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(Stock Exchange Code 2296)

June 5, 2018

To Shareholders with Voting Rights:

ITOHAM YONEKYU HOLDINGS INC.
1-6-21 Mita, Meguro-ku, Tokyo, Japan

NOTICE OF THE 2ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. Date and Time: Tuesday, June 26, 2018 at 10:00 a.m. Japan time
(Reception Desk will open at 9:00 a.m.)

2. Place: The Garden Hall (inside YEBISU GARDEN PLACE)
1-13-2 Mita, Meguro-ku, Tokyo, Japan
(Please note that the place differs from last year.)

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the 2nd Fiscal Year (April 1, 2017 - March 31, 2018) of ITOHAM YONEKYU HOLDINGS INC. (the “Company”) and results of audits by the Accounting Auditor and the Board of Auditors of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 2nd Fiscal Year (April 1, 2017 - March 31, 2018)

Matters to be resolved:

- Proposal 1:** Partial Amendments to the Articles of Incorporation
Proposal 2: Election of 9 Directors
Proposal 3: Election of 1 Auditor
Proposal 4: Determination of Remuneration for Allotting Restricted Shares for Directors (excluding Outside Directors)

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- Of the documents required to be provided together with this Notice, “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements” are posted at the “General Meeting of Shareholders” section on the Company’s website (in Japanese) in accordance with provisions of laws and regulations as well as Article 14 of the Company’s Articles of Incorporation and therefore are not provided in the Appendix to this Notice. The Consolidated Financial Statements and Non-consolidated Financial Statements that were audited by the Auditors and Accounting Auditor in preparing Audit Report and Accounting Audit Report include information provided in the Appendix and matters need to be presented as the “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements.”
 - When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Should the Appendix to this Notice (including the Reference Documents for the General Meeting of Shareholders) require revisions by the day before this Ordinary General Meeting of Shareholders, such notice will be posted on the Company’s website (<http://www.itoham-yonekyu-holdings.com/>).
 - Please note that no souvenirs will be provided to the shareholders attending the Ordinary General Meeting of Shareholders. We would appreciate your understanding.
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Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

Taking the current situation of the Company group (the “Group”) into consideration, certain business purposes will be added or deleted.

2. Details of the amendments

The details of amendments are as follows:

(The underlined portions indicate amendments.)

Current Articles of Incorporation	Proposed amendments
<p>Article 2. (Purpose) The purpose of the Company is to control and manage the business activities of companies engaged in the following businesses and of foreign companies engaged in the businesses equivalent to the following businesses through ownership of their shares or equities, as well as to operate the following businesses: 1.-8. (Omitted) <u>9. Cultivation and sale of mushrooms</u> <u>10. Production and sale of rice and cereals, bread and confectionery</u> <u>11. Production and sale of soft drinks, tea and alcoholic beverages</u> <u>12. Production and sale of sauce and condiment</u> <u>13. Production and sale of edible oil products</u> (Newly established) <u>14. Production and sale of health foods</u> <u>15. Production and sale of compost</u> <u>16. Production and sale of salt and bittern</u> <u>17. Sale of agricultural produce and processed agricultural products</u> <u>18. Import and export businesses that are incidental to those mentioned in the preceding items</u> <u>19. Management of ranches</u> <u>20. Provision of technical and management guidance concerning the processing of meat, and manufacture and sale of processed meat products</u> <u>21. Management of restaurants</u> <u>22. Warehousing business, general motor truck transportation business and consigned motor truck transportation business</u> <u>23. Sale, purchase, lease, management and brokerage of real estates</u> <u>24. Business handling services for human resources, corporate administration and general affairs, and consulting services therefor</u> <u>25. Planning, development, sale, maintenance, management and operation of computer systems, and provision of services therefor</u> <u>26. Worker dispatching business</u> <u>27. Mail order sales business</u> <u>28. Non-life insurance agency services, insurance agency services under the Automobile Liability Security Act and services for solicitation of life insurance</u> <u>29. Acquisition and trading of securities</u> <u>30. Provision of monetary loans and debt guarantees</u></p>	<p>Article 2. (Purpose) The purpose of the Company is to control and manage the business activities of companies engaged in the following businesses and of foreign companies engaged in the businesses equivalent to the following businesses through ownership of their shares or equities, as well as to operate the following businesses: 1.-8. (Unchanged) (Deleted) <u>9. Production and sale of rice and cereals, bread and confectionery</u> (Deleted) <u>10. Production and sale of sauce and condiment</u> <u>11. Production and sale of edible oil products</u> <u>12. Production and sale of pharmaceuticals, quasi-drugs, reagents for testing and medicines for animals</u> <u>13. Production and sale of health foods</u> <u>14. Production and sale of compost</u> <u>15. Production and sale of salt and bittern</u> <u>16. Production, manufacturing and sale of agricultural produce and processed agricultural products</u> <u>17. Import and export businesses that are incidental to those mentioned in the preceding items</u> (Deleted) <u>18. Provision of technical and management guidance concerning the processing of meat, and manufacture and sale of processed meat products</u> <u>19. Management of restaurants</u> <u>20. Warehousing business, general motor truck transportation business and consigned motor truck transportation business</u> <u>21. Sale, purchase, lease, management and brokerage of real estates</u> <u>22. Business handling services for human resources, corporate administration and general affairs, and consulting services therefor</u> <u>23. Planning, development, sale, maintenance, management and operation of computer systems, and provision of services therefor</u> (Deleted) <u>24. Mail order sales business</u> (Deleted) <u>25. Acquisition and trading of securities</u> <u>26. Provision of monetary loans and debt guarantees</u></p>

Current Articles of Incorporation	Proposed amendments
<p><u>31.</u> Investment operations that are incidental to those mentioned in the preceding items or all services related thereto</p> <p>Article 16. (Convener and Chairmanship of General Meeting of Shareholders)</p> <p>The Director and President shall convene general meetings of shareholders and chair the meetings.</p> <p>In cases where the Director and President is prevented from so acting by certain incidents, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a general meeting of shareholders and chair the meeting.</p>	<p><u>27.</u> Investment operations that are incidental to those mentioned in the preceding items or all services related thereto</p> <p>Article 16. (Convener and Chairmanship of General Meeting of Shareholders)</p> <p>The Director and President shall convene general meetings of shareholders and chair the meetings.</p> <p>In cases where the Director and President is prevented from so acting by certain incidents <u>or any other unavoidable events</u>, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a general meeting of shareholders and chair the meeting.</p>

Proposal 2: Election of 9 Directors

The terms of office of all 9 Directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of 9 Directors including 2 Outside Directors is proposed.

The candidates are as follows:

No.	Name	Current positions and responsibilities in the Company	Attendance at the Board of Directors meetings
1	<u>Reelection</u> Hiromichi Ogawa (Age: 59)	Chairman of the Board	100% (10/10)
2	<u>Reelection</u> Isao Miyashita (Age: 50)	Chief Executive Officer	100% (14/14)
3	<u>Reelection</u> Ikurou Shibayama (Age: 62)	Executive Vice President (Quality Assurance / Group Production / R&D)	100% (14/14)
4	<u>New candidate</u> Akihisa Horiuchi (Age: 58)	Managing Executive Officer	-
5	<u>Reelection</u> Naoto Onuma (Age: 61)	Managing Executive Officer (Corporate (Accounting & Finance / General Affairs / Human Resource) / Compliance)	100% (10/10)
6	<u>Reelection</u> Ken Yamaguchi (Age: 50)	Executive Officer (Group Meat Division)	100% (10/10)
7	<u>Reelection</u> Masayuki Yoneda (Age: 58)	Executive Officer	100% (10/10)
8	<u>New candidate</u> Yumiko Ichige (Age: 57)	<u>Outside Director</u> <u>Independent Officer</u>	-
9	<u>New candidate</u> Aya Ito (Age: 45)	<u>Outside Director</u> <u>Independent Officer</u>	-

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
1	[Reelection] Hiromichi Ogawa (November 18, 1958) (Age: 59) Term of office as Director: 1 year Attendance at the Board of Directors meetings 100% (10/10)	April 1981 June 1998 October 2003 April 2004 September 2004 November 2005 April 2013 April 2014 April 2017 June 2017	Joined Mitsubishi Corporation Director; General Manager, Administration Division, Nichiryō Baking Co., LTD. Manager, Grain Products Unit, Mitsubishi Corporation Senior Vice President; Division Director, Products & Distribution Division, Lawson, Inc. Executive Vice President; Division Director, Products & Distribution Division, Lawson, Inc. Manager, LAWSON Project Management Unit, Mitsubishi Corporation General Manager, Retail Business Dept., Mitsubishi Corporation Senior Vice President; General Manager, Living Essentials Group CEO Office, Mitsubishi Corporation Advisor, the Company Director, Itoham Foods Inc. (current position) Director, Yonekyu Corporation (current position) Director, Chairman of the Board, the Company (current position)	7,700
[Reason for nomination as candidate for Director] Mr. Hiromichi Ogawa is nominated as a candidate for Director in the expectation that he will contribute to the further development of the Group by capitalizing on his wealth of experience and achievements in the food industry along with his broad knowledge.				
2	[Reelection] Isao Miyashita (February 15, 1968) (Age: 50) Term of office as Director: 2 years and 3 months Attendance at the Board of Directors meetings 100% (14/14)	April 1990 August 2002 June 2003 May 2006 May 2007 May 2008 May 2013 April 2016	Joined Mitsubishi Corporation Director, Foodlink Corporation Director, Japan Farm Co., Ltd. Worked in Meat & Livestock Business Unit, Mitsubishi Corporation Operating Officer; General Manager of Corporate Strategy Planning Office, Yonekyu Corporation Director and Executive Operating Officer, Yonekyu Corporation President & Chief Executive Officer, Yonekyu Corporation Chief Executive Officer, the Company (current position) Director, Itoham Foods Inc. (current position) Director, Yonekyu Corporation (current position)	42,202
[Reason for nomination as candidate for Director] Mr. Isao Miyashita is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience in the food industry along with his broad knowledge in the overall management.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
3	[Reelection] Ikurou Shibayama (January 20, 1956) (Age: 62) Term of office as Director: 2 years and 3 months Attendance at the Board of Directors meetings 100% (14/14)	April 1978	Joined ITOHAM DAILY Inc.	11,900
		March 2002	General Manager, Manufacturing Department, Tohoku Plant, ITOHAM DAILY Inc.	
		March 2009	Manager, Technology Department, Production Division, Processed Foods Division, Itoham Foods Inc.	
		April 2010	Executive Officer; Senior General Manager, Production Division, Processed Foods Division, responsible for Purchasing Department / Central Research Institute, Itoham Foods Inc.	
		June 2010	Director, Executive Officer, Itoham Foods Inc.	
		March 2015	Senior General Manager, Processed Foods Division, Itoham Foods Inc.	
		April 2015	Director, Managing Executive Officer, Itoham Foods Inc.	
		April 2016	Executive Vice President, the Company (current position) President / Representative Director, Itoham Foods Inc. (current position)	
		March 2017	Director, Yonekyu Corporation (current position) Responsible for Corporate Social Responsibility / Quality Assurance Departments, the Company	
April 2018	Responsible for Quality Assurance / Group Production / R&D, the Company (current position)			
[Reason for nomination as candidate for Director] Mr. Ikurou Shibayama is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience in the food industry along with his broad knowledge in the overall management and expertise in the area of processed food business.				
4	[New candidate] Akihisa Horiuchi (June 6, 1960) (Age: 58) Term of office as Director: - Attendance at the Board of Directors meetings -	April 1979	Joined Yonekyu Corporation	5,204
		March 2003	Senior General Manager, Processed Food Business Division, Yonekyu Corporation	
		May 2003	Director, Yonekyu Corporation	
		May 2006	Operating Officer, Yonekyu Corporation	
		May 2009	Executive Operating Officer, Yonekyu Corporation	
		March 2011	Senior General Manager, Merchandise Division, Yonekyu Corporation	
		March 2013	Senior General Manager, Sales Division, Yonekyu Corporation (current position)	
		May 2015	Director and Executive Operating Officer, Yonekyu Corporation	
		April 2017	Director and Senior Executive Operating Officer, Yonekyu Corporation	
April 2018	Managing Executive Officer, the Company (current position) President & Chief Executive Officer, Yonekyu Corporation (current position)			
[Reason for nomination as candidate for Director] Mr. Akihisa Horiuchi is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience and broad knowledge in the food industry along with his expertise in the area of processed food business.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
5	[Reelection] Naoto Onuma (May 13, 1957) (Age: 61) Term of office as Director: 1 year Attendance at the Board of Directors meetings 100% (10/10)	April 1980	Joined Mitsubishi Corporation	700
		April 2008	Group Controller, Chemicals Group, Mitsubishi Corporation	
6	[Reelection] Ken Yamaguchi (November 11, 1967) (Age: 50) Term of office as Director: 1 year Attendance at the Board of Directors meetings 100% (10/10)	April 2010	General Manager, Chemicals Group Administration Dept., Mitsubishi Corporation	1,000
		April 2013	Senior Vice President; General Manager, Living Essentials Group Administration Dept., Mitsubishi Corporation	
		April 2015	Senior Vice President; General Manager, Internal Audit Dept., Mitsubishi Corporation	
		April 2017	Managing Executive Officer; responsible for Accounting & Finance / General Affairs / Human Resource Departments, the Company	
		June 2017	Director, Senior Managing Executive Officer; General Manager, Corporate Administration Division, Itoham Foods Inc. (current position)	
		April 2018	Director, Managing Executive Officer, the Company (current position)	
		April 2016	Responsible for Corporate (Accounting & Finance / General Affairs / Human Resource), the Company (current position)	
		April 2017	Responsible for Compliance, the Company (current position)	
		June 2017	Responsible for Corporate (Accounting & Finance / General Affairs / Human Resource), the Company (current position)	
		April 2018	Responsible for Compliance, the Company (current position)	
[Reason for nomination as candidate for Director] Senior Managing Director, Itoham Foods Inc. (current position)				
[Reason for nomination as candidate for Director] Mr. Naoto Onuma is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience in the areas of accounting, finance and administration along with his broad knowledge.				
[Reason for nomination as candidate for Director] Mr. Ken Yamaguchi is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience and broad knowledge in the food industry along with his expertise in the area of fresh meat business.				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
7	<p>[Reelection]</p> <p>Masayuki Yoneda (August 27, 1959) (Age: 58)</p> <p>Term of office as Director: 1 year</p> <p>Attendance at the Board of Directors meetings 100% (10/10)</p>	<p>April 1982</p> <p>March 2013</p> <p>March 2014</p> <p>March 2016</p> <p>April 2016</p> <p>October 2016</p> <p>April 2017</p> <p>June 2017</p> <p>April 2018</p>	<p>Joined Itoham Foods Inc.</p> <p>Manager, Business Use Planning Department, Processed Foods Division, Itoham Foods Inc.</p> <p>Manager, CVS Sales Department, Food Service Sales Division, Processed Foods Division, Itoham Foods Inc.</p> <p>Acting Senior General Manager, Processed Foods Division, Itoham Foods Inc.</p> <p>Director, Executive Officer, Itoham Foods Inc.</p> <p>Senior General Manager, Processed Foods Division, Itoham Foods Inc. (current position)</p> <p>Director, Managing Executive Officer, Itoham Foods Inc. Executive Officer, the Company</p> <p>Director, Executive Officer, the Company (current position)</p> <p>Executive Director, Itoham Foods Inc. (current position)</p>	23,500
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Masayuki Yoneda is nominated as a candidate for Director in the expectation that he will work toward enhancing the Group's corporate value through performing his duties as a Director by capitalizing on his wealth of experience and broad knowledge in the food industry along with his expertise in the area of processed food business.</p>				
8	<p>[New candidate] [Outside Director] [Independent Officer]</p> <p>Yumiko Ichige March 13, 1961 (Age: 57)</p> <p>Term of office as Director: -</p> <p>Attendance at the Board of Directors meetings -</p>	<p>April 1989</p> <p>April 1989</p> <p>December 2007</p> <p>April 2009</p> <p>September 2010</p> <p>June 2012</p> <p>May 2014</p> <p>December 2014</p> <p>December 2016</p>	<p>Registered as an attorney at law</p> <p>Joined IBM Japan, Ltd.</p> <p>Partner, Nozomi Sogo Attorneys at Law (current position)</p> <p>Deputy Chairman, Daini Tokyo Bar Association</p> <p>Deputy Secretary General, Japan Federation of Bar Associations</p> <p>Outside Director, NEC Networks & System Integration Corporation (current position) (scheduled to retire on June 21, 2018)</p> <p>Outside Audit & Supervisory Board Member, AEON MALL Co., Ltd. (current position)</p> <p>Outside Director, SANYO TRADING CO., LTD.</p> <p>Outside Director, Sushiro Global Holdings Ltd. (current position)</p>	-
<p>[Reason for nomination as candidate for Outside Director]</p> <p>Ms. Yumiko Ichige is nominated as a candidate for Outside Director in the expectation that the Group's corporate value will be enhanced by receiving her objective and professional advice and supervision based on her knowledge she has gained as an attorney at law, which gave her wealth of experience and professional knowledge.</p> <p>She has never been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.</p>				

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
9	[New candidate]	October 2000	Joined Recruit Co., Ltd.	-
	[Outside Director]	June 2013	General Chief Editor of the Zexy magazine, Senior Manager, Media Produce Management Department, Bridal Business Division, Recruit Co., Ltd.	
	[Independent Officer]			
	Aya Ito (May 24, 1973) (Age: 45)	April 2014	General Manager, Media Produce Management Department, Bridal Business Division, Recruit Co., Ltd.	
	Term of office as Director: -	April 2015	General Manager, Diversity Promotion Department, Recruit Holdings Co., Ltd.	
	April 2016	General Manager, Sustainability Promotion Office, Recruit Holdings Co., Ltd.		
	April 2018	Partner, Sustainability Promotion Department, Recruit Holdings Co., Ltd. (current position)		
Attendance at the Board of Directors meetings -				
[Reason for nomination as candidate for Outside Director] Ms. Aya Ito is nominated as a candidate for Outside Director in the expectation that the Group's corporate value will be enhanced by receiving her objective and professional advice and supervision based on the broad knowledge she has gained through her duties and career. Although she has never been involved in the management of a company, the Company judges she will appropriately fulfill her duties as an Outside Director based on the above reasons.				

(Notes)

1. There are no special interests between each candidate and the Company.
2. Age of each candidate is as of this year's Ordinary General Meeting of Shareholders.
3. The Company has entered into an agreement with Mr. Hiromichi Ogawa in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act to limit his liability for damages under Article 423, Paragraph 1 of the said Act. The agreement is a liability limitation agreement to limit his liability to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act. Subject to the approval of this Proposal as originally proposed at this Ordinary General Meeting of Shareholders, the Company intends to terminate the said agreement with him at the conclusion of this year's Ordinary General Meeting of Shareholders, since he will assume the office of executive director of the Company. In addition, if this Proposal is approved as originally proposed at this Ordinary General Meeting of Shareholders, the Company plans to enter into the same limited liability agreements with Ms. Yumiko Ichige and Ms. Aya Ito.
4. Ms. Yumiko Ichige and Ms. Aya Ito satisfy the requirements for an independent officer as provided for by the Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning their appointment as independent officers, if this Proposal is approved as originally proposed at this Ordinary General Meeting of Shareholders.

Proposal 3: Election of 1 Auditor

Mr. Yoshihito Fujiwara will resign as Auditor at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of 1 new Auditor is proposed.

In addition, the consent of the Board of Auditors has been obtained for this Proposal.

Name (Date of birth)	Career summary, position in the Company and significant concurrent positions		Number of shares of the Company held
[New candidate]	April 1979	Joined Yonekyu Corporation	16,347
Masaki Tsuchiya (July 8, 1956) (Age: 61)	May 1995	Director, Yonekyu Corporation	
	July 1995	General Manager, President Office, Yonekyu Corporation	
Term of office as Auditor:	October 1995	General Manager, General Administration Department, Yonekyu Corporation	
	March 1999	President & CEO, Gotemba Kogen Beer Co., Ltd.	
-	July 2007	Acting Senior General Manager, Administration Division, General Manager, CSR Office, Yonekyu Corporation	
	September 2007	Operating Officer, Yonekyu Corporation	
Attendance at the Board of Directors meetings	May 2012	Auditor, Yonekyu Corporation (current position)	
	-		
[Reason for nomination as candidate for Auditor] Mr. Masaki Tsuchiya is nominated as a candidate for Auditor in the expectation that he will contribute to the further development of the Group through conducting audits from a broad and high level of perspective about the overall management by capitalizing on his wealth of experience and achievements in the food industry along with his broad knowledge.			

(Notes)

1. There is no special interest between the candidate and the Company.
2. Age of the candidate is as of this year's Ordinary General Meeting of Shareholders.
3. If this Proposal is approved as originally proposed at this Ordinary General Meeting of Shareholders, the Company plans to enter into an agreement with the candidate in accordance with the provisions in Article 427, Paragraph 1 of the Companies Act to limit his liability for damages under Article 423, Paragraph 1 of the said Act. The agreement is a liability limitation agreement to limit his liability to the minimum amount of liability stipulated in Article 425, Paragraph 1 of the said Act.

Proposal 4: Determination of Remuneration for Allotting Restricted Shares for Directors (excluding Outside Directors)

At the 1st Ordinary General Meeting of Shareholders of the Company held on June 27, 2017, it was approved that the remuneration, etc. to Directors of the Company should be within ¥400 million annually (including ¥40 million or less annually for Outside Directors. however, not including the amount paid as salary for the employee portion of Directors who concurrently serve as employees). It was also approved at the meeting that, apart from the aforementioned amount of remuneration, etc. to Directors, the amount of remuneration, etc. related to the stock acquisition rights as stock-based remuneration stock options to the Company's Directors (excluding Outside Directors) should be within ¥80 million annually.

The Company hereby proposes to allot the Company's common stock to its Directors (excluding Outside Directors), subject to certain period of transfer restrictions and provisions concerning justifiable reasons for the Company to acquire the shares without contribution (hereinafter referred to as the "Restricted Shares"), as specified below. This allotment is to replace the aforementioned stock acquisition rights as stock-based remuneration stock options, and aims at further enhancing motivations of the Directors (excluding Outside Directors) of the Company to contribute to increasing share price and enhancing the Company's corporate value, through sharing with shareholders benefits and risks of changes in its share price more than ever.

As such, the Company proposes to abolish relevant provisions of the aforementioned amount of remuneration, etc. concerning the stock acquisition rights as stock-based remuneration stock options, and to set the total amount of monetary remuneration claims to be paid as the remuneration, etc. concerning the Restricted Shares to the Company's Directors (excluding Outside Directors) to be within ¥80 million annually, apart from the aforementioned amount of remuneration to Directors, after giving comprehensive

considerations to various matters including contributions made by the Directors to the Company. The allotment of the Restricted Shares has been determined through giving comprehensive considerations to various matters including contributions made by the Directors to the Company, and the Company believes the details of the allotment are appropriate.

Once this Proposal is approved and adopted, the Company will discontinue previous the stock-based remuneration stock option plan for Directors of the Company (excluding Outside Directors), and will not thereafter grant them new stock acquisition rights as stock-based remuneration stock options based on this plan.

The number of the Company's Directors is currently 9 (including 2 Outside Directors), and should Proposal 2 be approved, the number of the Company's Directors will be 9 (including 2 Outside Directors).

Details about the Restricted Shares for the Company's Directors (excluding Outside Directors) and the maximum number of the Restricted Shares

1. Allotment of and payment for the Restricted Shares

The Company will pay monetary remuneration claims to its Directors (excluding Outside Directors) in an amount not exceeding the aforementioned annual amount as remuneration concerning the Restricted Shares in accordance with the resolution of the Board of Directors of the Company. Each Director (excluding Outside Directors) will then receive the allotment of the Restricted Shares through provision of all the monetary remuneration claims by means of contribution in kind.

The amount to be paid for the Restricted Shares shall be determined at the Board of Directors of the Company based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately before the date of resolution by the Board of Directors of the Company regarding the issuance or disposition of shares (if there is no closing price on such date, the closing price on the closest preceding trading day), which amount should be within the extent that it will not be particularly advantageous to the Directors who subscribe the Restricted Shares.

Such monetary remuneration claims will be provided only to those Directors of the Company who have agreed to the aforementioned contribution in kind and entered into an agreement on allotment of the Restricted Shares which contains the provisions specified in 3. below.

2. Total number of the Restricted Shares

The maximum number of the Restricted Shares to be allotted in each fiscal year shall be 100,000 shares, which is the total number of the Restricted Shares to be allotted to the Directors (excluding Outside Directors) of the Company.

However, if, on or after the day on which this Proposal is resolved, the Company performs a share split (including allotment of the Company's common stock without contribution) or a reverse share split of its common stock, or any other reason arises necessitating an adjustment to the total number of the Restricted Shares allotted in such cases, the Company may make adjustments to such total number of the Restricted Shares in a reasonable manner.

3. Details of an agreement on allotment of the Restricted Shares

Upon the allotment of the Restricted Shares, the Company and Directors of the Company eligible for the allotment of the Restricted Shares shall enter into an agreement on allotment of the Restricted Shares in accordance with the resolution of the Board of Directors of the Company, which shall contain the following provisions:

(1) Restrictions on transfer of shares

Any Director of the Company having received an allotment of the Restricted Shares may not transfer, establish a pledge, establish transfer security interest, make an inter vivos gift, make a bequeath or otherwise dispose of such Restricted Shares to a third party for a period determined by the Board of Directors of the Company, which shall be between 20 years and 30 years (hereinafter referred to as the "Restriction Period").

(2) Acquisition of the Restricted Shares without contribution

If any Director of the Company having received an allotment of the Restricted Shares retires from the position of Director and Executive Officer of the Company during the period between the start date of

the Restriction Period and the day before the Ordinary General Meeting of Shareholders first held during the Restriction Period, the Company shall automatically acquire the Restricted Shares allotted to such Director (hereinafter referred to as the "Allotted Shares") without contribution, unless there is a reason deemed as justifiable by the Board of Directors of the Company.

The Company shall automatically acquire without contribution any Allotted Shares on which the transfer restrictions have not been lifted pursuant to the provisions on reasons for lifting of transfer restrictions specified in (3) below at the time of expiration of the Restriction Period specified in (1) above.

(3) Lifting of transfer restrictions

The Company shall lift the transfer restrictions of all Allotted Shares upon expiration of the Restriction Period, on the condition that the Director of the Company having received an allotment of the Restricted Shares has remained in the position of Director or Executive Officer of the Company throughout the period between the start date of the Restriction Period and the date the Ordinary General Meeting of Shareholders first held during the Restriction Period.

However, if such Director retires from the position of Director or Executive Officer before the expiration of the Restriction Period for reasons deemed justifiable by the Board of Directors of the Company, number of Allotted Shares to be lifted from transfer restriction and the timing of lifting transfer restriction shall be adjusted reasonably and as necessary.

(4) Treatment during reorganization, etc.

If, during the Restriction Period, proposals relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company's General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the transfer restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Restriction Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company.

In such case, the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted pursuant to the aforementioned provisions.

(For your reference)

The Company will allot restricted shares similar to the aforementioned Restricted Shares to the Executive Officers of the Company, after the conclusion of this Ordinary General Meeting of Shareholders.