the Board that the Plan approved by the Board will be proposed at the General Meeting. In addition, as mentioned in 2. (3) above, the effective term of the Plan is until the close of the General Meeting, and even if the Plan is approved by the General Meeting, (i) if the Company's subsequent shareholders' meeting adopts a resolution to amend or cancel the Plan, the Plan will be amended or cancelled in accordance with such resolution, and (ii) if the Board comprising of directors appointed at the Company's shareholders' meeting adopts a resolution to cancel the Plan, the Plan will be cancelled at that time. Accordingly, the introduction and cancellation of the Plan fully reflect the shareholders' will.

(3) Principle of Ensuring the Necessity And Reasonableness

(A) Placing Importance on Judgments of Highly Independent Outsiders and Thorough Information Disclosure

As mentioned in 2. above, the Company has established the Independent Committee for the purpose of (i) preventing the Board from making arbitrary decisions on the triggering of countermeasures against Large-Scale Purchase under the Plan, and (ii) ensuring the objectivity and rationality of the Board's decisions and responses, and the Board will respect the Independent Committee's advice on the resolution whether or not to trigger countermeasures as much as possible. Additionally, for the purpose of ensuring that the Independent Committee's judgment will be made for protecting and enhancing the corporate value and common interests of shareholders of the Company, the Independent Committee may, at the Company's expense, obtain advice from outside experts (including investment bank, security company, financial adviser, certified public accountant, lawyer, consultant and any other expert), who are independent of the Company's executive management team.

Additionally, the Company will disclose to shareholders and investors the outline of the Independent Committee's judgment in order to ensure that the Plan will be implemented transparently, thereby

protecting and ensuring the corporate value and common interests of shareholders of the Company.

(B) Establishment of Reasonable and Objective Implementation Criteria

As mentioned in 2. Above, the Plan will not be implemented unless the reasonable and objective implementation criteria is fulfilled, thereby preventing the Board from making arbitrary decisions.

(C) The Plan is Not a Dead-Hand or Slow-Hand Takeover Defense Measure

As mentioned in 2. (3) above, the Plan may be cancelled at any time by the Board comprising of directors appointed at the Company's shareholders' meeting. Therefore, the Plan is not a dead-hand takeover defense measure (a takeover defense measure in which even if a majority of the members of the Board are replaced, the triggering of the takeover defense measure cannot be stopped).

Also, as the Company has not adopted a system of staggered terms of office, the Plan is not a slow-hand takeover defense measure either (a takeover defense measure in which triggering takes more time to stop due to the fact that all members of the Board cannot be replaced at once).

4. Impact on Shareholders and Investors

(1) Impact on Shareholders and Investors upon the Introduction of the Plan

No Stock Acquisition Rights will be issued upon the introduction of the Plan. Therefore, the introduction of the Plan will have no direct or actual impact on the legal rights and economic interests of the Company Shares owned by the shareholders.

As mentioned in 2. (1) above, the Company's response to the purchase will depend on whether or not the Purchaser complies with the Plan, so the shareholders and investors must keep a close watch on the Purchaser.

(2) Impact on Shareholders and Investors Upon a Gratis Allotment of the Stock Acquisition Rights

If the Board decides to trigger countermeasures and makes a gratis allotment of the Stock Acquisition Rights, it will make a gratis allotment of the Stock Acquisition Rights to the shareholders who are recorded in the shareholders registry as of the Allotment Date set forth separately, for up to one Stock Acquisition Right per share held by such shareholder. Under this system, the value per Company Share held by the shareholders will be diluted upon the gratis allotment of the Stock Acquisition Rights; however, there will be no dilution of the value of the aggregate Company Shares held by the shareholders, and therefore, no direct or specific impact is expected on the legal rights and economic interests of the Company Shares owned by the shareholders.

Provided, however, that the legal rights or economic interests of the Exceptional Persons may somehow be impacted by the triggering of countermeasures.

In addition, even after the Company passes a resolution for gratis allotment of the Stock Acquisition Rights, the Company may subsequently determine to cancel the triggering of countermeasures, which may cause change in the price of Company Shares. For instance, in the event that after the determination of shareholders who should receive a gratis allotment of the Stock Acquisition Rights, the Company cancels the triggering of countermeasures and acquires the Stock Acquisition Rights without consideration and does not issue new shares, there will be no dilution of the economic value per Company Shares held by the shareholders, and therefore, it should be noted that shareholders and investors, who traded on the premise that dilution of the economic value per Company Share would occur, may suffer loss due to fluctuations in the share price.

If the exercise or acquisition of Stock Acquisition Rights are subject to discriminative conditions, the legal rights or economic interests of the Exceptional Persons may be impacted upon such exercise or acquisition; however, this is not expected to have direct or specific impact on the legal rights and economic interests of the Company Shares held by the shareholders other than the Exceptional Persons.

(3) Shareholders' Procedures for Gratis Allotment of the Stock Acquisition Rights

The shareholders recorded in the shareholders registry as of the end of the Allotment Date of the Stock Acquisition Rights will become entitled to be granted the Stock Acquisition Rights on the effective date of such gratis allotment of the Stock Acquisition Rights, and will not need to take any procedure.

In addition, if the Company acquires the Stock Acquisition Rights subject to gratis allotment with an acquisition provision, the shareholders will receive the Company Shares as consideration for the acquisition of the Stock Acquisition Rights by the Company without making any cash payment in the amount equivalent to the exercise price of the Stock Acquisition Rights. Provided, however, that the Stock Acquisition Rights held by the Exceptional Persons may not be acquired.

After the Board passes a resolution for the gratis allotment of the Stock Acquisition Rights, the Company will disclose or notify, in a timely and appropriate manner, the details of procedures (e.g. method of allotment, exercise and acquisition by the Company, and the method of issuing shares) in accordance with the applicable laws and regulations or the regulations of the financial instruments exchange, so please check such disclosure or notification.

End

[Exhibit 1]

Summary of the Independent Committee Rules

1. The Independent Committee shall be established by the resolution of the Board for the purpose of preventing the Board from making arbitrary decisions on the triggering of countermeasures against Large-Scale Purchase and thereby ensuring the objectivity and rationality of the Board's decisions and responses.
2. The Independent Committee shall consist of three (3) or more members who shall be appointed by the resolution of the Board from among (1) the Company's outside directors or (2) outside experts (proven company owners, former government officials, lawyers, certified public accountants or academic experts, or other persons equivalent thereto) who are independent of the Company's executive management team. The Company shall enter into an agreement with the Independent Committee, which has provisions concerning due care of a good manager and confidentiality obligation.
3. The term of the Independent Committee members shall be until the day of the ordinary shareholders' meeting closing held with respect to the last fiscal year ending within one (1) year after appointment, or a date otherwise agreed upon between the Independent Committee member and the Company. This shall not apply if the resolution of the Board sets forth otherwise.
4. The Independent Committee shall be convened by the Company's Representative Director or a member of the Independent Committee.
5. The chairperson of the Independent Committee shall be elected from among the Independent Committee members.
6. In principle, resolutions of the Independent Committee shall be made with a majority vote of the members present at a meeting attended by all members of the Independent Committee. If, however, any of the Independent Committee members are unable to attend or there are other special reasons, resolutions shall be made with a majority vote of members present at a meeting attended by all members of the Independent Committee except for such Independent Committee member.
7. The Independent Committee shall discuss and resolve on the matters set forth in (1) through (4) below, and shall give advice to the Board accompanied by the reasons for such resolution:
   (1) Whether to trigger countermeasures with regard to the Plan;
   (2) Whether to cancel the triggering of the countermeasures with regard to Plan;
   (3) Cancellation or amendment of the Plan; and
   (4) Other matters that the Board should voluntarily consult with the Independent Committee with regard to the Plan

   During the discussions and resolutions at the Independent Committee, each Independent Committee member shall make decisions from the viewpoint of whether or not such decisions will contribute to the corporate value and the common interests of shareholders of the Company, and shall not have the aim of pursuing his/her personal benefit or that of the Company's executive management team.
8. The Independent Committee may, when necessary, ask the Company's directors, employees or others that the Independent Committee considers necessary, to attend the Independent Committee and seek opinions on or explanation of the matters requested by the Independent Committee from them.
9. The Independent Committee may, upon the performance of its duties and at the Company's expense, obtain advice from outside experts (including investment bank, securities company, financial adviser, certified public accountant, lawyer, consultant and any other expert), who are independent of the Company's executive management team.

End

[Exhibit 2]

Names and Brief Histories of the Independent Committee Members

Name	Brief history	
Takafumi Hayashi (Born in October 1966)	Oct. 1991	Joined Chuo Shinko Audit Corporation
	Apr. 1995	Registered as a certified public accountant
	Jan. 1997	Joined JAFCO Co., Ltd., seconded to JAFCO Consulting Co., Ltd.
	Mar. 2005	Opened Hayashi Konin Kaikeishi Jimusho
	Jul. 2006	Registered as a certified tax accountant
	Jun. 2013	Corporate Auditor of the CompanyDirector of the Company (Audit and Supervisory Committee Member) (present position)
	Jun. 2016	
	Oct. 2016	Integrated Hayashi Konin Kaikeishi Jimusho to GRATIA Consulting Group
		Representative Partner of GRATIA Consulting Group, Hayashi Konin Kaikeishi Jimusho (present position)
	Jan. 2017	Outside Corporate Auditor of Japan Hospice Holdings Inc. (present position)
	Oct. 2018	Outside Director of Kabushiki Kaisha Kips (present position)
Yosuke Takai (Born in July 1985)	Dec. 2012	Registered as a lawyer, joined Terazawa Sogo Law Office
	Jan. 2016	Partner of Terazawa Sogo Law Office (present position)
	Mar. 2018	Delegate of Japan Federation of Bar Associations
	Jun. 2018	Director of the Company (Audit and Supervisory Committee Member) (present position)
Hidetaka Nishina (Born in March 1979)	Oct. 2002	Registered as a lawyer, joined Anderson Mori (currently, Anderson Mori & Tomotsune)
	Oct. 2003	Seconded to Bank of Japan, Operations Department
	May 2006	Seconded to the Ministry of Justice, Civil Affairs Bureau, Counsellor's Office
	Feb. 2010	Joined Nakamura, Tsunoda & Matsumoto
	Jan. 2011	Partner of Nakamura, Tsunoda & Matsumoto (present position)
	Sep. 2017	Registered as a Certified Fraud Examiner

* Messrs. Takafumi Hayashi and Yosuke Takai are outside directors (audit and supervisory committee members).
* Messrs. Takafumi Hayashi and Yosuke Takai are notified as independent directors in accordance with the rules of the Tokyo Stock Exchange.
* There are no special interests or transactional relationships between each of the above individuals and the Company.

[Exhibit 3]

Summary of Gratis Allotment of the Stock Acquisition Rights

1. Total number of Stock Acquisition Rights to be allotted

The total number of Stock Acquisition Rights to be allotted shall be the number separately prescribed by the Board in the Gratis Allotment Resolution (as defined below), but not exceeding the total number of Company Shares issued at the end of the day (the "Allotment Date") (excluding the number of Company Shares held by the Company at such time) separately determined by the Board by its resolution regarding the gratis allotment of the Stock Acquisition Rights (the "Gratis Allotment Resolution").

2. Shareholders subject to allocation

The Board shall make a gratis allotment of the Stock Acquisition Rights to the shareholders who are recorded in the shareholders registry as of the end of the Allotment Date at a ratio separately specified by the Board in the Gratis Allotment Resolution, but not exceeding one Stock Acquisition Right per common share of the Company held by such shareholders (excluding the Company Shares held by the Company at such time).

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

The effective date shall be separately determined by the Board by the Gratis Allotment Resolution.

4. Class and number of shares underlying the Stock Acquisition Rights

The class of shares underlying the Stock Acquisition Rights shall be the common share of the Company. The number of shares underlying a Stock Acquisition Right shall be the number separately determined by the Board by the Gratis Allotment Resolution, but not exceeding one share per Stock Acquisition Right; provided, however, that necessary adjustments shall be made in case the Company conducts a share split or consolidation of shares.

5. Details and value of the assets to be contributed upon the exercise of the Stock Acquisition Rights

Contributions made upon the exercise the Stock Acquisition Rights shall be cash, and the amount of cash per common share of the Company of the assets contributed in exercising the Stock Acquisition Rights shall be separately determined by the Board by the Gratis Allotment Resolution but shall be one yen or more.

6. Restriction on transfer of Stock Acquisition Rights

The transfer of the Stock Acquisition Rights shall be subject to the Board's approval.

7. Conditions for exercising the Stock Acquisition Rights

The conditions for exercising the Stock Acquisition Rights shall be separately determined by the Board (the Board may set forth certain exercise conditions taking into consideration the effect as countermeasures against the Large-Scale Purchase., such as exercise conditions to the effect that exercise of rights by certain Purchaser., determined by the Board through prescribed procedures and its joint holder and specially related party as well as any other person substantially controlled by them or any other person acting in cooperation or coordination with them as recognized by the Board (the "Exceptional Persons") shall not be granted).

8. Acquisition of Stock Acquisition Rights by the Company

The Company may, on a date separately determined by the Board, set forth certain acquisition provision to the effect that the Company may acquire all of the Stock Acquisition Rights or only those held by holders of the Stock Acquisition Rights other than the Exceptional Persons.

9. Acquisition without consideration in case the triggering of countermeasures is cancelled

If the Board cancels the triggering of countermeasures or in other cases determined by the Board by the Gratis Allotment Resolution, the Company may acquire all of the Stock Acquisition Rights without consideration.

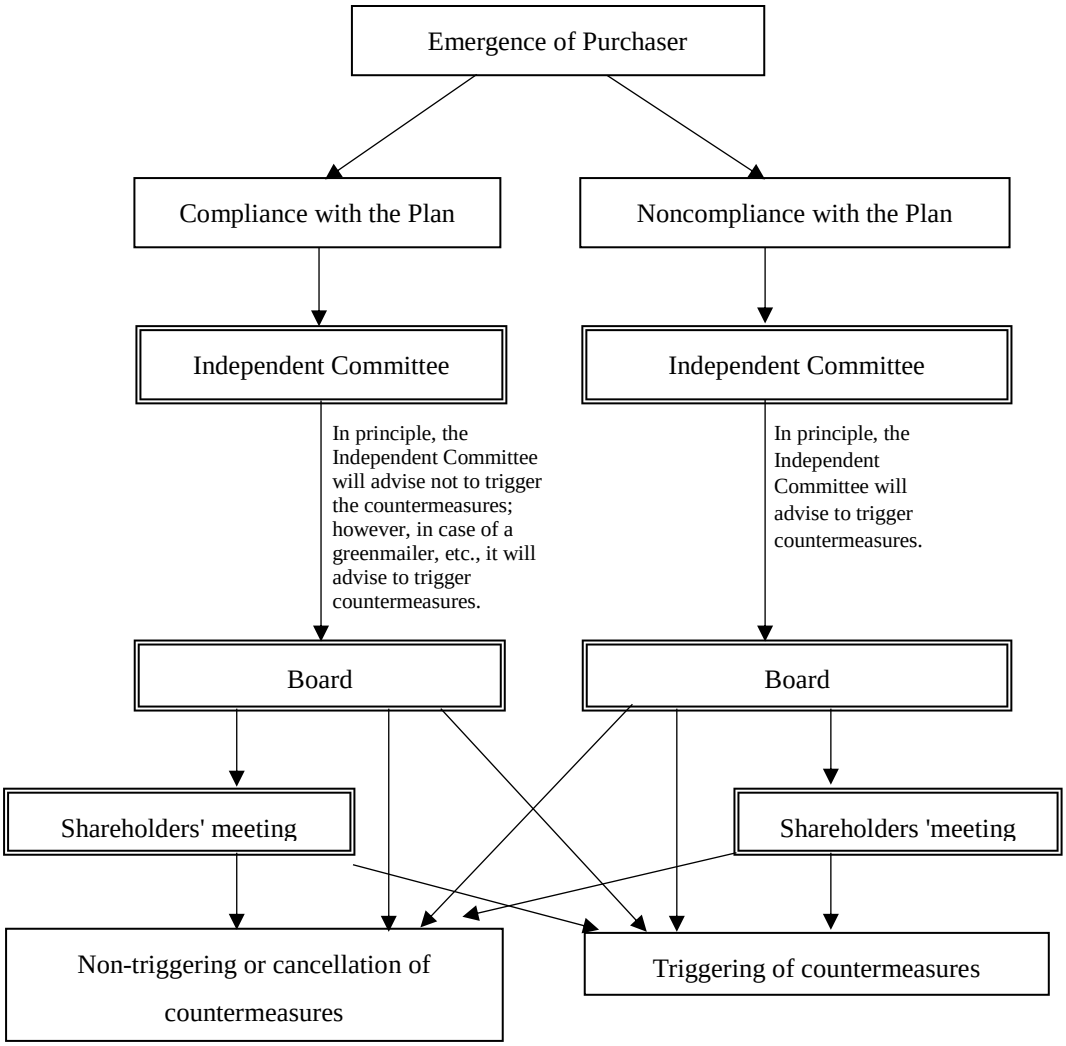
10. Exercise period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights and other necessary matters shall be separately determined by the Board by the Gratis Allotment Resolution.

End

[Reference Materials]

Conceptual Diagram of the Plan



* This diagram shows a summary of the procedures involved in the Plan. For more details, please refer to the main body of the Press Release.