

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

(Securities Code: 7291)

June 9, 2020

To Our Shareholders:

Hirohisa Nagano
President and Representative Director
NIHON PLAST CO., LTD.
3507-15 Yamamiya, Fujinomiya City,
Shizuoka

Notice of the 82nd Annual General Meeting of Shareholders

We hereby announce the 82nd Annual General Meeting of Shareholders of NIHON PLAST CO., LTD. (the “Company”), which will be held as indicated below.

As an alternative to attending the meeting in person, you may exercise your voting rights by means of either of the following methods. Therefore, please review the attached Reference Documents for the Annual General Meeting of Shareholders and exercise your voting rights.

[In case of exercising your voting rights in writing]

Please indicate your approval or disapproval for each of the proposals on the enclosed voting form and return the form so as to be received no later than Thursday, June 25, 2020, at 5:30 p.m. (JST).

[In case of exercising your voting rights via the internet]

Please access the website for the exercise of voting rights (<https://soukai.mizuho-tb.co.jp/>) designated by the Company, and enter your approval or disapproval for each of the proposals in accordance with the instructions on the screen using the voting right exercise code and password indicated on the enclosed voting form by Thursday, June 25, 2020, at 5:30 p.m. (JST).

1. **Date and Time:** Friday, June 26, 2020, at 10:00 a.m. (JST)

2. **Venue:** KUJAKU-NO-MA, 2F, Hotel Grand Fuji
8-1 Heigaki Honcho, Fuji City, Shizuoka

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 82nd fiscal year (from April 1, 2019 to March 31, 2020), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 82nd fiscal year (from April 1, 2019 to March 31, 2020)

Matters to be resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Eight Directors

Proposal No. 3: Election of Two Audit & Supervisory Board Members

Proposal No. 4: Payment of Retirement Benefits to a Retiring Director and an Audit & Supervisory Board Member and Payment of Final Retirement Benefits in Conjunction with Termination of Retirement Benefits Plan

Proposal No. 5: Introduction of Share-Based Remuneration Plan for Directors

Proposal No. 6: Payment of Bonuses to Directors

- When you attend the meeting, you are kindly requested to present the enclosed voting form at the reception.
- Pursuant to relevant laws and regulations and the provisions of Article 17 of the Articles of Incorporation of the Company, the following documents (in Japanese only) are not included in the documents attached to the original Japanese version of this notice since they have been made accessible on the Company's website (<https://www.n-plast.co.jp/>) instead.
 - “Systems to ensure appropriate operations and the operation status of the systems” and “Basic policies on the control of the Company” noted in the Business Report
 - “Consolidated Statements of Changes in Shareholders’ Equity” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements
 - “Non-consolidated Statements of Changes in Shareholders’ Equity” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial StatementsAccordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements, included with this Notice for the General Meeting of Shareholders are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Financial Auditor and the Audit & Supervisory Board Members (The Audit & Supervisory Committee, The Audit Committee) in preparing their respective Audit Report.
- If any changes are made to items in the original Japanese version of the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements or to the Reference Documents for the Annual General Meeting of Shareholders, such changes will be posted (in Japanese only) on the Company's website (<https://www.n-plast.co.jp/>).

Reference Documents for the Annual General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company views the return of profit to shareholders while securing internal reserves as required for future business prospects and strengthening the business structure to be an important management issue. Our basic policy is to work to improve profitability while continuing to provide stable dividends determined based on a comprehensive assessment of factors such as business performance and dividend payout ratio. Therefore, we have set the dividend as follows.

Year-end dividends

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

Common share of the Company	¥10 per share
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Total dividends	¥194,020,690
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Combined with the interim dividend of ¥10 per share already paid, the annual dividend will be ¥20 per share.

(3) Effective date of dividends of surplus

June 29, 2020

Proposal No. 2: Election of Eight Directors

The terms of office of all seven Directors will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of eight Directors, including three External Directors, increasing the number of External Directors by two to further enhance the corporate governance.

The candidates for Director are as follows:

Candidate No.	Name	Current position in the Company	
1	Makoto Hirose	Chairperson	Re-election
2	Hirohisa Nagano	President and Representative Director	Re-election
3	Hiromi Uchida	Managing Director, Production Division	Re-election
4	Kazuhiro Watanabe	Director overseeing China Business and President of Nihon Plast (Zhongshan) Co., Ltd.	Re-election
5	Takeshi Toyota	Director, Management Planning Division, Control Division, and GCR Promotion Office	Re-election
6	Hideo Ikeda	—	Re-election External Independent
7	Junji Hasegawa	—	New election External Independent
8	Takafumi Hayashi	—	New election External Independent

Reelection: Reelected candidate for Director

New election: Newly elected candidate for Director

External: Candidate for External Director

Independent: Officer based on the provisions of the relevant stock exchanges, etc.

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
1	Makoto Hirose (October 16, 1951) <u>Re-election</u>	Apr. 1982	Joined the Company	1,358,000
		June 1987	Director of the Company	
		June 1988	Managing Director of the Company	
June 1991	Senior Managing Director of the Company			
June 1993	President and Representative Director of the Company			
June 2014	Chairperson and Representative Director of the Company			
June 2018	Chairperson of the Company (current position)			
Reasons for nomination as candidate for Director Makoto Hirose first became Director of the Company in June 1987. From June 1993 to June 2014, he served as President and Representative Director, and from June 2014 to June 2018, he has served as Chairperson and Representative Director. The Company nominates him because it judges that he is capable of appropriately performing his duties as Director in the future also based on his knowledge and experience of the overall management of the Group accumulated over his career.				
2	Hirohisa Nagano (September 18, 1958) <u>Re-election</u>	Apr. 1982	Joined the Company	8,400
		June 2011	Director, Management Control Department of the Company	
		June 2012	Director, Control and Purchasing Division, and Finance & Accounting Department of the Company	
Mar. 2013	Managing Director overseeing North America Business of the Company, and President of Neaton Auto Products Manufacturing, Inc.			
June 2017	President and Representative Director of the Company (current position)			
Reasons for nomination as candidate for Director Hirohisa Nagano has gained experience in the areas of management planning and finance & accounting, and he has a track record through having undertaken overall management responsibilities at an overseas subsidiary, thereby providing him with managerial experience in both domestic and overseas fields. In June 2017, he assumed the management of the Company as President and Representative Director. The Company nominates him because it judges that he is capable of appropriately performing his duties.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Hiromi Uchida (December 5, 1958) <div>Re-election</div>	Apr. 1981	Joined the Company	2,400
		June 2012	Director, Production Division, and New Model Control Department of the Company	
		June 2013	Executive Officer, Production Division, and New Model Control Department of the Company	
		Oct. 2013	Executive Officer of the Company, and President of Nihon Plast Mexicana, S.A. de C.V.	
		June 2017	Director, Production Division, and New Model Control Department of the Company	
		Jan. 2018	Director, Production Division, and Production Engineering Department of the Company	
		June 2018	Managing Director, Production Division, and Production Engineering Department of the Company	
		Oct. 2018	Managing Director, Production Division, and Production Control Department of the Company	
		Apr. 2019	Managing Director, Production Division of the Company (current position)	
		Reasons for nomination as candidate for Director		
Hiromi Uchida has a track record of having carried out overall management in the area of production and at an overseas subsidiary. The Company nominates him because it judges that he is suitably qualified as a Director of the Company based on such extensive experience and capabilities.				
4	Kazuhiro Watanabe (November 11, 1960) <div>Re-election</div>	Apr. 1984	Joined the Company	1,500
		June 2008	General Manager attached to Management Planning Department, and Manager of IR Promotion Section of the Company	
		June 2014	General Manager of Internal Audit Department of the Company	
		June 2015	President of Nihon Plast (Zhongshan) Co., Ltd.	
		June 2017	Executive Officer overseeing China Business of the Company, and President of Nihon Plast (Zhongshan) Co., Ltd.	
		June 2018	Director overseeing China Business of the Company, and President of Nihon Plast (Zhongshan) Co., Ltd. (current position)	
		Reasons for nomination as candidate for Director		
Kazuhiro Watanabe has a track record in business operations in the areas of management planning and internal auditing. The Company nominates him because it judges that he is suitably qualified as a Director of the Company based on such extensive experience and capabilities.				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Takeshi Toyota (December 2, 1964) <u>Re-election</u>	<p>Apr. 1987 Joined the Company</p> <p>June 2015 General Manager of Management Planning Department of the Company</p> <p>June 2017 Executive Officer, Management Planning Department of the Company</p> <p>June 2018 Executive Officer, Control Division, and Management Planning Department of the Company</p> <p>Sep. 2018 Executive Officer, Control Division, and Management Planning Department, and Finance & Accounting Department of the Company</p> <p>Apr. 2019 Executive Officer, Management Planning Division, and Control Division of the Company</p> <p>June 2019 Director, Management Planning Division, Control Division, and GCR Promotion Office of the Company (current position)</p>	1,200
		<p>Reasons for nomination as candidate for Director</p> <p>Takeshi Toyota has a track record in business operations in the areas of purchasing, finance & accounting, and management planning. The Company nominates him because it judges that he is suitably qualified as a Director of the Company based on such extensive experience and capabilities.</p>	
6	Hideo Ikeda (October 16, 1957) <u>Re-election</u> <u>External</u> <u>Independent Officer</u>	<p>Apr. 1995 Registered as an attorney at law</p> <p>Apr. 1995 In-house attorney of The Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.)</p> <p>Apr. 1997 Teruo Matsushita Law Office</p> <p>Aug. 1998 Ikeda Law Office (current position)</p> <p>June 2015 External Director of the Company (current position)</p>	—
		<p>Reasons for nomination as candidate for External Director</p> <p>Although Hideo Ikeda has not been involved in the management of a company except through his activities as an External Officer, the Company nominates him because it judges that he can appropriately perform his duties as an External Director due to his extensive experience and specialist knowledge as a lawyer and that he can be expected to provide useful advice, mainly from the perspective of compliance.</p>	

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
* 7	Junji Hasegawa (October 8, 1953) New election External Independent Officer	<p>Apr. 1977 Joined Kokusai Denshin Denwa Co., Ltd. (currently KDDI CORPORATION)</p> <p>Oct. 2006 Executive Officer and General Manager of Corporate Management Division of KDDI CORPORATION</p> <p>Apr. 2009 Executive Officer and General Manager of Consumer Business Division of KDDI CORPORATION</p> <p>Oct. 2013 Director, Executive Vice President, and General Manager of Corporate Control Unit of Jupiter Telecommunications Co., Ltd.</p> <p>Apr. 2014 Managing Executive Officer of KDDI CORPORATION</p> <p>Mar. 2018 Resigned</p> <p>Reasons for nomination as candidate for External Director</p> <p>Junji Hasegawa has a track record in business operations in the areas of management control, finance and accounting, sales, corporate pension asset management at KDDI Corporation, etc. The Company nominates him because it judges that he can appropriately perform his duties as an External Director due to his excellent managerial judgment ability based on his extensive experience at a major telecommunications company.</p>	—
* 8	Takafumi Hayashi (October 27, 1966) New election External Independent Officer	<p>Apr. 1995 Registered as a certified public accountant</p> <p>Mar. 2005 Opened Hayashi CPA Office</p> <p>July 2006 Registered as a certified tax accountant</p> <p>Aug. 2008 Established Dalian Information Consulting Co., Ltd.</p> <p>Oct. 2016 Integrated Hayashi CPA Office into GRATIA Consulting Group</p> <p>Oct. 2016 Representative Partner of Hayashi CPA Office of GRATIA Consulting Group (current position)</p> <p>Apr. 2020 Established GRATIA Tax Accountant Corporation, Representative (current position)</p> <p>Reasons for nomination as candidate for External Director</p> <p>Although Takafumi Hayashi has not been involved in the management of a company except through his activities as an External Officer, he is familiar with corporate accounting as a certified public accountant and a certified tax accountant and has sufficient knowledge of accounting and tax matters. Since he can be expected to provide accurate proposals and advice, the Company judges that he will be able to appropriately perform his duties as an External Director.</p>	—

- Notes:
1. A new candidate for Director is indicated by an asterisk (*).
 2. There is no special interest between each of the candidates and the Company.
 3. Hideo Ikeda is currently an External Director of the Company, and at the conclusion of this meeting, his tenure will have been five years.
 4. The Company has submitted notification to the Tokyo Stock Exchange that Hideo Ikeda has been appointed as an Independent Officer as provided for by the aforementioned exchange. If he is re-elected, the Company will appoint him as an Independent Officer again. In addition, Junji Hasegawa and Takafumi Hayashi satisfy the requirements for Independent Officer as provided for by Tokyo Stock Exchange, and the Company plans to submit notification to the aforementioned exchange concerning their appointment as Independent Officers.
 5. The Company has entered into an agreement with Hideo Ikeda to limit his liability for damages under Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. According to the agreement, the limit of liability for damages shall be the minimum liability amount stipulated by Article 425, paragraph 1 of the same Act. If Hideo Ikeda is re-elected, the Company will continue this agreement with him. In addition, if the elections of Junji Hasegawa and Takafumi Hayashi are approved, the Company plans to conclude a limited liability agreement with them.

Proposal No. 3: Election of Two Audit & Supervisory Board Members

The term of office of Audit & Supervisory Board Members Katsuhiko Seno and Ken Yasuda will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of two Audit & Supervisory Board Members.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
* 1	Shuzo Ikeda (February 3, 1959) <div>New election External Independent Officer</div>	<div> <div>Apr. 1985</div> <div>Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</div> </div> <div> <div>Oct. 2000</div> <div>General Manager in charge of Capital Market Group of Mizuho Securities Co., Ltd.</div> </div> <div> <div>Oct. 2003</div> <div>Associate Director, No. 2 Planning and Sales Department of Mizuho Corporate Bank, Ltd.</div> </div> <div> <div>Apr. 2005</div> <div>Corporate Senior Examiner, Credit Engineering Department of Mizuho Corporate Bank, Ltd.</div> </div> <div> <div>Apr. 2007</div> <div>Deputy General Manager, Credit Engineering Department of Mizuho Corporate Bank, Ltd.</div> </div> <div> <div>Apr. 2011</div> <div>Representative Director and Vice President of Japan Industrial Solutions Co., Ltd.</div> </div> <div> <div>May 2013</div> <div>Member of the Board of Japan Industrial Solutions Co., Ltd. (current position)</div> </div>	—
		Reasons for nomination as candidate for External Audit & Supervisory Board Member The Company nominates Shuzo Ikeda as an External Audit & Supervisory Board Member because it anticipates that he will be able to demonstrate auditing functions due to having a high degree of insight in various fields.	

* 2	<div>Hiromi Ito (May 6, 1960)</div> <div><div>New election</div><div>External</div><div>Independent Officer</div></div>	Apr. 1983	Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)	—
		Mar. 2000	General Manager, Tsu Branch of The Asahi Bank, Ltd. (currently Resona Bank, Limited)	
		Nov. 2001	General Manager, Akamon Dori Branch of The Asahi Bank, Ltd.	
		Oct. 2003	Head, No.3 Shintoshin Sales Department of Resona Bank, Limited	
		Apr. 2007	General Manager, Kawasaki Branch of Resona Bank, Limited	
		Apr. 2009	Executive Officer in charge of the Tokyo metropolitan area of Resona Bank, Limited	
		June 2011	Executive Officer in charge of Osaka area of Resona Bank, Limited	
		Apr. 2015	Senior Managing Director of Resona Business Service, Co., Ltd.	
		Apr. 2017	Managing Executive Officer of Leopalace21 Corporation	
		June 2018	Director, Managing Executive Officer of Leopalace21 Corporation	
		July 2019	Senior Advisor of Resona Research Institute Co., Ltd. (current position)	
		Reasons for nomination as candidate for External Audit & Supervisory Board Member		
The Company nominates Hiromi Ito because it anticipates that he will utilize his abundant experience and broad insight from taking part in financial institutions for many years to strengthen the auditing structure of the Company as an External Audit & Supervisory Board Member.				

- Notes:
1. A new candidate for Audit & Supervisory Board Member is indicated by an asterisk (*).
 2. There is no special interest between each of the candidates for Audit & Supervisory Board Member and the Company.
 3. Shuzo Ikeda and Hiromi Ito are candidates for External Audit & Supervisory Board Member. Furthermore, as they both satisfy the requirements for Independent Officer as provided for by Tokyo Stock Exchange, Inc., and the Company plans to designate them as Independent Officers to the aforementioned exchange.
 4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company plans to enter into an agreement with Shuzo Ikeda and Hiromi Ito to limit their liability for damages under Article 423, paragraph 1 of the same Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act in the event that they are elected.

Proposal No. 4: Payment of Retirement Benefits to a Retiring Director and an Audit & Supervisory Board Member and Payment of Final Retirement Benefits in Conjunction with Termination of Retirement Benefits Plan

Takao Watanabe will retire from his position as Director, and Katsuhiko Seno and Ken Yasuda will retire from their positions as Audit & Supervisory Board Members at the conclusion of this meeting. As remuneration for their hard work during their term of office, the Company wishes to grant them retirement benefits within the equivalent amount allowed by the Company's certain standards.

It is also proposed that such matters as the actual amounts, timing and method be determined by the Board of Directors for the retiring Director and through consultation by the Audit & Supervisory Board Members for the retiring Audit & Supervisory Board Members.

The career summary of the retiring Director and Audit & Supervisory Board Members is as follows:

Name	Career summary	
Takao Watanabe	June 2013	Director of the Company
	June 2017	Managing Director of the Company (current position)
Katsuhiko Seno	June 2016	External Audit & Supervisory Board Member of the Company (current position)
Ken Yasuda	June 2016	External Audit & Supervisory Board Member of the Company (current position)

As part of the revision of the remuneration plan for Directors, at the Board of Directors meeting held on March 31, 2020, the Company resolved to terminate the retirement benefits plan for Directors and Audit & Supervisory Board Members at the conclusion of this Annual General Meeting of Shareholders.

Consequently, the Company decided to make a final payment of retirement benefits to six Directors who will be reelected, Makoto Hirose, Hirohisa Nagano, Hiromi Uchida, Kazuhiro Watanabe, Takeshi Toyota and Hideo Ikeda, if Proposal No. 2 "Election of Eight Directors" is approved, and to Audit & Supervisory Board Member Akihiko Mori who is currently in office. The amount depends on their period in office by the time of conclusion of this the Annual General Meeting of Shareholders and shall be within the range of an adequate amount in accordance with the prescribed standards of the Company.

The payment shall be made at the time of retirement of each Director and Audit & Supervisory Board Member. The specific amounts, methods, etc. for Directors and an Audit & Supervisory Board Members shall be determined discretionally by the Board of Directors and through consultation by the Audit & Supervisory Board Members, respectively.

The career summary of the Directors and Audit & Supervisory Board Members who are eligible for the final payment in conjunction with the termination of the retirement benefits plan is as follows:

Name	Career summary	
Makoto Hirose	June 1987	Director of the Company
	June 1988	Managing Director of the Company
	June 1991	Senior Managing Director of the Company
	June 1993	President and Representative Director of the Company
	June 2014	Chairperson and Representative Director of the Company
	June 2018	Chairperson of the Company (current position)
Hirohisa Nagano	June 2011	Director of the Company
	Mar. 2013	Managing Director of the Company
	June 2017	President and Representative Director of the Company (current position)
Hiromi Uchida	June 2012	Director of the Company
	Apr. 2019	Managing Director of the Company (current position)

Kazuhiro Watanabe	June 2018	Director of the Company (current position)
Takeshi Toyota	June 2019	Director of the Company (current position)
Hideo Ikeda	June 2015	External Director of the Company (current position)
Akihiko Mori	June 2019	Audit & Supervisory Board Member of the Company (current position)

Proposal No. 5: Introduction of Share-Based Remuneration Plan for Directors

1. Reason for the proposal

With the proposal, in conjunction with the revision of the remuneration plan for Directors and the termination of the retirement benefits plan for Directors, the Company requests approval for the introduction of a new share-based remuneration plan (the Board Benefit Trust (BBT) (hereinafter referred to as the “Plan”)) for the Directors of the Company (excluding External Directors; the same applies to the rest of this proposal unless otherwise specified).

The proposal is to improve the awareness of the need to contribute to a medium- to long-term increase in corporate value by clarifying the correlation between the remuneration of Directors and the value of the shares of the Company, and to share both the merits from a share price increase and the risk of a share price drop between Directors and shareholders. The Company thinks the description of the proposal is adequate for the purpose.

With the proposal, the Company requests approval for the amount of remuneration, etc. to provide new share-based remuneration to the Directors of the Company in addition to the amount of their remuneration approved at the 70th Annual General Meeting of Shareholders held on June 27, 2008 (annual amount: ¥300 million or less; however, it does not include the salary paid as an employee if a Director serves concurrently as an employee). The details of the Plan shall be determined at the discretion of the Board of Directors within the framework of 2. stated below.

If Proposal No. 2 “Election of Eight Directors” is approved and adopted as originally proposed, the number of Directors will be eight (including three External Directors), but the number of Directors who are eligible for the Plan will be five.

2. The amount of remuneration, etc. for the Plan and reference information

(1) Overview of the Plan

The Plan is a share-based remuneration plan that has the Company acquire the Company’s shares in the form of a trust using the monies provided by the Company as a fund (the fund that was set based on the Plan is hereinafter referred to as the “Trust”). The Company then provides Directors with the Company’s shares and the amount of monies equivalent to the market value of the Company’s shares (hereinafter referred to as the “Company’s Shares, etc.”) in the form of the Trust based on the Regulations on the Board Benefit Trust defined by the Company. As a general rule, a Director receives the Company’s Shares, etc. when he/she resigns as a Director.

(2) Persons eligible for the Plan

Directors (External Directors are outside the scope of the Plan.)

(3) Trust period

From August 2020 (planned) until the end of the Trust (the specific end day of the trust period of the Trust will not be decided; as long as the Plan exists, the Trust will be continued; the Plan will be terminated for reasons such as the delisting of the Company’s shares and the abolishment of the Regulations on the Board Benefit Trust).

(4) Trust amount (Amount of the remuneration, etc.)

The Company will pay the following monies to the Trust as the fund to acquire the Company’s shares through the Trust to introduce the Plan. The Company will then provide the Company’s shares, etc. to Directors during three fiscal years from the fiscal year ending March 31, 2021 until the fiscal year ending March 31, 2023 (hereinafter, the period of the three fiscal years is referred to as the “Initial Applicable Period,” and the periods of every three fiscal years that start after the end of the Initial Applicable Period are referred to as the “Applicable Period”) and the following Applicable Periods, provided that this proposal is approved.

First, the Company will pay up to ¥150 million to the Trust as the necessary fund for the Initial Applicable Period when the Trust is set (August 2020 (planned)).

Furthermore, as a general rule, after the elapse of the Initial Applicable Period, until the end of the Plan, the Company will make an additional contribution of a maximum of ¥150 million to the Trust for every Applicable Period. However, the Company may make such additional contribution and the Trust may have the balance of the Company’s shares (the Company’s shares equivalent to the number of points provided to Directors from the Initial Applicable Period until the latest completed Applicable Period, and

those which have not been provided to the Directors are excluded) and monies (hereinafter referred to as the “Remaining Shares, etc.”). In this case, the upper limit of the sum of the amount of the Remaining Shares, etc. (for the Company’s shares, the book value as of the last day of the latest completed Applicable Period) and the amount of monies paid as the additional contribution shall be ¥150 million. When the Company decides to make an additional contribution, it shall disclose that matter in a timely and proper way.

(5) The acquisition method of the Company’s shares and the number of acquired shares

The Trust shall obtain the Company’s shares through an exchange market or through the method of purchasing the treasury shares that are disposed of using the contributed capital as the fund as stated in (4) above. During the Initial Applicable Period, the Company shall purchase up to 420,000 shares without delay after setting the Trust.

The details of the acquisition of the Company’s shares through the Trust shall be disclosed in a timely and proper way.

(6) Method of calculating the number of the Company’s shares, etc. to be provided to the Directors

The Company provides the Directors with a number of points that are determined based on the Regulations on the Board Benefit Trust for each fiscal year. The upper limit of the total points provided to the Directors per fiscal year is 140,000 points. This is determined based on a comprehensive consideration of the current director’s remuneration level, and the trend and outlook of the number of Directors, etc., which is judged as appropriate by the Company.

The points provided to the Directors are converted to the Company’s common shares at the ratio of 1:1 when the Company’s shares, etc. are provided as specified in (7) of the following. (However, if this proposal is approved, when a share split, allotment of shares without contribution, consolidation of shares or such like is implemented, the Company will make a rational adjustment to the upper limit of the number of points and the number of points provided or the conversion rate depending on the ratio, etc.)

As a general rule, the number of points of a Director that serves as the basis for providing the Company’s shares, etc. stated in (7) of the following shall be the number of points provided by the Director by the time of his/her resignation. (The points calculated in this way are hereinafter referred to as the “Confirmed Number of Points.”)

(7) Provision of the Company’s shares, etc.

As a general rule, when a Director resigns and meets the beneficiary requirements specified in the Regulations on the Board Benefit Trust, by processing the prescribed beneficiary confirmation procedure, the Director receives the Company’s shares in accordance with the Confirmed Number of Points defined based on the description of (6) of the above, from the Trust after the resignation. However, when the Director satisfies the requirements of the Regulations on the Board Benefit Trust, he/she receives monies in an amount equivalent to the market value of the Company’s shares instead of the Company’s shares, for a certain portion. To pay the monies, the Trust may sell the Company’s shares.

(8) Exercise of voting right

Based on a custodian’s instruction, none of the voting rights associated with the Company’s shares of the Trust account shall be exercised. In this way, the Company intends to assure neutrality for the Company’s management regarding the exercise of the voting rights associated with the Company’s shares of the Trust account.

(9) Handling of dividends

The Trust will receive dividends of the Company’s shares of the Trust account, and allocate them to the acquisition expenses of the Company’s shares, the trust fee for the trustee of the Trust, etc. When the trust is terminated, the balance of the dividend of the Trust shall be divided proportionately and provided to the Directors who are in the position at that time based on the number of points that each Director has.

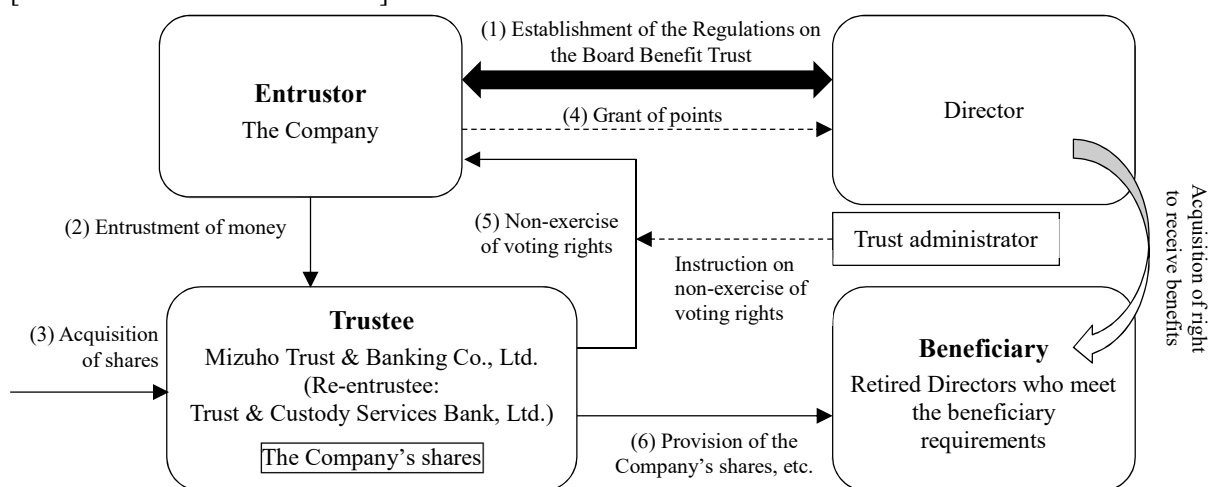
(10) Procedure at the termination of the Trust

The Trust shall be terminated for reasons such as the delisting of the Company’s shares and the abolishment of the Regulations on the Board Benefit Trust.

Among the properties of the Trust remaining at the time of the termination of the Trust, all of the Company’s shares shall be obtained by the Company gratuitously, and cancelled by the resolution of the Board of Directors according to the Company’s plan. Among the properties of the Trust remaining at the

time of the termination of the Trust, monies shall be received by the Company after deducting the amount of the monies to be paid to the Directors based on (9) of the above.

[Reference: Structure of the Plan]



- (i) The Company will establish Regulations on the Board Benefit Trust within the framework approved for this proposal.
- (ii) The Company will trust money within the scope of approval for this proposal.
- (iii) The Trust will acquire the Company shares from the stock market or disposition of treasury shares by the Company with money entrusted by the Company as the source of funds described in (ii).
- (iv) The Company grants points to directors based on the Regulations on the Board Benefit Trust.
- (v) In conformity to the instructions of the independent trust administrator, the voting rights of the stock within the account of the trust shall not be executed by the trust.
- (vi) The Trust grants the Company's shares to the retired directors, etc. who meet the beneficiary requirements prescribed in the Regulations on the Board Benefit Trust (hereinafter referred to as the "beneficiaries") according to the points granted to the beneficiaries. However, if the Directors meet the requirements stipulated in the Regulations on the Board Benefit Trust, they may receive, in respect of a certain portion of the points, an amount of cash equivalent to the market price of the Company's shares.

Proposal No. 6: Payment of Bonuses to Directors

Taking into consideration the performance of the current fiscal year, among other factors, the Company proposes to pay bonuses to six Directors in office at the end of the current fiscal year, excluding External Directors, at the total amount of ¥87 million.