

Translation: Please note that the following purports to be an accurately translated excerpt of the original Japanese version prepared for the convenience of investors outside Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Stock Exchange Code: 3105

June 7, 2016

Dear Shareholders:

Nisshinbo Holdings Inc.

2-31-11, Ningyo-cho, Nihonbashi, Chuo-ku, Tokyo

Masaya Kawata

President and Representative Director

**Notice of Convocation of
The 173rd Ordinary General Meeting of Shareholders**

You are cordially invited to attend the 173rd Ordinary General Meeting of Shareholders of Nisshinbo Holdings Inc. (the “Company”).

If you are unable to attend the aforesaid meeting, you can exercise your votes through either of the methods stated below. The Company respectfully requests you to study the “Reference Document Concerning the General Meeting of Shareholders” below and exercise your voting rights on or before 5:00 p.m. (JST) June 28, 2016 (Tuesday):

[In case of exercising voting rights by mail]

Please indicate on the Voting Rights Exercise Form enclosed herewith your approval or disapproval to the items on the agenda, and return the form to be received by the Company by mail on or before the time limit stated above.

[In case of exercising voting rights via the Internet]

Please log in and indicate whether you approve or disapprove the items on the agenda by the time limit stated above upon making reference to “Procedures for exercising voting rights by the Internet” (though available for Japanese resident shareholders only).

PARTICULARS

1. Date and Time of the Meeting:

Wednesday, June 29, 2016 at 10:00 a.m.

2. Place of the Meeting:

Large Conference Room, 7th Floor, Head Office of the Company at 2-31-11, Ningyo-cho, Nihonbashi, Chuo-ku, Tokyo, Japan

3. Matters to be dealt with at the Meeting:

Matters to be Reported:

1. Report on the Business Report, the Consolidated Financial Statements for the 173rd Fiscal Year (from April 1, 2015 to March 31, 2016) and the Results on the Audits of Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board.
2. Report on the Non-Consolidated Financial Statements for the 173rd Fiscal Year (April 1, 2015 to March 31, 2016).

Matters to be Resolved:

- First Item of Business:** Election of Ten (10) Directors
- Second Item of Business:** Election of One (1) Substitute Audit & Supervisory Board Member
- Third Item of Business:** Determination of Amounts of Remuneration for Directors by Stock Acquisition Rights as Stock Compensation-Type Stock Options and the Details
- Fourth Item of Business:** Issue of Stock Acquisition Rights as Stock Options

4. Matters related to Exercise of Voting Rights:

- (1) In the event that a shareholder exercises voting rights both via return mail (Voting Rights Exercise Form) and the Internet, the Company will consider the exercise of voting rights via the Internet to be valid.
- (2) In the event that a shareholder exercises voting rights via the Internet more than once, the Company will consider the last exercise of voting rights to be valid.
- (3) In the event that a shareholder exercises voting rights through an agent, the agent shall be a shareholder having a voting right. Furthermore, a document verifying the power of attorney shall be submitted to the Company.

5. Matters related to document attached to the Notice of Convocation and Reference Document Concerning the General Meeting of Shareholders

- (1) Among documents to be attached to the Notice of Convocation, following matters are made available on the Company's website pursuant to the relevant laws and regulations, and the Articles of Incorporation of the Company, but are not stated in the documents attached to the Notice of Convocation.
 - ① Notes to Consolidated Financial Statements
 - ② Notes to Non-Consolidated Financial Statements

- (2) If there is any amendment to the contents of the Business Report, the Consolidated Financial Statements, the Non-consolidated Financial Statements, the Reference Document Concerning the General Meeting of Shareholders, the Company will announce such amendment on the Company's website (in only Japanese).

The Company's homepage: http://www.nisshinbo.co.jp/

[To Institutional Investors]

You may use the "electronic proxy-voting platform" for electromagnetic voting for the General Shareholders Meeting of the Company.

Reference Document Concerning the General Meeting of Shareholders

Item of Business and reference matter

First Item of Business: Election of Ten (10) Directors

The term of office of all of the thirteen (13) Directors will expire at the conclusion of this General Meeting. The Company has decided to decrease the number of Directors by three (3) in order to build a more efficient and flexible management structure through the delegation of greater decision-making authority to Managing Officers regarding the execution of the operations of the Company and the improvement of the supervisory function of the Board of Directors. Accordingly, ten (10) Directors including four (4) Outside Directors are proposed to be elected.

The candidates are as follows:

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
1	Masaya Kawata (April 20, 1952)	<p>April 1975 Joined the Company.</p> <p>June 2006 Managing Officer and General Manager of Human Resources Division of the Company</p> <p>April 2007 Deputy General Manager of Accounting and Finance Division of the Company (served concurrently)</p> <p>June 2007 Director of the Company</p> <p>April 2008 Deputy Chief of Business Support Center of the Company</p> <p>April 2009 President and Representative Director of Nisshinbo Brake Inc.</p> <p>June 2010 Director and Executive Managing Officer of the Company</p> <p>June 2011 Deputy Chief of Corporate Strategy Center and General Manager of Business Development Division of the Company (served concurrently)</p> <p> President and Representative Director of Nisshinbo Chemical Inc.</p> <p>June 2012 Director and Senior Executive Managing Officer of the Company</p> <p> President and Representative Director of Nisshinbo Mechatronics Inc.</p> <p>June 2013 President and Representative Director of the Company (to the present)</p>	67,992
<p>[Reason for election of candidate for Director] After his assumption of office as a Director of the Company, Mr. Masaya Kawata served as President and Representative Director of three consolidated subsidiaries and chief officer of the Business Development Division. He has served as President and Representative Director of the Company since 2013. The Company has judged that he would be fully able to perform his duties as Director in light of his substantial management experience and expertise. Accordingly, he has been proposed as a candidate.</p> <p>[Attendance at the Board of Directors' meetings] All 16 meetings</p>			

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
2	Masahiro Murakami (September 7, 1958)	<p>April 1982 Joined the Company</p> <p>April 2008 Managing Officer, Senior Manager of Corporate Governance Department of Corporate Strategy Center, Senior Manager of Human Resources & Administration Service Department of Business Support Center (served concurrently) and General Manager of Property Management Department of the Company (served concurrently)</p> <p>April 2009 Deputy Chief of Business Support Center (served concurrently), Senior Manager of Corporate Strategy Department of Corporate Strategy Center (served concurrently) and Senior Manager of Finance and Accounting & IT Service Department of Business Support Center of the Company (served concurrently)</p> <p>June 2010 Director and Chief of Business Support Center of the Company (served concurrently)</p> <p>January 2012 Responsible for Property Management Department of the Company (to the present)</p> <p>June 2012 Director, Executive Managing Officer and Deputy Chief of Corporate Strategy Center of the Company (served concurrently)</p> <p>June 2014 Chief of Corporate Strategy Center of the Company (served concurrently, to the present)</p> <p> Chairman and Director of Nisshinbo Paper Products Inc. (to the present)</p> <p>June 2015 Director and Senior Executive Managing Officer of the Company (to the present)</p> <p>(Significant concurrent positions at companies other than the Company)</p> <p>Chairman and Director of Nisshinbo Paper Products Inc.</p>	16,900
<p>[Reason for election of candidate for Director] After his assumption of office as a Director of the Company, Mr. Masahiro Murakami served as chief officer of the Finance and Accounting Department and the Administration Service Department. He presently serves as chief officer of the Corporate Strategy Department and the Property Management Department. The Company has judged that he would be fully able to perform his duties as Director in light of his substantial administrative experience and expertise. Accordingly, he has been proposed as a candidate.</p> <p>[Attendance at the Board of Directors' meetings] All 16 meetings</p>			

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
3	Koji Nishihara (April 14, 1958)	<p>April 1981 Joined the Company</p> <p>April 2007 Managing Officer and Manager of Strategic Planning Department and Overseas Operation Department of Brake Division of the Company (serviced concurrently)</p> <p>April 2009 Director, Executive Managing Officer and General Manager of Administration Division of Nisshinbo Brake Inc.</p> <p>April 2010 Director, Vice President and General Manager of Sale & Marketing Division of Nisshinbo Brake Inc.</p> <p>April 2011 General Manager of Production Division of Nisshinbo Brake Inc.</p> <p>June 2011 Director and Managing Officer of the Company, President and Representative Director of Nisshinbo Brake Inc. (to the present)</p> <p>January 2012 Responsible for Brake Business of the Company</p> <p>June 2012 Responsible for Supervising Brake Business of the Company (to the present)</p> <p>June 2015 Director and Executive Managing Officer (to the present)</p> <p>(Significant concurrent positions at companies other than the Company) President and Representative Director of Nisshinbo Brake Inc. Co-Representative Director of SAERON AUTOMOTIVE CORPORATION</p>	18,360
<p>[Reason for election of candidate for Director] After his assumption of office as a Director of the Company, Mr. Koji Nishihara served as President and Representative Director of Nisshinbo Brake Inc., which is a consolidated subsidiary of the Company. He is also supervising for the Brake Business of the Nisshinbo Group (the "Group"). The Company has judged that he would be fully able to perform his duties as Director in light of his substantial business experience and expertise. Accordingly, he has been proposed as a candidate.</p> <p>[Attendance at the Board of Directors' meetings] All 16 meetings</p>			

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
4	Takayoshi Tsuchida (January 26, 1949)	<p>April 1971 Joined Japan Radio Co., Ltd.</p> <p>June 2005 Director in charge of Public Sector Business of Japan Radio Co., Ltd.</p> <p>April 2006 In charge of Solution Business Division, Marine Electronics Division and Special Equipment Division and General Manager of Sales & Marketing Division of Japan Radio Co., Ltd.</p> <p>April 2008 Director, Managing Officer and General Manager of Solution Business Division of Japan Radio Co., Ltd.</p> <p>April 2009 Assistant of Operations and General Manager of Sales & Marketing of Japan Radio Co., Ltd.</p> <p>June 2010 Representative Director, Executive Managing Officer in charge of Operations and Sales & Marketing of Japan Radio Co., Ltd.</p> <p>June 2011 President and Representative Director of Japan Radio Co., Ltd. (to the present)</p> <p>June 2014 Director and Managing Officer of the Company (to the present)</p> <p>(Significant concurrent positions at companies other than the Company) President and Representative Director of Japan Radio Co., Ltd.</p>	2,400
<p>[Reason for election of candidate for Director] Since 2011, Mr. Takayoshi Tsuchida has served as President and Representative Director of Japan Radio Co., Ltd., which is a consolidated subsidiary of the Company. He has also assumed as a Director of the Company since 2014. The Company has judged that he would be fully able to perform his duties as Director in light of his substantial business experience and expertise. Accordingly, he has been proposed as a candidate.</p> <p>[Attendance at the Board of Directors' meetings] All 16 meetings</p>			

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
6	Takayoshi Okugawa (September 13, 1957)	<p>April 1981 Joined the Company</p> <p>January 2007 Assistant Manager of Miai Plant of the Company</p> <p>July 2007 Joined ALOKA CO., LTD.</p> <p>June 2009 Director in charge of General Affairs and General Manager of Internal Control Promotion Department of ALOKA CO., LTD.</p> <p>June 2011 Managing Officer, Senior Manager of CSR Department and Corporate Strategy Department of Corporate Strategy Center (served concurrently), and Senior Manager of Overseas Administration Service Department of Business Support Center of the Company (served concurrently)</p> <p>June 2012 Director, Senior Executive Managing Officer and General Manager of Business Administration Department of Nisshinbo Mechatronics Inc.</p> <p>June 2014 Director, Managing Officer (to the present) and Chief of Business Support Center of the Company (to the present)</p>	19,200
<p>[Reason for election of candidate for Director] Mr. Takayoshi Okugawa previously served as Managing Officer of the Company and Director of a consolidated subsidiary. He presently serves as a Director of the Company, and concurrently serves as chief officer of the Finance and Accounting Department and the Administration Service Department. The Company has judged that he would be fully able to perform his duties as Director in light of his substantial administrative experience and expertise. Accordingly, he has been proposed as a candidate.</p> <p>[Attendance at the Board of Directors' meetings] All 16 meetings</p>			

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
7	[Candidate for Outside Director] Tomofumi Akiyama (August 13, 1935)	<p>April 1959 Joined Fukoku Mutual Life Insurance Company</p> <p>July 1984 Director of Fukoku Mutual Life Insurance Company</p> <p>March 1989 Managing Director of Fukoku Mutual Life Insurance Company</p> <p>July 1998 President and Representative Director of Fukoku Mutual Life Insurance Company</p> <p>June 2003 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2006 Outside Director of the Company (to the present)</p> <p>July 2010 Chairman and Director of Fukoku Mutual Life Insurance Company (to the present)</p> <p>(Significant concurrent positions at companies other than the Company)</p> <p>Chairman and Director of Fukoku Mutual Life Insurance Company</p> <p>Outside Director of FUJIKYUKO CO., LTD.</p> <p>Outside Director of Imperial Hotel, Ltd.</p> <p>Outside Director of Tokyo Dome Corporation</p> <p>Outside Director of Showa Denko K.K.</p>	0
<p>[Reason for election of candidate for Outside Director] Mr. Tomofumi Akiyama has been involved with corporate management for many years as president of life insurance company. The Company appointed him as a candidate for Outside Director in the hope that he would be able to utilize his substantial management experience and expertise in the supervision of the management of the Group.</p> <p>[Attendance at the Board of Directors' meetings] 14 of 16 meetings</p>			

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
8	<p>[Candidate for Outside Director] Noboru Matsuda (December 13, 1933)</p>	<p>April 1963 Public Prosecutor of Tokyo District Court Public Prosecutors Office January 1981 Director of Juvenile Division of Criminal Affairs Bureau of Ministry of Justice August 1985 Special Trial Director of Tokyo High Public Prosecutors Office August 1987 Special Investigation Director of Tokyo District Court Public Prosecutors Office September 1989 Public Prosecutor of Supreme Public Prosecutors Office December 1991 Chief Prosecutor of Mito District Court Public Prosecutors Office July 1993 Director-General of the Correction Bureau of Ministry of Justice July 1995 Director of the Criminal Affairs Bureau of Supreme Public Prosecutors Office June 1996 Governor of Deposit Insurance Corporation of Japan June 2004 Advisor of Deposit Insurance Corporation of Japan September 2004 Registered as attorney-at-law (to the present) June 2012 Outside Director of the Company (to the present)</p> <p>(Significant concurrent positions at companies other than the Company) Outside Director of Hakuhodo DY Holdings Incorporated. Outside Director of Mitsubishi UFJ NICOS Co., Ltd. Outside Director of Yomiuri Giants</p>	0
<p>[Reason for election of candidate for Outside Director] Mr. Noboru Matsuda has work experience as a prosecuting attorney and lawyer, and professional knowledge about laws, etc. The Company appointed him as a candidate for Outside Director in the hope that he would be able to utilize his significant expert knowledge, substantial experience and expertise in the supervision of the management of the Group. [Attendance at the Board of Directors' meetings] 14 of 16 meetings</p>			

No.	Name (Date of Birth)	Brief personal profile, title, responsibilities and significant concurrent positions at companies other than the Company	Number of Company's shares held
9	[Candidate for Outside Director] Yoshinori Shimizu (February 9, 1948)	<p>April 1989 Professor of Faculty of Commerce and Management of Hitotsubashi University</p> <p>August 2000 Dean of Graduate School of Commerce and Management and Faculty of Commerce and Management of Hitotsubashi University</p> <p>April 2003 Executive Vice President of Hitotsubashi University</p> <p>May 2004 President of Japan Society of Monetary Economics</p> <p>September 2004 Vice President of The Mont Pelerin Society</p> <p>April 2011 Professor Emeritus of Hitotsubashi University (to the present) and Specially Appointed Professor of Graduate School of Commerce and Management of Hitotsubashi University</p> <p>June 2012 Outside Director of the Company (to the present)</p> <p>(Significant concurrent positions at companies other than the Company) Outside Director of Century Tokyo Leasing Corporation</p>	0
<p>[Reason for election of candidate for Outside Director] Mr. Yoshinori Shimizu, as a university professor, has professional knowledge mainly about monetary and finance. The Company appointed him as a candidate for Outside Director in the hope that he would be able to utilize his significant expert knowledge, substantial experience and expertise in the supervision of the management of the Group.</p> <p>[Attendance at the Board of Directors' meetings] All 16 meetings</p>			
10	[Candidate for Outside Director] Shinobu Fujino (July 13, 1957)	<p>April 1987 Jointed Ryoka Systems Inc.</p> <p>June 2003 Opened counseling business (to the present)</p> <p>June 2015 Outside Director of the Company (to the present)</p>	0
<p>[Reason for election of candidate for Outside Director] Ms. Shinobu Fujino, as a career counselor, has professional knowledge and experience mainly about human resources development. The Company appointed her as a candidate for Outside Director in the hope that she would be able to utilize her substantial knowledge and experience, as well as her female viewpoint and sensitivity in the supervision of the management of the Group and the promotion of diversity management.</p> <p>[Attendance at the Board of Directors' meetings] All 13 meetings (after her appointment on June 26, 2015)</p>			

(Notes)

1. Mr. Koji Nishihara is a co-representative director of SAERON AUTOMOTIVE CORPORATION, with which Nisshinbo Brake Inc., a wholly owned subsidiary of the Company has a transactional relationship for the purchase of products, etc.
2. Mr. Takayoshi Tsuchida is president and representative director of Japan Radio Co., Ltd., a subsidiary of the Company, with which the Company has a transactional relationship for the lending and borrowing funds.
3. Mr. Ryo Ogura is president and representative director of New Japan Radio Co., Ltd., a subsidiary of the Company, with which the Company has a transactional

- relationship for lending funds, etc.
4. There is no special interest between each of the other candidates and the Company.
 5. Mr. Tomofumi Akiyama, Mr. Noboru Matsuda, Mr. Yoshinori Shimizu and Ms. Shinobu Fujino are candidates for Outside Directors.
 6. Mr. Tomofumi Akiyama, Mr. Noboru Matsuda, Mr. Yoshinori Shimizu and Ms. Shinobu Fujino have been designated as Independent Officers provided for by the stock exchanges on which the Company's shares are listed and have been filed with the relevant stock exchanges.
 7. The term of office of candidates for Outside Directors and other related information are as follows:
 - (1) The term of office of Mr. Tomofumi Akiyama as Outside Director of the Company will have been ten (10) years at the conclusion of this General Meeting. Furthermore, he had been in the office of Outside Audit & Supervisory Board Member of the Company for three (3) years prior to his assumption of the office of Outside Director of the Company.
 - (2) The term of office of Mr. Noboru Matsuda as Outside Director of the Company will have been four (4) years at the conclusion of this General Meeting.
 - (3) The term of office of Mr. Yoshinori Shimizu as Outside Director of the Company will have been four (4) years at the conclusion of this General Meeting.
 - (4) The term of office of Ms. Shinobu Fujino as Outside Director of the Company will have been one (1) year at the conclusion of this General Meeting. Furthermore, her name on the Family Registration is Ms. Shinobu Kato but her name on business is Ms. Shinobu Fujino.
 8. The Company has entered into a liability limiting agreement with Mr. Tomofumi Akiyama, Mr. Noboru Matsuda, Mr. Yoshinori Shimizu and Ms. Shinobu Fujino under which the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act shall be limited to the prescribed 5 million yen, or the amount provided for in laws and regulations, whichever is higher, on the assumption that he/she discharged his/her duties in good faith and without gross negligence. In the event that each of them is reelected, the agreement will be continued. Furthermore, in the event that these candidates are elected, the Company is scheduled to enter into liability limiting agreement equivalent thereto with them.

Second Item of Business: Election of One (1) Substitute Audit & Supervisory Board Member

In preparation for a case in which the number in the office of Audit & Supervisory Board Members becomes less than the minimum number provided for in laws and regulations, we would like to ask shareholders to elect one (1) Substitute Audit & Supervisory Board Member in advance.

The Board of Audit & Supervisory Board Members has consented to this Item of Business.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief personal profile, title and significant concurrent positions at companies other than the Company	Number of Company's shares held
Atsushi Yamashita (March 5, 1958)	April 1988 Registered as an attorney at law (to the present) April 1988 Joined Tanaka & Takahashi Law Office May 2001 Joined Clifford Chance Law Office May 2011 Joined K&L Gates LLP October 2014 Joined Sonderhoff & Einsel Law and Patent Office (to the present) (Significant concurrent positions at companies other than the Company) Outside Director of Kuroda Electric Co., Ltd.	0
[Reason for election of candidate for Substitute Audit & Supervisory Board Member] Mr. Atsushi Yamashita has work experience as a lawyer and professional knowledge about international legal affairs. The Company appointed him as a candidate for Substitute Audit & Supervisory Board Member in the hope that he would be able to utilize his significant expert knowledge, substantial experience and expertise in the supervision of the management of the Group.		

(Notes)

1. There is no special interest between the candidate and the Company.
2. Mr. Atsushi Yamashita is a candidate for Substitute Outside Audit & Supervisory Board Members.
3. Kuroda Electric Co., Ltd., where Mr. Atsushi Yamashita has assumed office as an Outside Director, received a representation by one of its shareholders with regard to the proposal of electing directors submitted by the shareholder and rejected at the extraordinary meeting of shareholders held on August 21, 2015. Prior to the extraordinary meeting of shareholders, the statement was published under the name of "Jiseikai Group and All Employees" to express opposition against the proposal. Kuroda was claimed by the shareholder that the statement had been prepared wrongfully by some of Kuroda's executive managers. In order to address this issue, Mr. Yamashita took the lead in the establishment of an outside investigation committee and personnel selection to track down the facts. In addition, he was actively involved with the imposition of disciplinary punishment of persons concerned, the implementation of recurrence prevention measures and other necessary actions.
4. In the event that the number in the office of Audit & Supervisory Board Member is less than legal requirement, and Mr. Atsushi Yamashita assumes the office of Outside Audit & Supervisory Board Member, the Company is scheduled to enter

into a liability limiting agreement with him, under which the liability for damages set forth in Article 423, Paragraph 1 of the Companies Act shall be limited to the prescribed 5 million yen, or the amount provided for in laws and regulations, whichever is higher, on the assumption that he discharged his duties in good faith and without gross negligence.

Third Item of Business: Determination of Amounts of Remuneration for Directors by Stock Acquisition Rights as Stock Compensation-Type Stock Options and the Details

For the purpose of enhancing the motivation and morale of Directors (excluding Outside Directors) of the Company in terms of enhancement of corporate value and common interest of shareholders, and promoting management of the Company with emphasis on shareholders and stock price, we would like to ask shareholders to approve to allot stock acquisition rights to Directors (excluding Outside Directors) to the extent of 40 million yen per annum.

The above amounts of remuneration are calculated in accordance with the calculation method generally accepted for fair value and are not included in the aggregate remuneration to Directors in group of “not more than 400 million yen per year”, which was approved at the 162nd Ordinary General Meeting of Shareholders held on June 29, 2005. Furthermore, in the event that the First Item of Business is approved as originally proposed, the number of Directors to whom the stock acquisition rights are allotted is six (6).

Details of Stock Acquisition Rights to be allotted as remuneration

(1) Total number of stock acquisition rights:

Up to 500 stock acquisition rights.

(2) Type and number of shares to be issued upon exercise of stock acquisition rights:

The upper limit of common stock of the Company to be allotted shall be 50,000 shares and the number of shares to be issued upon exercise of one stock acquisition right shall be 100 shares (the “Number of Allotted Shares”).

Furthermore, in the event that on and after the date on which stock acquisition rights are issued (the “Issue Date”) shares of the Company are split or consolidated the number of shares to be issued upon exercise of stock acquisition rights shall be adjusted in proportion to the ratio of such split or consolidation of shares. Provided, however, that such adjustment shall be made only for the number of shares to be issued upon exercise of stock acquisition rights unexercised at the time of the stock split or stock consolidation, and any fractional shares less than one share resulting from such adjustment shall be disregarded.

(3) Amount to be paid for the issue of stock acquisition rights:

No amount in cash shall be required to be paid for the issue of stock acquisition rights.

(4) Amount of the property to be contributed upon exercise of stock acquisition rights:

Amount of the property to be contributed upon exercise of each stock acquisition right shall be the amount obtained by multiplying the amount to be paid per share to be delivered upon exercise of the stock acquisition right (the “Exercise Price”) by the Number of Allotted Shares. The Exercise Price shall be an amount obtained by

multiplying the average of the closing prices of the Company's shares of common stock in the ordinary trading on each of the days (other than days on which no trading of the Company's shares was executed) of the month immediately prior to the month into which the Issue Date falls on the Tokyo Stock Exchange by 1.05 with any fraction less than one (1) yen being rounded up to full one (1) yen; Provided, however, that if the amount so obtained is lower than the closing price of the Company's share on the Issue Date, the Exercise Price shall be the closing price on the Issue Date. In the event that on and after the Issue Date the Company splits or consolidates shares of common stock of the Company, the Exercise Price shall be adjusted in accordance with the following formula with any fraction less than one (1) yen resulting from adjustment being rounded up to full one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

Furthermore, in the event on and after the Issue Date the Company issues shares of common stock or disposes of treasury stock at the issue price lower than the then market price, the Exercise Price shall be adjusted in accordance with the following formula with any fraction less than one (1) yen resulting from adjustment being rounded up to full one (1) yen; Provided, however, that if shares are issued or treasury stock is disposed of upon exercise of stock acquisition rights, the Exercise Price shall not be adjusted.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued (or disposed)} \times \text{Amount paid per share}}{\text{Current market price per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued (or disposed)}}$$

In the above formula, "number of shares already issued" means the total number of shares of common stock in issue deducted by the number of treasury stock of common stock.

(5) Exercise period of stock acquisition rights:

On and after August 1, 2018 to July 31, 2023 (inclusive)

(6) Conditions for exercise of stock acquisition rights:

- (i) Holders of stock acquisition rights may exercise their stock acquisition rights only while they are in the office of Directors; Provided, however, that in the event that he resigns due to expiration of his term or justifiable cause, the foregoing shall not be applicable.
- (ii) Stock acquisition rights shall not be allowed to be inherited.
- (iii) Any other condition for exercise shall be provided for in an allotment agreement to be entered into between the Company and Director to whom stock acquisition rights are allotted upon resolutions of this Ordinary General Meeting of Shareholders and the Board of Directors of the Company.

(7) Matters related to Paid-in Capital and Capital Reserve to be increased as a result of issue of shares upon exercise of stock acquisition rights:

- (i) The paid-in capital shall increase by a half of the increase limit in capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Companies Accounting Regulation in the event that shares are issued upon exercise of stock acquisition rights, with any fraction less than one (1) yen resulting from calculation being rounded up to full one (1) yen.
- (ii) Amount increased in the capital reserve shall be an amount obtained by subtracting the increase of the paid-in capital stated in (i) above from the increase limit in capital, etc. stated in (i) above in the event that shares are issued upon exercise of stock acquisition rights.

(8) Event of acquisition of stock acquisition rights:

In case that a proposed merger agreement in which the Company is dissolved, or a proposed company split agreement or company split plan in which the Company is split, or a proposed share exchange or share transfer agreement in which the Company becomes a wholly-owned subsidiary of another company, is approved at the General Meeting of Shareholders of the Company, the Company may acquire stock acquisition rights without compensation on the date separately determined by the Board of Directors.

(9) Transfer of stock acquisition rights:

Transfer of stock acquisition rights shall be subject to approval of the Board of Directors of the Company.

(10) Delivery of stock acquisition rights upon merger, etc. of the Company:

In case of a merger, absorption-type company split, newly incorporation-type company split, or share exchange or transfer, the Company may deliver stock acquisition rights of the company surviving the merger, etc. to holders of stock acquisition rights in accordance with the relevant agreement or plan.

Fourth Item of Business: Issue of Stock Acquisition Rights as Stock Options

We would like to ask shareholders to approve the determination of subscription requirements of stock acquisition rights to be issued without compensation as stock options to Managing Officers (excluding Directors, the same applicable hereafter) and employees pursuant to the provisions of Articles 236, 238 and 239 of the Companies Act as follows:

1. Reasons for issue of stock acquisition rights with especially favorable conditions

For the purpose of enhancing the motivation and morale of Managing Officers and employees of the Company in terms of enhancement of corporate value and common interest of shareholders, stock acquisition rights will be issued without compensation to execute the stock option system.

2. Details of Stock Acquisition Rights

(1) Persons to be allotted with stock acquisition rights:

Persons whom the Board of Directors designates from among Managing Officers and employees for the reason that they are in important position of the Company from a viewpoint of management of the Company (the "Allottee").

(2) Total number of stock acquisition rights:

Up to 1,500 stock acquisition rights.

(3) Type and number of shares to be issued upon exercise of stock acquisition rights:

The upper limit of common stock of the Company to be allotted shall be 150,000 shares and the number of shares to be issued upon exercise of one stock acquisition right shall be 100 shares (the “Number of Allotted Shares”).

Furthermore, in the event that on and after the date on which stock acquisition rights are issued (the “Issue Date”) shares of the Company are split or consolidated the number of shares to be issued upon exercise of stock acquisition rights shall be adjusted in proportion to the ratio of such split or consolidation of shares. Provided, however, that such adjustment shall be made only for the number of shares to be issued upon exercise of stock acquisition rights unexercised at the time of the stock split or stock consolidation, and any fractional shares less than one share resulting from such adjustment shall be disregarded.

(4) Amount to be paid for the issue of stock acquisition rights:

No amount in cash shall be required to be paid for the issue of stock acquisition rights.

(5) Amount of the property to be contributed upon exercise of stock acquisition rights:

Amount of the property to be contributed upon exercise of each stock acquisition right shall be the amount obtained by multiplying the amount to be paid per share to be delivered upon exercise of the stock acquisition right (the “Exercise Price”) by the Number of Allotted Shares. The Exercise Price shall be an amount obtained by multiplying the average of the closing prices of the Company’s shares of common stock in the ordinary trading on each of the days (other than days on which no trading of the Company’s shares was executed) of the month immediately prior to the month into which the Issue Date falls on the Tokyo Stock Exchange by 1.05 with any fraction less than one (1) yen being rounded up to full one (1) yen; Provided, however, that if the amount so obtained is lower than the closing price of the Company’s share on the Issue Date, the Exercise Price shall be the closing price on the Issue Date. In the event that on and after the Issue Date the Company splits or consolidates shares of common stock of the Company, the Exercise Price shall be adjusted in accordance with the following formula with any fraction less than one (1) yen resulting from adjustment being rounded up to full one (1) yen.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

Furthermore, in the event on and after the Issue Date the Company issues shares of common stock or disposes of treasury stock at the issue price lower than the then market price, the Exercise Price shall be adjusted in accordance with the following formula with any fraction less than one (1) yen resulting from adjustment being rounded up to full one (1) yen; Provided, however, that if shares are issued or treasury stock is disposed of upon exercise of stock acquisition rights, the Exercise Price shall not be adjusted.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued (or disposed)} \times \text{Amount paid per share}}{\text{Current market price per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued (or disposed)}}$$

In the above formula, “number of shares already issued” means the total number of shares of common stock in issue deducted by the number of treasury stock of common stock.

(6) Exercise period of stock acquisition rights:

On and after August 1, 2018 to July 31, 2023 (inclusive).

(7) Conditions for exercise of stock acquisition rights:

- (i) Holders of stock acquisition rights may exercise their stock acquisition rights only while they are in the office of Directors, Audit & Supervisory Board Members, Managing Officers, employees of the Company; Provided, however, that in the event that Director, Audit & Supervisory Board Member or Managing Officer resigns due to expiration of his term or employee retires upon reaching the age limit or justifiable cause, the foregoing shall not be applicable.
- (ii) Stock acquisition rights shall not be allowed to be inherited.
- (iii) Any other condition for exercise shall be provided for in an allotment agreement to be entered into between the Company and the Allottee upon resolutions of this Ordinary General Meeting of Shareholders and the Board of Directors of the Company.

(8) Matters related to Paid-in Capital and Capital Reserve to be increased as a result of issue of shares upon exercise of stock acquisition rights:

- (i) The paid-in capital shall increase by a half of the increase limit in capital, etc. calculated in accordance with Article 17, Paragraph 1 of the Companies Accounting Regulation in the event that shares are issued upon exercise of stock acquisition rights, with any fraction less than one (1) yen resulting from calculation being rounded up to full one (1) yen.
- (ii) Amount increased in the capital reserve shall be an amount obtained by deducting the increase of the paid-in capital stated in (i) above from the increase limit in capital, etc. stated in (i) above in the event that shares are issued upon exercise of stock acquisition rights.

(9) Event of acquisition of stock acquisition rights:

In case that a proposed merger agreement in which the Company is dissolved, or a proposed company split agreement or company split plan in which the Company is split, or a proposed share exchange or share transfer agreement in which the Company becomes a wholly-owned subsidiary of another company, is approved at the General Meeting of Shareholders of the Company, the Company may acquire stock acquisition rights without compensation on the date separately determined by the Board of Directors.

(10) Transfer of stock acquisition rights:

Transfer of stock acquisition rights shall be subject to approval of the Board of Directors of the Company.

(11) Delivery of stock acquisition rights upon merger, etc. of the Company:

In case of a merger, absorption-type company split, newly incorporation-type company split, or share exchange or transfer, the Company may deliver stock acquisition rights of the company surviving the merger, etc. to holders of stock acquisition rights in accordance with the relevant agreement or plan.

- End -