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Securities Code: 5852

June 1, 2018

To our shareholders:

Arata Takahashi, President, CEO  
**Ahresty Corporation**  
[Head Office and Headquarters]  
1-2 Nakabara, Mitsuya-cho, Toyohashi-shi, Aichi  
[Tokyo Head Office]  
2-46-1 Honcho, Nakano-ku, Tokyo

## NOTICE OF THE 97th GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 97th General Meeting of Shareholders of Ahresty Corporation (the “Company”) on June 20, 2018 (Japan Standard Time), which will be held as described hereunder.

Please note that if you are unable to attend the meeting on the specified date, you can still exercise your voting rights online or by post. Please cast your vote upon reviewing the “Reference Documents for the General Meeting of Shareholders,” provided towards the end of this document.

**1. Date and Time:** Wednesday, June 20, 2018 at 10:00 a.m. (Japan Standard Time)

**2. Venue:** NAKANO SUNPLAZA, 13th floor, Cosmo Room  
4-1-1 Nakano, Nakano-ku, Tokyo

### 3. Purpose of the Meeting

#### Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 97th fiscal year (from April 1, 2017 to March 31, 2018) and Reports of Audit on the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
2. Non-Consolidated Financial Statements for the 97th fiscal year (from April 1, 2017 to March 31, 2018)

#### Matters to be resolved:

- Proposal No. 1** Election of Six (6) Directors (excluding Directors Serving as the Audit and Supervisory Committee Members)
- Proposal No. 2** Election of One (1) Director Serving as an Audit and Supervisory Committee Member
- Proposal No. 3** Determination of the Amount and Details of Remuneration to be Paid to Directors (excluding Directors Serving as the Audit and Supervisory Committee Members) for the Purpose of Granting Shares with Transfer Restrictions
- Proposal No. 4** Determination of the Amount and Details of Remuneration to be Paid to Directors (excluding Outside Directors) Serving as the Audit and Supervisory Committee Members for the Purpose of Granting Shares with Transfer Restrictions

### 4. Guidelines for exercising your voting rights

Please refer to the [Guidelines for exercising your voting rights] on the Page 2 (in Japanese only).

### 5. Issues related to Internet disclosure

Of the documents that need to be submitted for the shareholders’ meeting, the Company has posted the following items from the attached documents on its website, in compliance with laws and regulations and Article 14 of Articles of Incorporation. The said items are not provided with this notice.

- (i) Business Report “Status of subscription rights to shares”
- (ii) Notes to the Consolidated Financial Statements
- (iii) Notes to the Non-Consolidated Financial Statements

The documents attached to this meeting notification are part of the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the accounting auditor and the Audit and Supervisory Committee when creating an audit report.

- All the attendees are kindly requested to submit the enclosed voting form to our reception desk at the venue on the day of meeting.
- If there are any changes to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements, they will be posted on the Company's website.  
Official Website (<https://www.ahresty.co.jp>)

## Reference Documents for the General Meeting of Shareholders

**Proposal No. 1** Election of Six (6) Directors (excluding Directors Serving as the Audit and Supervisory Committee Members)

The term of office of all six (6) Directors (excluding Directors Serving as the Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we request the election of six (6) Directors (excluding Directors serving as the Audit and Supervisory Committee Members). In addition, the Audit and Supervisory Committee has judged that all candidates for Director are appropriate due to their contributions to improving the corporate value of the Company.

The candidates for election as Directors (excluding Directors serving as the Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current position/areas of responsibility in the Company	
1	Arata Takahashi	President, CEO	Reelection
2	Junji Ito	Director, Managing Executive Officer, Chief of Manufacturing Command	Reelection
3	Shinichi Takahashi	Director, Managing Executive Officer, Chief of General Administrative Command	Reelection
4	Shinichi Gamou	Director, Managing Executive Officer President, Ahresty Mexicana, S.A. de C.V. Chairman, Ahresty Wilmington Corporation	Reelection
5	Naoyuki Kaneta	Director, Managing Executive Officer, Chief of Sales Command	Reelection
6	Kenichi Nonaka	Director, Executive Officer CEA (Chief Engineering Advisor)	Reelection

Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibility (significant concurrent positions outside the Company)	Number of the Company's shares held
1	Arata Takahashi (November 2, 1955)  Reelection	<p>Apr. 1979      Joined Ahresty Corporation</p> <p>Oct. 1986      Director, Fuso Light Alloys of America Corporation (current Ahresty Wilmington Corporation)</p> <p>June 1987      Director, Ahresty Corporation</p> <p>May 1994      Chairman, Ahresty Wilmington Corporation</p> <p>June 1995      Senior Executive Director, Ahresty Corporation</p> <p>June 1997      Vice President, Ahresty Corporation</p> <p>Oct. 1997      President, Ahresty Corporation (current position)</p> <p>June 2001      Director, Kyoto Die Casting Co., Ltd.</p> <p>July 2001      Executive Officer, Ahresty Corporation</p> <p>June 2003      Senior Executive Officer, Ahresty Corporation</p> <p>June 2005      CEO, Ahresty Corporation (current position)</p>	915,021
(Reason for nomination as candidate for Director) Mr. Arata Takahashi has long-standing achievements in leading the entire Group as Group's management and abundant knowledge in the overall business. In consideration of the above, it was judged that he is appropriate for Director.			
2	Junji Ito (June 3, 1955)  Reelection	<p>Apr. 1978      Joined Ahresty Corporation</p> <p>Apr. 2010      General Manager, Toyohashi Plant, Ahresty Corporation</p> <p>Oct. 2013      Executive Officer, Ahresty Corporation General Manager, Advance Production Engineering Dept., Ahresty Corporation</p> <p>June 2016      Managing Executive Officer, Ahresty Corporation (current position)</p> <p>June 2017      Chief, Manufacturing Command, Ahresty Corporation (current position) Director, Ahresty Corporation (current position)</p>	3,400
(Reason for nomination as candidate for Director) Mr. Junji Ito has proven achievements in controlling the manufacturing division of the Group as Chief of Manufacturing Command of the Company as well as past experience and knowledge as General Manager of a plant and Executive Officer. In consideration of the above, it was judged that he is appropriate for Director.			
3	Shinichi Takahashi (October 21, 1980)  Reelection	<p>Apr. 2005      Joined Hitachi, Ltd.</p> <p>Apr. 2009      Joined Ahresty Corporation</p> <p>Jan. 2011      Director, Ahresty Wilmington Corporation</p> <p>Apr. 2014      General Manager, IT System Dept., Ahresty Corporation</p> <p>June 2016      Executive Officer, Ahresty Corporation</p> <p>June 2017      Managing Executive Officer, Ahresty Corporation (current position) Chief, General Administrative Command, Ahresty Corporation (current position) Director, Ahresty Corporation (current position)</p>	2,322
(Reason for nomination as candidate for Director) Mr. Shinichi Takahashi has proven achievements in controlling the general administrative division of the Group as Chief of General Administrative Command of the Company as well as past experience and knowledge as Director of an overseas subsidiary and Executive Officer. In consideration of the above, it was judged that he is appropriate for Director.			

Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibility (significant concurrent positions outside the Company)	Number of the Company's shares held	
4	Shinichi Gamou (August 18, 1955)  Reelection	Oct. 1982	Joined Sugahara Precision Industry Co., Ltd. (current Ahresty Yamagata Corporation)	1,100
		May 2002	Director, General Manager of Plant, Sugahara Precision Industry Co., Ltd.	
		Apr. 2008	President, Ahresty Yamagata Corporation	
		Oct. 2011	Executive Officer, Ahresty Corporation Director and President, Guangzhou Ahresty Casting Co., Ltd.	
		Apr. 2013	Managing Executive Officer, Ahresty Corporation (current position)	
		June 2013	Director, Ahresty Corporation (current position)	
		July 2015	President, Ahresty Mexicana, S.A. de C.V. (current position) Chairman, Ahresty Wilmington Corporation (current position)	
(Reason for nomination as candidate for Director) Mr. Shinichi Gamou has stationed overseas and accumulated achievements and knowledge in controlling the overseas subsidiaries in addition to his management experience in Japan. In consideration of the above, it was judged that he is appropriate for Director.				
5	Naoyuki Kaneta (April 26, 1964)  Reelection	Apr. 1983	Joined Ahresty Corporation	10,500
		June 2006	General Manager, Western Japan Die Casting Sales Dept., Ahresty Corporation	
		Mar. 2007	Executive Officer, Ahresty Corporation Deputy Chief, Sales Command; General Manager, Die Casting Sales Dept., Ahresty Corporation	
		May 2008	Chief, Sales Command, Ahresty Corporation (current position)	
		Apr. 2011	Managing Executive Officer, Ahresty Corporation (current position)	
		June 2015	Director, Ahresty Corporation (current position)	
(Reason for nomination as candidate for Director) Mr. Naoyuki Kaneta has proven achievements in controlling the sales division of the Group as Chief of Sales Command of the Company as well as abundant experience in sales in the past. In consideration of the above, it was judged that he is appropriate for Director.				

Candidate No.	Name (Date of birth)	Career summary, positions and areas of responsibility (significant concurrent positions outside the Company)	Number of the Company's shares held
6	Kenichi Nonaka (January 28, 1949)  Reelection	<p>Apr. 1967      Joined Ahresty Corporation</p> <p>June 1991      Director and General Manager, Administration Dept., Ahresty Kumamoto Corporation</p> <p>July 1994      General Manager, Quality Management Dept. and TQM Promotion Office, Ahresty Corporation</p> <p>Jan. 1999      General Manager, General Affairs Dept., Ahresty Corporation</p> <p>May 1999      General Manager, General Affairs Dept. and Management Planning Office, Ahresty Corporation</p> <p>Mar. 2001      President, Ahresty Wilmington Corporation</p> <p>July 2001      Executive Officer, Ahresty Corporation</p> <p>Jan. 2005      Senior Executive Officer, Ahresty Corporation General Manager, Toyohashi Plant, Ahresty Corporation</p> <p>June 2005      Executive Officer, Ahresty Corporation</p> <p>Oct. 2008      President, Ahresty Wilmington Corporation</p> <p>Jan. 2011      Chief, Manufacturing Command, Ahresty Corporation</p> <p>Apr. 2011      Managing Executive Officer, Ahresty Corporation</p> <p>June 2011      Director, Ahresty Corporation (current position) Senior Managing Executive Officer, Ahresty Corporation</p> <p>June 2017      Executive Officer, Ahresty Corporation (current position)</p>	8,500
<p>(Reason for nomination as candidate for Director)</p> <p>Mr. Kenichi Nonaka has proven achievements of contributing the advancement of the manufacturing technology of the Group as CEA (Chief Engineering Advisor) of the Company as well as past experience and knowledge in overseas management. In consideration of the above, it was judged that he is appropriate for Director.</p>			

(Note) There are no conflicts of interest between each candidate and the Company.

**Proposal No. 2** Election of One (1) Director Serving as an Audit and Supervisory Committee Member

Shozo Hamamura, a Director serving as an Audit and Supervisory Committee Member, will resign at the conclusion of this General Meeting of Shareholders. Accordingly, we request the election of one (1) Director serving as an Audit and Supervisory Committee Member as his substitute.

In addition, as provided for in the Company's Articles of Incorporation, the term of office of the Director serving as an Audit and Supervisory Committee Member elected as a substitute will be until the term of office of the retiring Director serving as Audit and Supervisory Committee Member expires.

In addition, the consent of the Audit and Supervisory Committee has been obtained for this proposal.

[Ahresty Corporation Independent Director Election Standards]

In addition to the standards stipulated in the Companies Act and by the Tokyo Stock Exchange, the election will be held in accordance with the "Independent Director Election Standards" (established in October 2015) related to independence from the Company for electing outside Directors, and efforts will be made to eliminate the risk of conflict of interest with general shareholders.

[Broad Overview of Independent Director Election Standards]

1. The candidate should not be currently serving or in the past ten years served as an Executive Director of the Ahresty group
2. The candidate should not be currently serving or in the past five years served as a Director, Statutory Auditor, Executive Officer or any other position in a major shareholder, etc. of the Company
3. The candidate should not be a person who executes business or an employee serving any other role at any major trade partner of the Ahresty Group (major trade partner refers to a buyer whose trade amount accounts for 2% or more of consolidated net sales of the Ahresty Group or a supplier whose trade amount with the Ahresty Group accounts for 2% or more of consolidated net sales of the trade partner in the past three fiscal years), etc.

The candidate for election as Director serving as an Audit and Supervisory Committee Member is as follows:

Name	Current position/areas of responsibility in the Company
Masahito Saotome	New election Outside Director Independent Officer

Name (Date of birth)	Career summary, positions and areas of responsibility (significant concurrent positions outside the Company)	Number of the Company's shares held
<p>Masahito Saotome (January 2, 1963)</p> <p>New election Outside Director Independent Officer</p>	<p>Apr. 1985      Joined Nippon Light Metal Co., Ltd.</p> <p>June 2004      General Manager, Accounting, Planning and Personnel Affairs, Chemicals Division, Nippon Light Metal Co., Ltd.</p> <p>June 2008      Seconded to Shin Nikkei Company, Ltd.</p> <p>Oct. 2009      General Planning Department, Nippon Light Metal Co., Ltd.</p> <p>Apr. 2011      Division Manager, Group Overseas Operation Support Division, Nippon Light Metal Co., Ltd.</p> <p>Apr. 2015      Division Manager, Metal Alloy &amp; Industrial Parts Division, Nippon Light Metal Co., Ltd. (current position)</p> <p>June 2015      Officer, Nippon Light Metal Co., Ltd. (current position) (Significant concurrent positions outside the Company) Officer of Nippon Light Metal Co., Ltd.</p>	<p>—</p>
<p>(Reason for nomination as candidate for outside Director) Mr. Masahito Saotome has extensive work experience and insight cultivated by serving as a manager of a nonferrous metal corporation. In consideration of the above, it was judged that he is appropriate for outside Director serving as an Audit and Supervisory Committee Member.</p>		

- (Notes)
1. There is no conflict of interest between the candidate and the Company.
  2. As of June 26, 2018, Masahito Saotome is planned to take the position of Officer of Nippon Light Metal Holdings Company, Ltd.
  3. As of June 26, 2018, Masahito Saotome is planned to take the position of Executive Officer of Nippon Light Metal Co., Ltd.
  4. Nippon Light Metal Co., Ltd., one of the companies where Masahito Saotome executes business, owns 657,392 shares of Ahresty Corporation stock. Additionally, the Ahresty Group has trade relations with the companies consolidated under Nippon Light Metal Holdings Company, Ltd. as a supplier of aluminum raw materials. However, the total amount of the transactions accounts for less than 0.7% of the consolidated sales of Nippon Light Metal Holdings Company, Ltd. Both the number of shares owned and transaction amount have been judged to be insignificant in regards to any special interest.
  5. Masahito Saotome is a candidate for outside Director.
  6. Masahito Saotome satisfies the requirements for an independent officer as provided for by Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning his appointment as an independent officer.
  7. If the election of Masahito Saotome is approved, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company intends to enter into an agreement with him to limit his liability for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement is ¥4 million or the minimum liability amount provided for under Article 425, paragraph 1 of the Companies Act, whichever is higher.

**Proposal No. 3** Determination of the Amount and Details of Remuneration to be Paid to Directors (excluding Directors Serving as the Audit and Supervisory Committee Members) for the Purpose of Granting Shares with Transfer Restrictions

During the 94th General Meeting of Shareholders held on June 18, 2015, the limit to the yearly amount of remuneration paid to Directors (excluding Directors serving as the Audit and Supervisory Committee Members) was approved at ¥250 million (however, this amount—hereinafter referred to as “Regular Remuneration” in this proposal—does not include employee salaries of Directors who concurrently serve as employees) and the limit to the yearly amount of remuneration paid to Directors (excluding Directors serving as the Audit and Supervisory Committee Members and outside Directors) in terms of stock options in share-based payment arrangement was approved at ¥45 million.

The Company hereby proposes the revision of its remuneration package for Directors (excluding Directors serving as the Audit and Supervisory Committee Members and outside Directors—hereinafter referred to as “Eligible Directors” in this proposal) in order to provide them an incentive to continuously increase the Company’s corporate value, further promote shared value between shareholders and them, and further enhance the link with medium- to long-term performance goals. The revision is such that monetary remuneration claims shall be newly provided in order to grant shares with transfer restrictions as described below.

Shares with transfer restrictions are composed of “remuneration for work-continuation-linked shares with transfer restrictions,” which hold continued service as a Director of the Company for a certain period of time as their condition and “remuneration for performance-linked shares with transfer restrictions,” which, in addition to the aforementioned condition, hold the achievement of medium- to long-term performance goals of the Company as their condition.

On the basis of this proposal, the Company requests approval to set the monetary remuneration paid to Eligible Directors for the grant of shares with transfer restrictions to yearly limits of ¥45 million for “work-continuation-linked shares with transfer restrictions” and ¥67 million for “performance-linked shares with transfer restrictions,” which are values outside the Regular Remuneration and are monetary values observed to be appropriate given the objectives listed above.

Under the condition that this proposal is approved and adopted, the Company will discontinue the stock options of Eligible Directors (excluding those stock options that have already been granted). In the future, new subscription rights to shares will not be issued as stock options for Eligible Directors.

Concerning the amount of remuneration, “work-continuation-linked shares with transfer restrictions” are expected to be provided at a monetary value equal to current stock option remuneration values. If this proposal is approved and adopted in its original form at this General Meeting of Shareholders, the Company estimates that, because the remuneration limit for stock option remunerations will be discontinued, provisions for Eligible Directors shall remain substantively unchanged from current values, even after the introduction of “work-continuation-linked shares with transfer restrictions.” However, “performance-linked shares with transfer restrictions” are expected to be provided in one lump sum at a value equivalent to consideration for execution of duties spanning three fiscal years, in principle—the target period of medium-term management plans—during the first fiscal year of said three-year span. The Company estimates that the provision shall substantively be within approximately ¥22 million per fiscal year. The new remuneration package for shares with transfer restrictions will hereby be introduced this fiscal year, the last fiscal year of the 2016-2018 Medium-Term Management Plan. Because of this, the target period for “performance-linked shares with transfer restrictions” shall be one year and the remuneration shall be estimated at the management index (net sales, operating profit margins, return on assets (ROA), and return on equity (ROE)) as established in the 2016-2018 Medium-Term Management Plan.

The final decision regarding the specific timing for providing thereof and the allocation to each Eligible Director shall be made by the Board of Directors.

The number of Eligible Directors is currently six (6). Even if Proposal 1 “Election of Six (6) Directors (excluding Directors Serving as the Audit and Supervisory Committee Members)” is approved and adopted in its original form, the number of Eligible Directors will continue to be six (6).

The Eligible Directors shall pay all monetary remuneration claims to be provided under this proposal in the form of property contributed in kind, in accordance with the resolution of the Board of Directors of the Company, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company. Accordingly, the total number of common shares of the Company that are issued or disposed of by the Company shall be limited at 224 thousand shares per year as the total combination of all “work-continuation-linked shares with transfer

restrictions” and “performance-linked shares with transfer restrictions” (please note that the number of shares issued or disposed of shall be adjusted reasonably in cases where such adjustment cannot be avoided such as when a share split or reverse share split of the Company’s common shares is performed). The amount to be paid per share shall be the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day).

For the issuance or disposal of the common shares of the Company as outlined above, an agreement on allotment of shares with transfer restrictions, including the overview and the details given below, (hereinafter referred to as the “Allotment Agreement” in this proposal) shall be entered into between the Company and each Eligible Director.

In addition, the Audit and Supervisory Committee has judged that this proposal is appropriate from points of view such as the medium- to long-term performance of the Company and the improvement of its corporate value.

(1) Transfer Restriction Period

Lifting of Transfer Restrictions for work-continuation-linked shares with transfer restrictions Eligible Directors must not transfer, set security rights on, or otherwise dispose of (hereinafter referred to as “Transfer Restrictions” in this proposal) common shares of the Company received under this Allotment Agreement (hereinafter referred to as “Allotted Shares” in this proposal) for 30 years in the case of “work-continuation-linked shares with transfer restrictions” (hereinafter referred to as the “Restriction Period (Work-continuation-linked)” in this proposal) and one to five years in the case of “performance-linked shares with transfer restrictions” (hereinafter referred to as the “Restriction Period (Performance-linked)” in this proposal) as determined by the Company’s Board of Directors (the above restriction periods are collectively referred to as the “Restriction Period”).

(2) Treatment on retirement from the position

Regarding “work-continuation-linked shares with transfer restrictions,” if an Eligible Director retires from the position of Director of the Company before the Restriction Period expires, the Company shall automatically acquire such Allotted Shares without contribution, unless the reason for his/her retirement from office is death, the expiration of the term of his/her office, retirement due to reaching retirement age or other reason the Company’s Board of Directors deems justifiable or any like above.

Likewise, regarding “performance-linked shares with transfer restrictions,” if an Eligible Director retires from any position of Director (excluding Directors serving as Audit and Supervisory Committee Members) or Executive Officer of the Company before the Restriction Period expires, the Company shall automatically acquire such Allotted Shares without contribution, unless the reason for his/her retirement from office is death, the expiration of the term of his/her office, retirement due to reaching retirement age or other reason the Company’s Board of Directors deems justifiable or any like above.

(3) Lifting of Transfer Restrictions for work-continuation-linked shares with transfer restrictions

Regarding “work-continuation-linked shares with transfer restrictions,” the Company shall lift the Transfer Restrictions of the Allotted Shares upon expiration of the Restriction Period (Work-continuation-linked), on the condition that the Eligible Director has continually remained in the position of Director of the Company throughout the Restriction Period (Work-continuation-linked).

However, if the Eligible Director retires from the position of Director of the Company before the expiration of the Transfer Restriction Period (Work-continuation-linked) due to death, the expiration of the term of his/her office, retirement due to reaching retirement age or other reason the Board of Directors of the Company deems justifiable or any like above, which are designated in (2) above, the Company shall reasonably adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed.

(4) Lifting of Transfer Restrictions for performance-linked shares with transfer restrictions

Regarding “performance-linked shares with transfer restrictions,” the Company shall lift the Transfer Restrictions of a number of the Allotted Shares corresponding to the achievement within the Transfer Restriction Period (Performance-linked) of performance goals of the Company set in advance by the Board of Directors of the Company upon the expiration of the Transfer Restriction Period (Performance-linked), on the condition that the Eligible Director has continually remained in the position of Director (excluding Directors serving as Audit and Supervisory Committee Members) or Executive Officer of the Company throughout the Restriction Period (Performance-linked).

However, if the Eligible Director retires from the position of Director (excluding Directors serving as Audit and Supervisory Committee Members) or Executive Officer of the Company before the expiration of the Transfer Restriction Period (Performance-linked) due to death, the expiration of the term of his/her office, retirement due to reaching retirement age or other reason the Board of Directors of the Company deems justifiable or any like above, which are designated in (2) above, the Company shall reasonably adjust the number of the Allotted Shares on which the Transfer Restrictions are to be lifted, and the timing of lifting as needed.

- (5) Acquisition of shares without contribution at the expiration of the Transfer Restriction Period  
The Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted at the expiration of the Restriction Period (or the point when Transfer Restrictions are lifted prior to the expiration of the Restriction Period) in accordance with the provisions of (3) and (4) listed above.
- (6) Treatment during reorganization, etc.  
Notwithstanding the provision of (1) above, if, during the Transfer Restriction Period, matters 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 Transfer Restriction Period to the date of approval of the reorganization, etc. for "work-continuation-linked shares with transfer restrictions," and the achievement of performance goals during the same period for "performance-linked shares with transfer restrictions," prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company. In these situations, 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.
- (7) Other matters determined by the Board of Directors  
In addition to the above, the method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.

**Proposal No. 4** Determination of the Amount and Details of Remuneration to be Paid to Directors (excluding Outside Directors) Serving as the Audit and Supervisory Committee Members for the Purpose of Granting Shares with Transfer Restrictions

During the 94th General Meeting of Shareholders held on June 18, 2015, the limit to the yearly amount of remuneration paid to Directors serving as the Audit and Supervisory Committee Members of the Company was approved at ¥70 million (hereinafter referred to as “Regular Remuneration” in this proposal) and the limit to the yearly amount of remuneration paid to Directors (excluding outside Directors) serving as the Audit and Supervisory Committee Members in terms of stock options in share-based payment arrangement was approved at ¥8 million.

The Company hereby proposes the revision of its remuneration package for Directors serving as the Audit and Supervisory Committee Members (excluding outside Directors—hereinafter referred to as “Eligible Directors” in this proposal) in order to provide them an incentive to continuously increase the Company’s corporate value and to further promote shared value between shareholders and them. The revision is such that in place of the current stock options in share-based payment arrangement, monetary remuneration claims shall be newly provided in order to grant shares with transfer restrictions as described below.

Shares with transfer restrictions are composed of “remuneration for work-continuation-linked shares with transfer restrictions,” which hold continued service as a Director of the Company for a certain period of time as their condition.

On the basis of this proposal, the Company requests approval to set the monetary remuneration paid to Eligible Directors for the grant of shares with transfer restrictions to a yearly limit of ¥8 million, which is value outside the Regular Remuneration and is a monetary value observed to be appropriate given the objectives listed above.

Under the condition that this proposal is approved and adopted, the Company will discontinue the stock options of Eligible Directors (excluding those stock options that have already been granted). In the future, new subscription rights to shares will not be issued as stock options for Eligible Directors.

The final decision regarding the specific timing for providing thereof and the allocation to each Eligible Director shall be made by consultation between the Directors serving as Audit and Supervisory Committee Members.

The number of Eligible Directors is currently one (1).

Additionally, the Eligible Directors shall pay all monetary remuneration claims to be provided under this proposal in the form of property contributed in kind, in accordance with the resolution of the Board of Directors of the Company, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company. Accordingly, the total number of common shares of the Company that are issued or disposed of by the Company shall be limited at 16 thousand shares per year (please note that the number of shares issued or disposed of shall be adjusted reasonably in cases where such adjustment cannot be avoided such as when a share split or reverse share split of the Company’s common shares is performed). The amount to be paid per share shall be the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day).

For the issuance or disposal of the common shares of the Company as outlined above, an agreement on allotment of shares with transfer restrictions including the same details of the agreement on allotment of shares with transfer restrictions related to “remuneration for work-continuation-linked shares with transfer restrictions” provided in “Proposal No. 3 Determination of the Amount and Details of Remuneration to be Paid to Directors (excluding Directors Serving as the Audit and Supervisory Committee Members) for the Purpose of Granting Shares with Transfer Restrictions” shall be entered into between the Company and each Eligible Director.

## (Reference)

	Performance-linked shares with transfer restrictions	Work-continuation-linked shares with transfer restrictions
Subject individuals	Directors (excluding Audit and Supervisory Committee Members) and Executive Officers	Directors including Audit and Supervisory Committee Members (excluding outside Directors)
Amount (upper limit)	<p>Directors (excluding Audit and Supervisory Committee Members): ¥67 million*</p> <p>Upper limit: 134,000 shares (to be granted separately to Executive Officers as well)</p> <p>* If the amount is calculated on a pro rata basis for the target period of medium-term management plans (in principle, three fiscal years), provisions are estimated to be within approximately ¥22 million per fiscal year.</p>	<p>Directors (excluding Audit and Supervisory Committee Members): ¥45 million*</p> <p>Directors (Audit and Supervisory Committee Members): ¥8 million*</p> <p>Upper limits: 90,000 shares and 16,000 shares, respectively</p> <p>* If this package is approved, stock option remunerations of the same amount will be discontinued.</p>
Transfer restriction period	Three years, in principle, to match the period of medium-term management plans (One year for this fiscal year)	30 years
Conditions for lifting transfer restrictions	Working conditions Work performance conditions	Working conditions

If Proposal No. 3 “Determination of the Amount and Details of Remuneration to be Paid to Directors (excluding Directors Serving as the Audit and Supervisory Committee Members) for the Purpose of Granting Shares with Transfer Restrictions” is approved at this General Meeting of Shareholders, the Company, by resolution of the Board of Directors, intends to issue or dispose of common shares of the Company in order to introduce “performance-linked shares with transfer restrictions” for the Company’s Executive Officers in the same manner as Proposal No. 3.