(Stock Exchange Code 4221)
March 5, 2020

To Shareholders with Voting Rights:

Susumu Kanda
President, Representative Director
Okura Industrial Co., Ltd.
1515 Nakazu-cho, Marugame, Kagawa

NOTICE OF
THE 100th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 100th Annual General Meeting of Shareholders of Okura Industrial Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the attached Reference Documents for the General Meeting of Shareholders (pages 3 through 14), indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received no later than 5:15 p.m. Japan time on Wednesday, March 25, 2020.

1. **Date and Time:** Thursday, March 26, 2020 at 10:00 a.m. Japan time

2. **Place:** Okura Hotel Marugame Ho-O-No-Ma (2nd floor) located at 3-3-50 Fujimi-cho, Marugame, Kagawa, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 100th Fiscal Year (January 1, 2019 - December 31, 2019) and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 100th Fiscal Year (January 1, 2019 - December 31, 2019)

Proposals to be resolved:

Proposal 1:	Appropriation of Surplus
Proposal 2:	Partial Amendment to the Articles of Incorporation
Proposal 3:	Election of six (6) Directors (excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal 4:	Election of four (4) Directors Serving as Audit and Supervisory Committee Members
Proposal 5:	Determination of Remuneration for the Purpose of Allocating Restricted Shares to Directors (excluding Directors Serving as Audit and Supervisory Committee Members)

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Reception is scheduled to open at 9:00 a.m. Japan time.

Should the Reference Documents for the General Meeting of Shareholders, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (https://www.okr-ind.co.jp).

Disclosure on the Company's Website

Among the documents to be provided at the time of this Notice of Convocation, "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" are posted on the Company's website (https://www.okr-ind.co.jp) in accordance with laws and regulations and the Company's Articles of Incorporation, and are therefore not included in the attachments. The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit and Supervisory Committee when preparing the Audit Report, and by the Accounting Auditor when preparing the Accounting Audit Report include matters to be disclosed as "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" in addition to those matters described in the attachments.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

The Company proposes that surplus be appropriated as follows.

Matters concerning year-end dividend

The Company recognizes that the return of profits to shareholders is one of the most important management tasks. Taking comprehensive consideration of business performance and preparation for future business development, etc., the Company maintains a basic policy of paying a stable dividend.

Accordingly, the year-end dividend payment for the 100th fiscal year is proposed to be made as follows.

(1) Type of dividend property
Cash

(2) Matters concerning the allotment of dividend property to shareholders and the total amount
¥55 per share of common stock of the Company
Total amount of dividend ¥655,337,980

(3) Effective date of dividends from surplus
March 27, 2020

Proposal 2: Partial Amendment to the Articles of Incorporation

1. Reasons for the Proposal
   (1) In accordance with the current state of the Company's business, the Company will amend existing Article 3 (Objectives) in order to clarify areas of business and in response to diversified requests from shareholders.
   (2) In order to clarify the roles of Directors and the roles of Operating Officers and to abolish Executive Directors for the purpose of increasing the effectiveness and efficiency of our management, the Company will remove existing Article 21 (Executive Directors).
   (3) In order to abolish Executive Directors, the Company will amend existing Article 14 (Convener and Chairperson) and Article 23 (Convener and Chairperson of the Board of Directors) so that the Representative Director previously determined by the Board of Directors shall be the Convener and Chairperson of the General Meeting of Shareholders and the Board of Directors.
   (4) The Company will amend existing Article 22 (Remuneration, etc. for Directors) as part of the review of the Officer Remuneration System.
   (5) In addition to changes in the number of Articles resulting from the above amendments, the Company will also make partial amendments to the wording of the Articles.

2. Details of the Amendments
   Details of the amendments are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendment
Articles 1 to 2 (Omitted)	Articles 1 to 2 (Unchanged)
(Purpose) Article 3 The purpose of the Company shall be to engage in the following business. 1. The buying, selling and processing of timber and the export and import of these products. 2. The manufacture and sale of construction materials 3. The manufacture and sale of chemically processed timber products	(Purpose) Article 3 The purpose of the Company shall be to engage in the following business. 1.The manufacture, processing, packaging (including filling), sale, and the export and import of the following products. a. Synthetic resin films, sheets, and molded products b. Packaging materials and containers c. Construction and civil engineering materials, housing materials, and agricultural materials d. Electrical and electronic components, and optical materials e. Healthcare products, including pharmaceuticals, quasi-drugs, medical equipment, medical products, health foods, cosmetics, and hygiene products f. Additives and adhesives g. Food and food additives h. Crops and products made from crops i. The raw materials, components, and processed products of each of the above products 2. The sale, rental, and leasing of equipment, technology and expertise related to business described in the previous item. 3. Land development, building construction and the sale thereof

Current Articles of Incorporation	Proposed amendment
4. The manufacture and sale of synthetic chemical products	4. The buying, selling, and leasing of real estate, and the brokerage and management thereof
5. The manufacture and sale of inorganic chemical materials, organic chemical materials, and composite materials thereof	5. The contracting of construction works in their entirety, pipe works, painting works, waterproofing works, and exterior works
6. Land development, building construction and sales of these	6. The design and platemaking of printed materials
7. The buying, selling, and leasing of real estate, and the brokerage and management thereof	7. The treatment, transport, and recycling of industrial waste, and the sale of recycled products
8. The contracting of construction works in their entirety, pipe works, painting works, waterproofing works, and exterior works	8. The development, sales, and building of information processing-related systems and related equipment, and computerized information processing under contract
9. The cold storage business, the freezing business, and the sale of cold storage equipment	9. The management of lodging, restaurant, sports & leisure, medical and nursing care facilities, and the sales, rental, and leasing of related equipment
10. The design and construction of plants related to synthetic resins, plywood and construction materials, and cold storage, and the sale of related technology and expertise	10. Personnel dispatching based on the Worker Dispatching Act
11. The processing and manufacture of seafood products, agricultural products, and livestock products, and the export, import, and sale thereof	11. The loan and guarantee of funds
12. The manufacture and sale of foods, beverages, and food additives	12. The sale of insurance products and the agency thereof
13. The beverages, foods, and miscellaneous goods retailing business, and the sale of tobacco, revenue stamps, and postage stamps	13. All business incidental to the preceding items
14. The management and rental of hotels and various entertainment facilities, including sports and leisure facilities.	(Omitted)
15. The design of printed matters, and photoengraving-related business	(Omitted)
16. The general travel business	(Omitted)
17. The development, sales, and building of information processing-related systems and related equipment, and computerized information processing under contract	(Omitted)
18. The management of medical and nursing care facilities, and the sale of medical supplies and quasi-drugs	(Omitted)
19. Staffing business based on the Worker Dispatching Act	(Omitted)
20. The manufacture and sale of electrical components and electronic components	(Omitted)
21. The loan and guarantee of funds, and other finance business	(Omitted)

Current Articles of Incorporation	Proposed amendment
22. The treatment and transport business of industrial waste 23. All business incidental to the preceding items	(Omitted) (Omitted)
Articles 4 to 13 (Omitted)	Articles 4 to 13 (Unchanged)
(Convener and Chairperson) Article 14 The General Meeting of Shareholders is convened and chaired by the President, Director. In the event that President, Director is unable to act, the General Meeting of Shareholders shall be convened and chaired by another Director in an order previously determined by resolution of the Board of Directors.	(Convener and Chairperson) Article 14 The General Meeting of Shareholders shall be convened and chaired by a Representative Director previously determined by the Board of Directors. In the event that said Representative Director is unable to act, the General Meeting of Shareholders shall be convened and chaired by another Director in an order previously determined by resolution of the Board of Directors.
Articles 15 to 20 (Omitted)	Articles 15 to 20 (Unchanged)
(Executive Directors) Article 21 The Board of Directors may, by resolution, appoint one (1) President, Director from among Directors (excluding Directors serving as Audit and Supervisory Committee members), and appoint a few persons to the roles of Chairperson, Director; Vice President, Director; Senior Executive Vice President; and Executive Vice President.	(Omitted)
(Remuneration, etc. for Directors) Article 22 Directors' remuneration, bonuses, and other benefits received by Directors from the Company as consideration for the execution of their duties (hereinafter, "Remuneration, etc.) shall be determined by resolution of the General Meeting of Shareholders. 2. (Omitted)	(Remuneration, etc. for Directors) Article 21 Directors' remuneration and other benefits received by Directors from the Company as consideration for the execution of their duties (hereinafter, "Remuneration, etc.) shall be determined by resolution of the General Meeting of Shareholders. 2. (Unchanged)
(Convener and Chairperson of the Board of Directors) Article 23 Unless otherwise provided by law, the Board of Directors shall be convened and chaired by the President, Director. In the event that President, Director is unable to act, the Board of Directors shall be convened and chaired by another Director in an order previously determined by resolution of the Board of Directors.	(Convener and Chairperson of the Board of Directors) Article 22 Unless otherwise provided by law, the Board of Directors shall be convened and chaired by a Representative Director previously determined by the Board of Directors. In the event that said Representative Director is unable to act , the Board of Directors shall be convened and chaired by another Director in an order previously determined by resolution of the Board of Directors.
Articles 24 to 37 (Omitted)	Articles 23 to 36 (Unchanged)

Proposal 3: Election of six (6) Directors (excluding Directors Serving as Audit and Supervisory Committee Members)

The terms of office of all of the six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members) will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of six (6) Directors (excluding Directors serving as Audit and Supervisory Committee Members) is proposed.

The Company's Audit and Supervisory Committee has judged each candidate to be suitable to serve as Director based on his performance of duties, accomplishments, etc. during the fiscal year under review.

The candidates are as follows:

Candidate Number		Name	Current Positions in the Company
1	Reappointment	Kazunori Takahama	Chairperson, Representative Director
2	Reappointment	Susumu Kanda	President, Representative Director
3	Reappointment	Yoshitomo Tanaka	Executive Vice President
4	Reappointment	Hideki Uehara	Director
5	Reappointment	Kazuhiro Yamada	Director
6	Reappointment	Tomoo Ueta	Director

Reappointment: Candidate for Reappointment as Director
New Appointment: Candidate for New Appointment as Director
Outside: Candidate for Outside Director
Independent Officer: Candidate for Independent Officer

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions and assignments at the Company
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Kazunori Takahama
(February 13, 1950)

[Reappointment]</td><td>April 1975 Joined the Company
March 2003 Director
January 2006 Executive Vice President, Director
March 2009 Senior Executive Vice President, Representative Director
January 2010 President, Representative Director
March 2018 Chairperson, Representative Director (to present)</td><td>23,020</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Mr. Kazunori Takahama had served as President, Representative Director since 2010, and has served as Chairperson, Representative Director since 2018. The Company requests that he be re-elected because he is judged to be able to continue to fulfill his responsibility as Director based on his extensive experience and insight.</td></tr>
<tr><td rowspan="2">2</td><td>Susumu Kanda
(July 8, 1954)

[Reappointment]</td><td>April 1977 Joined the Company
April 2009 Operating Officer; President, Representative Director, Union Gravure Co., Ltd.
March 2010 Director; Supervision of Production Group, Plastic Film Division; Supervision of subsidiary companies; Manager, Corporate Planning Department, Corporate Center; and President, Representative Director, Union Gravure Co., Ltd.
January 2013 Director; Division President, Plastic Film Division
March 2016 Executive Vice President, Director; Division President, Plastic Film Division
March 2017 Executive Vice President, Representative Director; Division President, Plastic Film Division
March 2018 President, Representative Director (to present)</td><td>7,800</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Mr. Susumu Kanda had served as Division President of Plastic Film Division since 2013, and has served as President, Representative Director since 2018. The Company requests that he be re-elected because he is judged to be able to continue to fulfill his responsibility as Director based on his extensive experience and insight.</td></tr>
<tr><td rowspan="2">3</td><td>Yoshitomo Tanaka
(February 22, 1955)

[Reappointment]</td><td>April 1977 Joined the Company
April 2009 Operating Officer; President, Representative Director, Kansai Okura Co., Ltd.
March 2010 Director; Manager, General Affairs Department, Corporate Center
March 2011 Director; Manager, General Affairs Department, Corporate Center; Supervision of Environment Safety and Quality Assurance; and Supervision of subsidiary companies, Corporate Center
March 2017 Director; Supervision of Corporate Center; and Manager, General Affairs Department
March 2018 Executive Vice President, Director; Supervision of Corporate Center; and Manager, General Affairs Department
January 2019 Executive Vice President, Director; Supervision of Corporate Center; and Supervision of CSR/ESG (to present)
[Significant concurrent positions]
・President, Representative Director, Otomo Kasei Co., Ltd.
・Representative Director, CHUSAN-Cable Vision Corporation</td><td>6,540</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Director]
Mr. Yoshitomo Tanaka has served as Director since 2010 after serving as President, Representative Director of the Company’s subsidiary. The Company requests that he be re-elected because he is judged to be able to continue to fulfill his responsibility as Director based on his extensive experience and insight as a manager of administrative departments.</td></tr>
</table>

No.	Name (Date of birth)	Past experience, positions and assignments at the Company and significant concurrent positions	Number of shares of the Company held
4	Hideki Uehara (April 14, 1956) [Reappointment]	April 1980 Joined the Company April 2006 Plant Manager, Marugame No. 4 Plant April 2009 Operating Officer; Manager, Shrink Film Group, Plastic Film Division; and Plant Manager, Marugame No. 4 Plant January 2013 Operating Officer; Manager, Operation Support Department, Plastic Film Division; Manager, Product Development Department; and Manager, Industrial Material Group March 2013 Director; Manager, Operation Support Department, Plastic Film Division; Manager, Product Development Department; and Manager, Industrial Material Group November 2015 Director; Supervision of Research & Development Center; Manager, Operation Support Department; Manager, Product Development Department; and Manager, Industrial Material Group, Plastic Film Division January 2016 Director; Supervision of Research & Development Center, Plastic Film Division; Manager, Product Development Department; and Manager, Production Management Group March 2017 Director; Supervision of Research & Development Center; Vice Division President, Plastic Film Division; and Manager, Product Development Department March 2018 Director; Division President, Plastic Film Division; and Supervision of Research & Development Center (to present) [Significant concurrent position] ・Executive Director, Wuxi Okura Packing Material Co., Ltd.	6,820
	[Reason for nomination as candidate for Director] Mr. Hideki Uehara has served as Director since 2013 after the engagement in several managerial positions in production and development departments under Plastic Film Department. The Company requests that he be re-elected because he is judged to be able to continue to fulfill his responsibility as Director based on his extensive experience and insight cultivated through the operation in Plastic Film Division.		
5	Kazuhiro Yamada (March 10, 1957) [Reappointment]	April 1980 Joined the Company March 2009 Director; Manager, Business Promotion Department, Housing Materials Division March 2010 Director; Division President, Housing Materials Division (to present)	4,900
	[Reason for nomination as candidate for Director] Mr. Kazuhiro Yamada has served as Director since 2009 after the engagement in several managerial positions regarding sales in Housing Materials Department. The Company requests that he be re-elected because he is judged to be able to continue to fulfill his responsibility as Director based on his extensive experience and insight cultivated through the operation in Housing Materials Department.		
6	Tomoo Ueta (July 19, 1962) [Reappointment]	April 1985 Joined the Company April 2007 Manager, Business Unit 2, New Materials Division March 2009 Division President, New Materials Division March 2010 Operating Officer; Division President, New Materials Division March 2017 Director; Division President, New Materials Division (to present) [Significant concurrent position] ・Senior Executive Vice President, Representative Director, O.L.S. Co., Ltd.	2,700
	[Reason for nomination as candidate for Director] Mr. Tomoo Ueta has years of experience in production departments under New Materials Department and has served as Division President and Director since 2009 and 2017, respectively. The Company requests that he be re-elected because he is judged to be able to utilize his experience and insight cultivated through the operation in New Materials Department for the management of the Company.		

(Note) There are no special interests between the candidates and the Company.

Proposal 4: Election of four (4) Directors Serving as Audit and Supervisory Committee Members

The terms of office of all of the four (4) Directors serving as Audit and Supervisory Committee Members will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of four (4) Directors serving as Audit and Supervisory Committee Members is proposed.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates are as follows:

Candidate Number		Name	Current Positions in the Company	
1	Reappointment	Shigeki Sakurai	Outside Director Independent officer	Director (Full-time Audit and Supervisory Committee Member)
2	Reappointment	Toshio Baba	Outside Director Independent officer	Director (Audit and Supervisory Committee Member)
3	Reappointment	Takashi Kitada	Outside Director Independent officer	Director (Audit and Supervisory Committee Member)
4	Reappointment	Shinji Horiuchi	Outside Director	Director (Audit and Supervisory Committee Member)

Reappointment: Candidate for Reappointment as Director
New Appointment: Candidate for New Appointment as Director
Outside: Candidate for Outside Director
Independent Officer: Candidate for Independent Officer

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions and assignments at the Company
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">1</td><td>Shigeki Sakurai
(December 20, 1961)

[Reappointment]
[Outside]
[Independent Officer]</td><td>April 1984 Joined The Chugoku Bank, Ltd.
June 2013 General Manager, Risk Management Department, The Chugoku Bank, Ltd.
June 2015 General Manager, Compliance Department, The Chugoku Bank, Ltd.
June 2016 Assistant to Financial Business Department, The Chugoku Bank, Ltd.
March 2017 Director (Full-time Audit and Supervisory Committee Member) of the Company (to present)</td><td>1,300</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Mr. Shigeki Sakurai has been engaged in several important positions as a banker and has a wide range of experience and insight, despite having not participated in corporate management in any position other than as Outside Director. The Company requests that he be re-elected because he is judged to be able to properly execute his duties as Outside Director based on his contribution as Full-time Audit and Supervisory Committee Member to the reinforcement of the Board of Directors' supervisory function. He will have served as Outside Director serving as Audit and Supervisory Committee Member for three years as of the conclusion of this year's Annual General Meeting of Shareholders.</td></tr>
<tr><td rowspan="2">2</td><td>Toshio Baba
(November 15, 1952)

[Reappointment]
[Outside]
[Independent Officer]</td><td>April 1983 Registered as an attorney
April 1983 Established Baba Law Office (to present)
March 2004 Auditor of the Company
March 2015 Director
March 2016 Director (Audit and Supervisory Committee Member) (to present)
[Significant concurrent position]
・Attorney</td><td>4,600</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Mr. Toshio Baba has an extensive expertise in corporate legal affairs and compliance as well as adequate insight in corporate management cultivated through his activities as an attorney. The Company requests that he be re-elected as Outside Director serving as Audit and Supervisory Committee Member because he is judged to be able to properly execute his duties as Outside Director, despite having not participated in corporate management in any position other than as Outside Director. He will have served as Outside Director for five years, and served as Outside Director serving as Audit and Supervisory Committee Member for four years as of the conclusion of this year's Annual General Meeting of Shareholders. He also served as a non-executive officer (Auditor) of the Company in the past.</td></tr>
<tr><td rowspan="2">3</td><td>Takashi Kitada
(February 24, 1956)

[Reappointment]
[Outside]
[Independent Officer]</td><td>March 1985 Registered as a certified public accountant
April 1998 Joined Deloitte Touche Tohmatsu LLC
July 1999 Partner, Deloitte Touche Tohmatsu LLC
October 2014 Established KITADA Takasi CPA Office (to present)
March 2016 Director (Audit and Supervisory Committee Member) of the Company (to present)
[Significant concurrent position]
・Certified Public Accountant</td><td>1,300</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Mr. Takashi Kitada has an extensive expertise in corporate auditing and accounting as well as a wide range of experience and insight cultivated through his activities as a certified public accountant. The Company requests that he be re-elected as Outside Director serving as Audit and Supervisory Committee Member because he is judged to be able to properly execute his duties as Outside Director, despite having not participated in corporate management in any position other than as Outside Director. He will have served as Outside Director serving as Audit and Supervisory Committee Member for four years as of the conclusion of this year's Annual General Meeting of Shareholders.</td></tr>
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<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th>Past experience, positions and assignments at the Company
and significant concurrent positions</th><th>Number of shares of the Company held</th></tr>
<tr><td rowspan="2">4</td><td>Shinji Horiuchi
(December 2, 1969)

[Reappointment]
[Outside]</td><td>April 1992 Joined Sumitomo Chemical Company, Limited
July 2018 Associate Manager, Corporate Planning Dept., Sumitomo Chemical Company, Limited (to present)
March 2019 Director (Audit and Supervisory Committee Member) of the Company (to present)
[Significant concurrent position]
・Associate Manager, Corporate Planning Dept., Sumitomo Chemical Company, Limited</td><td>0</td></tr>
<tr><td colspan="3">[Reason for nomination as candidate for Outside Director]
Mr. Shinji Horiuchi has extensive business experience and knowledge cultivated through his years of service in another company. The Company requests that he be re-elected as Outside Director serving as Audit and Supervisory Committee Member because he is judged to be able to properly execute his duties as Outside Director. He will have served as Outside Director serving as Audit and Supervisory Committee Member for one year as of the conclusion of this year’s Annual General Meeting of Shareholders.</td></tr>
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(Notes)
1. There are no special interests between the candidate and the Company.
2. Mr. Shinji Horiuch is the Associate Manager, Corporate Planning Dept. of Sumitomo Chemical Company, Limited which is a specified related business entity (a major business partner) of the Company.
3. Messrs. Shigeki Sakurai, Toshio Baba, Takashi Kitada and Shinji Horiuchi are candidates for Outside Director.
4. The Company has registered Messrs. Toshio Baba and Takashi Kitada as Independent Directors as stipulated by the Tokyo Stock Exchange, pursuant to the provisions thereof. If their election is approved, they are expected to remain as Independent Directors. If the election of Mr. Shigeki Sakurai is approved, the Company intends to register him as an Independent Director with the Tokyo Stock Exchange.
5. The Company has entered into agreements with Messrs. Shigeki Sakurai, Toshio Baba, Takashi Kitada and Shinji Horiuchi in accordance with Article 423, Paragraph 1 of the Companies Act to limit their liability pursuant to Article 427, Paragraph 1 of the Companies Act. If their elections are approved, the Company intends to continue the agreements with them. The maximum amount of liability pursuant to the agreements is the amount stipulated by laws and regulations.

Proposal 5: Determination of Remuneration for the Purpose of Allocating Restricted Shares to Directors (excluding Directors Serving as Audit and Supervisory Committee Members)

At the 96th Annual General Meeting of Shareholders held on March 23, 2016, approval was granted for the total amount of remuneration for the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members) to be set within ¥220 million per annum (including remuneration for duties performed in the capacity of employee for Directors who serve concurrently as employees).

As part of a review of the remuneration system for officers, in order that the Company's Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors; hereinafter, "Eligible Directors") share the benefits and risks of fluctuations in the share price with shareholders, and to further increase their motivation to contribute to an increase in the Company's share price and enhanced corporate value, the Company proposes to allocate the common stock of the Company to Eligible Directors subject to certain restrictions on the transfer period and provisions including gratuitous acquisition by the Company (hereinafter, "Restricted Shares") as follows.

Therefore, comprehensively taking into account various matters such as the degree of contribution by Eligible Directors, separate from the amount of remuneration for the above Directors (excluding Directors serving as Audit and Supervisory Board Members), the Company proposes that the total amount of monetary compensation receivables paid as Restricted Shares-related remuneration to Eligible Directors to be set within ¥50 million per annum. In addition, since the allotment of Restricted Shares is determined taking into account various matters such as the degree of contribution by Eligible Directors, the Company believes that its contents are appropriate.

The Company currently has six (6) Directors (excluding Directors serving as Audit and Supervisory Board Members) (none of whom are Outside Directors). If approval for Article 3 is obtained, the number of Directors will be six (6) (none of whom are Outside Directors).

Specific Details and Maximum Number of Restricted Shares for Eligible Directors

1. Allotment and Payment of Restricted Shares

The Company shall pay Eligible Directors monetary compensation receivables within the above-mentioned maximum amount per annum as Restricted Shares-related remuneration, based on a resolution by the Company's Board of Directors, and each Eligible Director shall, in return, receive the allotment of Restricted Shares by providing the entire amount of monetary compensation receivables through contribution in kind.

The payment amount for the Restricted Shares shall be determined by the Company's Board of Directors within an amount that is not especially advantageous to Eligible Directors who are in receipt of said Restricted Shares, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Company's Board of Directors with regard to the issuance or disposal of the Restricted Shares (if no transactions are concluded on that day, the closing price of the immediately preceding date).

In addition, the above-mentioned monetary compensation receivables shall be paid provided that Eligible Directors agree with the above-mentioned contribution in kind and have entered into a Restricted Share Allotment Agreement that includes the content stipulated in 3. below.

2. Total Number of Restricted Shares

The total number of Restricted Shares to be allotted to Eligible Directors shall be limited to a maximum of 40,000 shares in each fiscal year.

However, in the event that circumstances such as a stock split (including the allotment of the Company's common stock without consideration) or a reverse stock split of the Company's common stock on or after the date of resolution of this Proposal necessitate an adjustment to the total number of Restricted Shares allotted, the total number of Restricted Shares may be reasonably adjusted.

3. Details of the Restricted Share Allotment Agreement

Upon the allotment of the Restricted Shares, the Restricted Share Allotment Agreement entered into between the Company and the Eligible Directors who have been allotted Restricted Shares based on a resolution by the Company's Board of Directors shall include the following.

(1) Details of Transfer Restrictions

With regard to the Restricted Shares allotted to Eligible Directors (hereinafter, "Allotted Shares"), during the period from the date of issuance of the Restricted Shares to the date of resignation of a person from the position of the Company's Director or Operating Officer (hereinafter, "Transfer Restriction Period"), Eligible Directors may not transfer Allotted Shares to a third party, establish a pledge on, establish a security interest on, provide as an inter vivos gift, bequeath, or dispose of them in any other way (hereinafter, "Transfer Restrictions").

(2) Acquisition of the Restricted Shares without Consideration

In the event that an Eligible Director who has been allotted Restricted Shares resigns from his or her position as either a Director or Operating Officer of the Company during the period from the commencement date of the Transfer Restriction Period to the date preceding the Company's next General Meeting of Shareholders, the Company shall, as a matter of course, acquire the Allotted Shares without consideration unless there are reasons deemed justifiable by the Company's Board of Directors.

In addition, in the event that the Transfer Restrictions on any of the Allotted Shares have not been removed based on the grounds for (3) Removal of Transfer Restrictions, as below, at the time of the expiration of the Transfer Restriction Period in (1) above, the Company shall, as a matter of course, acquire these without consideration.

(3) Removal of Transfer Restrictions

Provided that Eligible Directors who have been allotted Restricted Shares have consecutively been in a position as either a Director or Operating Officer of the Company from the commencement date of the Transfer Restriction Period until the date of the Company's next General Meeting of Shareholders, the Company shall remove the Transfer Restrictions on all Allotted Shares upon the expiration of the Transfer Restriction Period.

However, in the event that an Eligible Director resigns from his or her position as either a Director of Operating Officer of the Company during the period from the commencement date of the Transfer Restriction Period until the date preceding the Company's next General Meeting of Shareholders for reasons deemed justifiable by the Company's Board of Directors, the number of Allotted Shares on which Transfer Restrictions are to be removed and the timing of removal of the Transfer Restrictions may be reasonably adjusted as necessary.

(4) Treatment in the Event of Organizational Restructuring, etc.

In the event that, during the Transfer Restriction Period, the Company's General Meeting of Shareholders approvals a proposal for a merger agreement whereby the Company becomes the non-surviving company, a share exchange agreement or a share transfer plan whereby the Company becomes the wholly-owned subsidiary, or any other matters pertaining to organizational restructuring (however, in the event that the approval of the Company's General Meeting of Shareholders for said organizational restructuring, etc. is not required, resolution by the Company's Board of Directors shall apply), the Company shall remove the Transfer Restrictions on a reasonably determined number of Allotted Shares prior to the effective date of said organizational restructuring, etc. by resolution of the Company's Board of Directors based on the period from the commencement date of the Transfer Restriction Period to the date of approval of the organizational restructuring, etc.

In this event, the Company shall, as a matter of course, acquire the Allotted Shares whose Transfer Restrictions have not been removed, without consideration immediately upon the removal of the Transfer Restrictions based on the above provisions.