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Stock Exchange Code 6436

June 8, 2016

To Shareholders with Voting Rights:

Izumi Nakajima
President & Representative Director
Amano Corporation
275 Mamedocho, Kohoku-ku, Yokohama

NOTICE OF THE 100TH ANNUAL SHAREHOLDERS MEETING

Dear Shareholders:

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

You are cordially invited to attend the 100th Annual Shareholders Meeting of Amano Corporation (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the Shareholders Meeting, and exercise your voting rights by 5:00 p.m. on Tuesday, June 28, 2016 Japan time.

1. Date and Time : Wednesday, June 29, 2016 at 10:00 a.m. Japan time

2. Place : Conference room at the Company located at
275 Mamedocho, Kohoku-ku, Yokohama

3. Meeting Agenda for the Shareholders Meeting:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 100th Fiscal Year (April 1, 2015–March 31, 2016) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 100th Fiscal Year (April 1, 2015–March 31, 2016)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus Retained Earnings
- Proposal 2:** Partial Amendment of the Articles of Incorporation
- Proposal 3:** Appointment of Two Directors
- Proposal 4:** Appointment of One Audit & Supervisory Board Member
- Proposal 5:** Determination of the Amount and Details of Performance Share Awards to Directors, etc.

4. Guidance on Exercising Voting Rights, etc.

- (1) If you wish to exercise your voting rights in writing, please indicate approval or disapproval on the enclosed voting rights exercise form, and return it so that it is received by 5:00 p.m., Tuesday, June 28, 2016.

- (2) If you wish to exercise your voting rights via the Internet, please use the login ID and provisional password provided on the voting rights exercise form on the online voting website (<http://www.evotep.jp/>) and follow the on-screen instructions to indicate approval or disapproval by 5:00 p.m., Tuesday, June 28, 2016.
- (3) In the event you vote both by the voting rights exercise form and via online, your online vote shall be deemed effective and counted.
- (4) In the event you vote multiple times online, your intention indicated by the last vote shall be deemed effective and counted. The same rule shall apply to multiple votes by the use of a PC, smartphone, or feature phone.

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When attending the meeting, please submit the enclosed voting rights exercise form at the reception desk.

## Reference Documents for the Shareholders Meeting

### Proposals and References

#### Proposal 1: Appropriation of Surplus Retained Earnings

The Company places great importance on its policy for dividend payments to its shareholders. Fundamental to this is its policy for the return of profit to shareholders, based on appropriate results-based distributions of profits.

Dividends shall be determined based on a payout ratio of at least 40% on a consolidated basis, with a view to achieving a ratio of dividend to net assets of at least 2.5% at all times.

Year-end dividend

- (1) Type of dividend property

Cash

- (2) Allocation of dividend property to shareholders and its total amount

We intend to pay a year-end dividend of JPY28.00 per common stock of the Company.

This shall equate to a total dividend payment of JPY2,144,512,160.

As a result, the annual dividend including the interim dividend shall amount to JPY48.00 per share, a year-on-year increase of JPY10.00.

- (3) Effective date of allotment of surplus retained earnings

June 30, 2016

#### Proposal 2: Partial Amendment of the Articles of Incorporation

1. Reasons for the proposal

- (1) In view of the wide dissemination of the Internet, the Company is to revise its method of public notice to electronic public notice, in order to foster greater convenience for viewing of public notices and to rationalize the public notice procedure. Additionally, provisions will be established for cases in which electronic public notices are not possible for unavoidable reasons.

- (2) For disclosure of reference documents of the Annual Shareholder's Meeting in view of the growth of the Internet and in accordance with the provisions of the Ordinance of the Ministry of Justice, an amendment allowing for the alternative method of disclosure will be made with the creation of the new Article 14 (Internet disclosure and deemed provision of reference documents of the Annual Shareholder's Meeting).

- (3) Due to the changes in the number of items in the articles of the Companies Act, following enforcement of the Act for Partial Amendment of the Companies Act (Law No. 90, 2014), corresponding changes are to be made to Article 35, Paragraph 3.

- (4) For greater agility in creating the best possible management structure from the Company's pool of human resources, including the Directors and other Operating Officers, the current Article 21, Paragraph 2, is amended.

With the creation of a new article described in (2), the ensuing articles are to be revised and numbered accordingly.

2. The amendments

The details of the amendments are as follows.

(Changes are underlined.)

| The Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Post Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Method of public notice)<br/>Article 4 The Company's public notice <u>shall be published on the Nihon Keizai Shimbun.</u></p> <p style="text-align: center;">—Omitted—<br/>(Newly Established)</p> <p>Article 14 to Article 20 (Text omitted)</p> <p>(Representative Directors and Titled directors)<br/>Article 21 The Representative Director of the Company shall be chosen by resolution of the Board of Directors.</p> <p>2. The Board of Directors shall be able to select by its resolution one President &amp; <u>Director</u> and, if necessary, one Chairman &amp; Director, as well as one or more each to the posts of Vice President &amp; Director, Executive Director and Managing Director.</p> <p>Article 22 to Article 33 (Text Omitted)</p> <p>(Term of office of the Audit &amp; Supervisory Board Member)<br/>Article 34 The term of office of the Audit &amp; Supervisory Board Member shall end at the conclusion of the Annual Shareholder's Meeting for the fiscal year ending four years after the said Audit &amp; Supervisory Board Member's appointment.</p> <p>2. The term of office of the Audit &amp; Supervisory Board Member appointed as a substitute Audit &amp; Supervisory Board Member shall end at expiration of the term of office of the departing Audit &amp; Supervisory Board Member.</p> | <p>(Method of public notice)<br/>Article 4 The Company's public notice <u>method shall be electronic public notice. However, if electronic public notice is not possible due to an accident or for another unavoidable reason, the notice shall be published on the Nihon Keizai Shimbun.</u></p> <p style="text-align: center;">—Omitted—</p> <p><u>(Internet disclosure and deemed provision of reference documents of the Annual Shareholder's Meeting)</u><br/>Article 14 <u>In calling the Annual Shareholder's Meeting, the Company shall be able to disclose information to be published or shown in the reference documents of the Annual Shareholder's Meeting, business reports, financial statements and consolidated financial statements through a method employing the Internet as set forth in the Ordinance of the Ministry of Justice, and disclosure using such method shall be deemed to constitute provision of the relevant information to the shareholders.</u></p> <p>Article 15 to Article 21 (No change)</p> <p>(Representative Directors and Titled directors)<br/>Article 22 (No change)</p> <p>2. The Board of Directors shall be able to select by its resolution one President <u>from among the Directors and/or Operating Officers</u> and, if necessary, one Chairman &amp; Director, as well as one or more each to the posts of Vice President &amp; Director, Executive Director and Managing Director.</p> <p>Article 23 to Article 34 (No Change)</p> <p>(Term of office of the Audit &amp; Supervisory Board Member)<br/>Article 35 (No Change)</p> <p>2. (No Change)</p> |

| The Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Post Amendment                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>3. The resolution on the appointment of a substitute Audit &amp; Supervisory Board Member appointed as set forth in Article 329, paragraph (2) of the Companies Act shall be in effect until the start of the Annual Shareholder's Meeting for the final fiscal term ending four years after the appointment.</p> <p>4. If the substitute Audit &amp; Supervisory Board Member described in the preceding paragraph is appointed as Audit &amp; Supervisory Board Member, the term of office of the said Audit &amp; Supervisory Board Member shall end at expiration of the term of office of the departing Audit &amp; Supervisory Board Member.</p> <p>Article <u>35</u> to Article <u>50</u> (Text Omitted)</p> | <p>3. The resolution on the appointment of a substitute Audit &amp; Supervisory Board Member appointed as set forth in Article 329, paragraph (3) of the Companies Act shall be in effect until the start of the Annual Shareholder's Meeting for the final fiscal term ending four years after the appointment.</p> <p>4. (No change)</p> <p>Article <u>36</u> to Article <u>51</u> (No Change)</p> |

### Proposal 3: Appointment of Two Directors

The term of office of two Directors, Mr. Minoru Koyama and Mr. Toru Ueno, will expire at the conclusion of this year's Annual Shareholders Meeting. As such, the Company proposes the appointment of two Directors as substitutes.

The candidates who are chosen as substitutes of two Directors shall serve until the expiration of the term of office of other existing Directors according to the Articles of Incorporation.

The candidates are as follows:

| No. | Name<br>(Date of birth)               | Career summary, status and responsibilities in the Company,<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of<br>shares of the<br>Company held |
|-----|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1.  | * Kenji Kohori<br>(November 16, 1954) | <p>April 1979      Joined the Company</p> <p>April 1999      President &amp; Representative Director of Amano Time &amp; Air Singapore Pte. Ltd.</p> <p>April 2005      Operating Officer and General Manager of the International Business Unit of the Company</p> <p>April 2008      General Manager of Yokohama Procurement of the Company</p> <p>April 2011      General Manager of the International Business Unit of the Company</p> <p>June 2011      Director of the Company</p> <p>April 2013      Supervisor of the Southeast Asia region of the Company and President &amp; Representative Director of Amano Malaysia SDN. BHD.</p> <p>June 2013      Resigned from the office of Director of the Company</p> <p>April 2014      Managing Operating Officer of the Company (current position)</p> <p>April 2016      General Manager of the Overseas Business Unit of the Company and administration of overseas group companies (current position)</p> | 21,900                                     |
| 2.  | * Kunihiro Ihara<br>(August 3, 1962)  | <p>April 1985      Joined the Dai-ichi Mutual Life Insurance Company (currently, the Dai-ichi Life Insurance Company, Limited)</p> <p>April 2004      Deputy General Manager of the Loan Department of the same company</p> <p>April 2007      Joined the Company</p> <p>April 2009      Division Manager of the Accounting Division of the Company</p> <p>April 2010      Operating Officer of the Company (current position)</p> <p>April 2013      Deputy General Manager of the Corporate Administration Unit of the Company</p> <p>April 2014      General Manager of the Corporate Administration Unit and Division Manager of the Personnel Affairs Division of the Company</p> <p>April 2016      General Manager of the Corporate Planning Unit of the Company (current position)</p>                                                                                                                                                                     | 14,600                                     |

(\* Indicates a candidate to be newly appointed as Director.)

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

#### **Proposal 4: Appointment of One Audit & Supervisory Board Member**

At the conclusion of this Shareholders Meeting, Audit & Supervisory Board Member Mr. Naoki Nakada will resign from his post. Accordingly, the Company proposes the appointment of one Audit & Supervisory Board Member.

The Audit & Supervisory Board has previously given its approval to this proposal.

The candidate is as follows:

| Name<br>(Date of birth)        | Career summary, status and responsibilities in the Company,<br>and significant concurrent positions | Number of<br>shares of the<br>Company held |
|--------------------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------------|
| * Toru Ueno<br>(July 20, 1954) | April 1978                                                                                          | 21,500                                     |
|                                | May 1994                                                                                            |                                            |
|                                | July 2002                                                                                           |                                            |
|                                | December 2006                                                                                       |                                            |
|                                | April 2007                                                                                          |                                            |
|                                | April 2009                                                                                          |                                            |
|                                | April 2011                                                                                          |                                            |
|                                | June 2011                                                                                           |                                            |
|                                | June 2013                                                                                           |                                            |
|                                | April 2014                                                                                          |                                            |

(\* Indicates a candidate to be newly appointed as an Audit & Supervisory Board Member.)

(Note) There is no special interest between the candidate and the Company.

#### **Proposal 5: Determination of the Amount and Details of Performance Share Awards to Directors, etc.**

1. Reasons for the proposal and appropriateness of such awards

Since remuneration of the Directors of the Company (excluding Outside Directors and those residing outside Japan; hereinafter the same shall apply in this proposal) is comprised of basic remuneration and a bonus, the Company requests that, to Directors and Operating Officers of the Company (hereinafter referred to as "Directors, etc."), a performance share plan under which the Company awards Company's shares according to factors such as the degree of achievement of performance targets (hereinafter referred to as the "Plan") be newly introduced.

Under the Plan, the Company will integrally administer executive remuneration for Directors, etc. of the Company and that for Directors (excluding Outside Directors and those residing outside Japan) of subsidiaries of the Company (hereinafter referred to as "Participating Subsidiaries" and collectively with the Company referred to as "Participating Companies"; and such Directors of Participating Subsidiaries shall be referred to as "Directors of Participating Subsidiaries" and collectively with Directors, etc. of the Company as "Participating Directors, etc.")

The purpose of introducing the Plan is to clarify the interrelation between remuneration for Participating Directors, etc. and the performance of the Company's group as well as shareholder value, and to raise the awareness of Participating Directors, etc. of their contribution to improvements in mid- to long-term performance and increases in corporate value. The Company believes such an introduction to be appropriate.

This proposal is made separately from the proposal on limiting the amount of remuneration for Directors (up to 450 million yen per year, excluding the amount of salary to be paid as an employee for Directors who double as employees), as approved at the 92nd General Meeting of Shareholders held on June 27, 2008, to request shareholders' approval to award performance shares to Directors, etc.

If the resolution on Proposal 3: Appointment of Two Directors is adopted as originally planned at this General Meeting of Shareholders, the number of Directors subject to the Plan becomes eight (that of Operating Officers becomes nine).

## 2. Amount and details of awards under the Plan

### (1) Summary of the Plan

The Plan is a share-based compensation plan under which Company's shares will be acquired through a trust using funds contributed by Participating Companies as remuneration for Participating Directors, etc., and such Company's shares and money in an amount equivalent to the amount obtained by converting such shares (hereinafter referred to as "Company's Shares etc.") into cash will be delivered and paid to Participating Directors, etc. (hereinafter referred to as "Delivery, etc.") (The details are explained in (2) and thereafter.)

|                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) Persons subject to Delivery, etc. of Company's Shares, etc. under the Plan                                                                                                          | <ul style="list-style-type: none"> <li>• Directors of the Company (excluding Outside Directors and those residing outside Japan)</li> <li>• Operating Officers of the Company (excluding those residing outside Japan)</li> <li>• Directors of three subsidiaries of the Company (excluding Outside Directors and those residing outside Japan)</li> </ul>                                                                                                                                                                                                                                                                                                   |
| (ii) Impact of Company's shares under the Plan on the total number of issued shares                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Maximum amount of money contributed by Participating Companies (as explained in (2) below)                                                                                              | <ul style="list-style-type: none"> <li>• For three fiscal years, 450 million yen in total (of which, the Company will contribute 405 million yen)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Method of acquiring Company's shares (as explained in (2) below) and the maximum number of Company's Shares, etc. acquired by Participating Directors, etc. (as explained in (3) below) | <ul style="list-style-type: none"> <li>• Since the Company's shares are planned to be acquired from the stock market, there will be no dilution.</li> <li>• The maximum number of points awarded to Participating Directors, etc. is 88,000 points per year (of which, a maximum of 80,000 points will be awarded to Directors, etc. of the Company).</li> <li>• The ratio of the number of shares equivalent to the maximum number of points per year awarded to Participating Directors, etc. to the total number of Company's shares issued (as of March 31, 2016, after subtraction of the number of treasury shares) is approximately 0.11%.</li> </ul> |
| (iii) Details of the conditions of performance achievement (as explained in (3) below)                                                                                                  | <ul style="list-style-type: none"> <li>• To be revised annually according to the (1) Consolidated Operating Profit Achievement Ratio, (2) consolidated operating profit ratio, and (3) ROE.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| (iv) Time of Delivery, etc. of Company's Shares, etc. to Participating Directors, etc. (as explained in (4) below)                                                                      | <ul style="list-style-type: none"> <li>• Upon the resignation of each of the Participating Directors, etc.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

### (2) Maximum amount of money to be contributed by each of the Participating Companies

The applicable period of the Plan is three consecutive fiscal years (the initial period shall, in line with the period of the next mid-term management plan starting from April 2017, start with the fiscal year ending March 31, 2018 and end with the fiscal year ending March 31, 2020, and when the trust period described below is extended, it shall apply to the following three fiscal years and so forth; hereinafter, this shall be referred to as the "applicable period").

The Company will contribute a maximum of 405 million yen for each applicable period as remuneration for Directors, etc. of the Company, and using such money together with money contributed by the Participating Subsidiaries as remuneration for the Directors of the said Participating Subsidiaries (the maximum portion of the total amount contributed by the Participating Companies shall be 450 million yen), a trust (hereinafter referred to as the "Trust") will be set up for Participating Directors, etc. who meet the beneficiary requirements for the three-year trust period (including the extended trust period mentioned in the third paragraph of this section (2); hereinafter the same shall apply). The Trust will acquire Company's shares from the stock market using funds entrusted in accordance with the directions of the trust administrator. During the trust period, each of the Participating Companies will award points to its Participating Directors, etc. (as explained in (3) below) and the Trust shall make Delivery, etc. of the Company's Shares, etc.

Upon the expiration of the trust period, the Trust may be maintained by way of the modification of the trust agreement and additional entrustment, in lieu of setting up a new Trust. In such a case, the trust period shall be extended by the same length as the initial trust period, and the applicable period shall be three fiscal years thereafter. For each extended trust period, each of the Participating Subsidiaries shall newly contribute money to the Company within the range approved by a resolution of its respective General Meeting of Shareholders, and the Company shall additionally entrust money contributed by the Participating Subsidiaries together with money additionally contributed by the Company within the range of 405 million yen. During the extended trust period, each of the Participating Companies shall continue to award points to its Participating Directors, etc., and the Trust shall continue to make Delivery, etc. of the Company's Shares, etc. However, in the case of such an additional contribution, when there are Company's shares (excluding Company's shares equivalent to points awarded to Participating Directors, etc. for which Delivery, etc. has not been made) and money remaining in the trust property on the last day of the trust period prior to the start of the extended trust period (hereinafter referred to as "Remaining Shares, etc."), the total amount of the amount of Remaining Shares, etc. and that of trust money contributed additionally shall be 405 million yen or less.

- (3) Calculation method and the maximum of the number of Company's shares to be acquired by Participating Directors, etc.

On June 1 of each year during the trust period, according to the Consolidated Operating Profit Achievement Ratio, consolidated operating profit ratio, and ROE as well as the position of each of the Participating Directors, etc. in the fiscal year ending on March 31 of the relevant year (with the fiscal year ending on March 31, 2018 as the initial fiscal year), a certain number of points shall be awarded to the Participating Directors, etc. of the respective Participating Companies.\*<sup>1</sup> Upon the resignation from office of any of the Participating Directors, etc. (including the case in which any of the Participating Directors, etc. leaves his/her post due to being transferred to an overseas office; hereinafter the same shall apply), according to the accumulated number of points (hereinafter referred to as the "Cumulative Points"), Delivery, etc. of Company's Shares, etc. shall be made to each of the affected Participating Directors, etc.

If any of Participating Directors, etc. holds another post of Participating Director, etc. at any other Participating Company in addition to his/her original post as one of the Participating Directors, etc. (including the case where upon resignation from the post of Participating Director, etc. of any of the Participating Companies, he/she takes the post of Participating Director, etc. of any other Participating Company), Delivery, etc. of Company's Shares, etc. shall be made to him/her in a lump sum upon resignation from all posts of Participating Director, etc. of any Participating Company.

One point shall be equal to one share of the Company. However, if any event occurs during the trust period in which it is found appropriate to make an adjustment to the number of points, such as a split or consolidation of Company's shares, the number of Company's shares per point shall be adjusted according to the relevant factor (such as the ratio of such split or consolidation).

\*1 Awarded points = Base points per position × Performance coefficient \*2

\*2 The performance coefficient shall be determined based on the Consolidated Operating Profit Achievement Ratio, consolidated operating profit ratio, and ROE.

The maximum number of points awarded to Directors, etc. of the Company shall be 80,000 points per year (the maximum number of points awarded to Participating Directors, etc. shall be 88,000 points per year).

- (4) Time of Delivery, etc. of Company's Shares, etc. to Participating Directors, etc.

Each of the Participating Directors, etc. who meets the beneficiary requirements shall receive Delivery, etc. of Company's Shares, etc. according to the number calculated under the preceding (3) upon resignation from his/her post. In this case, a Participating Director, etc. shall receive Delivery, etc. of Company's shares corresponding to 70% of his/her points (shares less than one unit will be ignored), and with respect to the remaining portion, he/she shall receive a payment of



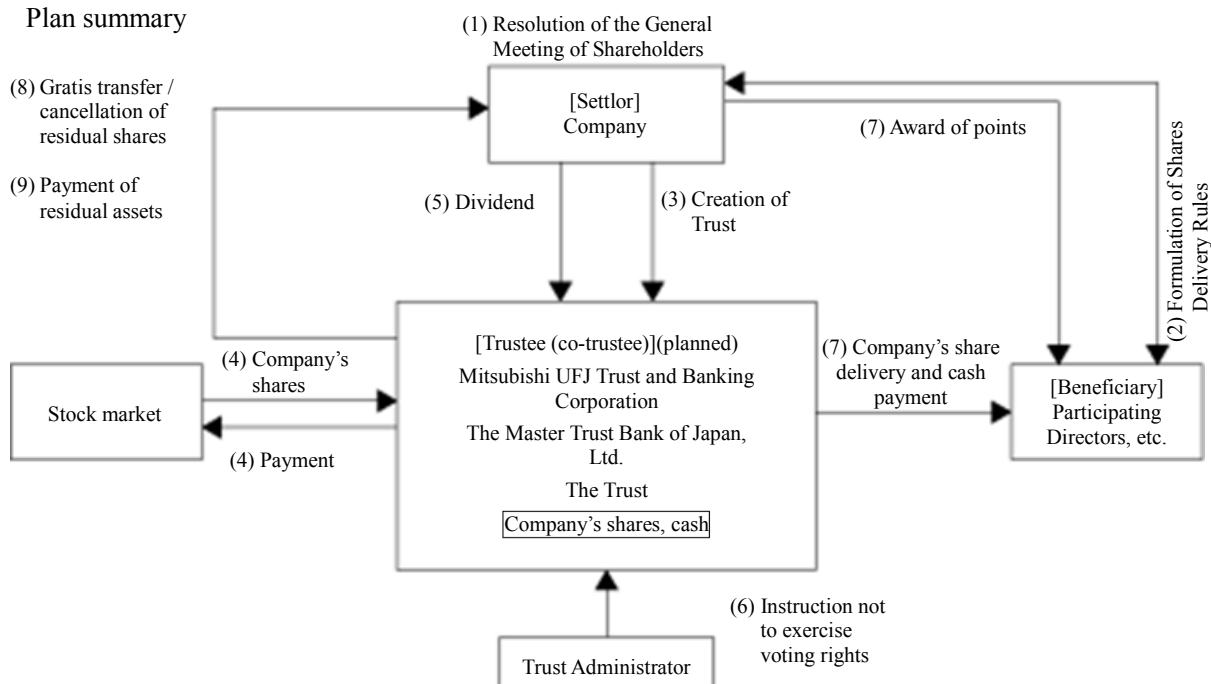
money in an amount equivalent to the amount obtained by converting such portion into cash in the Trust.

In principle, if any of the Participating Directors, etc. dies during his/her tenure in office, with respect to the Company's shares corresponding to the number of Cumulative Points that have already been awarded by that time, his/her heir shall receive a payment of money in an amount equivalent to the amount obtained by converting such shares into cash in the Trust.

- (5) Voting rights for Company's shares in the Trust  
With respect to Company's shares in the Trust, no voting rights shall be exercised during the trust period in order to ensure management's neutrality.
- (6) Handling of dividends of surplus for Company's shares in the Trust  
Dividends of surplus for Company's shares in the Trust will be received by the Trust and appropriated to cover the trust fees and costs of the Trust. After appropriation for trust fees and costs, if any residual dividends of surplus remain upon termination of the Trust, they shall be distributed to the Participating Directors, etc.
- (7) Other details of the Plan  
Other details of the Plan will be determined by the Board of Directors when the Trust is set up, when the trust agreement is modified, and when additional contributions are made to the Trust.

(Reference)

Plan summary



- (1) The General Meeting of Shareholders of each Participating Company will pass a resolution approving the introduction of the Plan.
- (2) The Board of Directors of each Participating Company will establish Share Delivery Rules concerning the specific implementation of the Plan.
- (3) Each Participating Subsidiary will contribute to the Company money to fund remuneration to the relevant Directors of Participating Subsidiary within the limit approved by the resolution of the relevant General Meeting of Shareholders referred to in (1) above. The Company will create the Trust, the beneficiaries of which are Participating Directors, etc. satisfying beneficiary requirements, by entrusting money to fund remuneration to the Directors, etc. of the Company within the limit approved by the resolution of the General Meeting of Shareholders of the Company referred to in (1) above together with the money contributed by Participating Subsidiaries.
- (4) The Trust will, in accordance with instructions from the trust administrator, use the entrusted money (as described in (3)) to acquire Company shares from the stock market. The number of shares to be acquired by the Trust shall be within the limit approved by the resolution of the General Meeting of Shareholders referred to in (1) above. Company's shares held in the Trust are managed in separate accounts for each Participating Company based on the amount of money contributed by each Participating Company.
- (5) Dividends of Company's shares in the Trust will be distributed as well as other Company's shares.
- (6) The voting rights of Company's shares in the Trust will not be exercised during the trust period.
- (7) Each year during the trust period, certain points will be awarded to Participating Directors, etc. based on (1) the percentage achievement relative to the forecast of consolidated operating profit disclosed by the Company in its Summary Financial Statement at the beginning of each fiscal year ("Consolidated Operating Profit Achievement Ratio"), (2), consolidated operating profit ratio, (3) ROE, and (4) position in each Participating Company. Participating Directors, etc. satisfying certain beneficiary requirements are entitled to the Delivery, etc. of Company's Shares, etc. based on their Cumulative Points when they resign from office. (In cases where such Participating Directors, etc. concurrently hold a position of director of another Participating Company (including cases where said Participating Directors, etc., upon resignation, assume the office of Director, etc. of another Participating Company), they are entitled to the Delivery, etc. of Shares, etc. all together at the same time when they have resigned from the office of Participating Directors, etc. of all such Participating Companies).

- (8) In cases where there are residual shares at the expiration of the trust period due to, for example, underachievement of performance targets, the Trust will either continue to be used as a new share remuneration plan by way of the modification of the trust agreement and additional entrustment, or a gratis transfer of these residual shares will be made from the Trust to the Company and the Company will, upon acquiring them, cancel them by a resolution of the Board of Directors.
- (9) Any residual assets after distribution to beneficiaries at the end of the Trust will belong to the Company, which are calculated by deducting the cost for acquiring the shares from the Trust from trust money.

(Note) In cases where there are no Company's shares remaining in the Trust due to Delivery, etc. to Participating Directors, etc. satisfying the beneficiary requirements, the Trust will be terminated before the expiration of the trust period. Each Participating Company may entrust additional money to the Trust (in the case of a Participating Subsidiary, through the Company) to fund the acquisition of Company's shares within the limit approved by the resolution of the relevant General Meeting of Shareholders.

<Contents of the Trust contract>

- |                                  |                                                                                                                                                                                                                                                       |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Trust type:                  | An individually operated designated trust of cash other than cash trust (third party benefit trust)                                                                                                                                                   |
| (2) Trust purpose:               | To grant incentive to Participating Directors, etc.                                                                                                                                                                                                   |
| (3) Settlor:                     | Company                                                                                                                                                                                                                                               |
| (4) Trustee:                     | Mitsubishi UFJ Trust and Banking Corporation (planned)<br>(Co-trustee: The Master Trust Bank of Japan, Ltd. (planned))                                                                                                                                |
| (5) Beneficiaries:               | Resigning Participating Directors, etc. satisfying the beneficiary requirements                                                                                                                                                                       |
| (6) Trust Administrator:         | A third-party specialist who does not have any interest in the Participating Companies                                                                                                                                                                |
| (7) Trust contract date:         | August 2, 2017 (planned)                                                                                                                                                                                                                              |
| (8) Trust period:                | From August 2, 2017 (planned) to August 31, 2020 (planned)                                                                                                                                                                                            |
| (9) Start of plan:               | September 1, 2017 (planned)                                                                                                                                                                                                                           |
| (10) Exercise of voting rights:  | Not exercised                                                                                                                                                                                                                                         |
| (11) Type of acquired shares:    | Company's ordinary shares                                                                                                                                                                                                                             |
| (12) Upper Limit of Trust Money: | 450 million yen (planned) (including trust fees and costs)                                                                                                                                                                                            |
| (13) Period of acquiring shares: | From August 3, 2017 (planned) to October 31, 2017 (planned)<br>(excluding the last five business days of each accounting period (including interim and quarterly accounting periods))                                                                 |
| (14) Method of acquiring shares: | To be acquired from the stock market                                                                                                                                                                                                                  |
| (15) Holder of a vested right:   | The Company                                                                                                                                                                                                                                           |
| (16) Residual assets:            | Residual assets that can be received by the Company, which is a holder of a vested right, shall be within the limit of the trust expense reserve, which is calculated by deducting the cost for acquiring the shares from the Trust from Trust money. |