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(Ticker Code: 7912)

June 3, 2016

Yoshitoshi Kitajima
President
Dai Nippon Printing Co., Ltd.
1-1, Ichigaya-Kagacho 1-chome,
Shinjuku-ku, Tokyo

CONVOCAATION NOTICE OF THE 122nd
ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

First of all, please allow us to express our deepest sympathy to those who were affected by the Kumamoto Earthquake 2016 and we wish the earliest possible rehabilitation and reconstruction.

This is to inform you that the 122nd Ordinary General Meeting of Shareholders of Dai Nippon Printing Co., Ltd. (the “Company”) will be held as set forth below and that you are cordially invited to attend it.

If you are not able to attend the meeting, you may exercise your voting rights in one of the following ways. You are kindly requested to exercise your voting rights on or before 6:00 p.m. on Tuesday, June 28, 2016 (Japan time), after examining the following reference materials for the General Meeting of Shareholders.

【Exercising your voting rights by postal mail】

Please indicate your approval or disapproval for each of the agenda in the Voting Form enclosed herewith, affix the protective sticker, and mail the Voting Form to the Company so that it reaches us by the above-mentioned deadline.

【Exercising your voting rights through the Internet】

To vote via Internet, please see the “Guidance Note on the Exercise of Voting Rights through the Internet” (Pages 47 and 48) first, then, by the above-mentioned deadline, access the designated website and enter your approval or disapproval on each of the agenda in accordance with the guidance on the screen.

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

2. Venue Multi-purpose Auditorium on the lobby floor
DNP Ichigaya-Sanaicho Building of Dai Nippon Printing Co.,
Ltd.
31-2, Ichigaya-Sanaicho, Shinjuku-ku, Tokyo
(Although the name of the building changed, the venue remains
the same as last year. Please refer to the map designated at the
end of this Notice.)

3. Meeting Agenda

Matters to be Reported:

1. Report on the Business Report and the Consolidated Financial Statements for the 122nd Fiscal Period (from April 1, 2015 to March 31, 2016) and the Results of the Audit of Consolidated Financial Statements for the 122nd Fiscal Period (from April 1, 2015 to March 31, 2016) by the Accounting Auditor and the Board of Statutory Auditors
2. Report on the Financial Statements for the 122nd Fiscal Period (from April 1, 2015 to March 31, 2016)

Matters to be Resolved:

1st Agenda: Appropriation of Retained Earnings

2nd Agenda: Partial Amendments to the Articles of Incorporation

3rd Agenda: Election of Twelve (12) Directors

4th Agenda: Revision of the Amount of Compensation payable to Directors

5th Agenda: Continuation of Countermeasures against Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

4. Guidance on Disclosure on the Internet

Pursuant to the laws and ordinances and the provisions of Article 15 of the Articles of Incorporation of the Company, out of the documents to be attached to this Notice, the items listed below are posted on the Company's website (http://www.dnp.co.jp/ir/index_soukai.html) (available in Japanese), and are not included in the documents attached to this Notice.

- (1) “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
- (2) “Notes to the Financial Statement” in the Financial Statements

Accordingly, the attached documents are portions of the Consolidated Financial Statement and the Financial Statements audited by the Accounting Auditor in preparation of the Accounting Auditor’s Report and portions of the Consolidated Financial Statement and the Financial Statement audited by the Statutory Auditors and the Board of Statutory Auditors in preparation of the Audit Report.

[End]

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- ◎ If you attend the meeting in person, please submit the enclosed Voting Form to the receptionist at the location of the meeting.
- ◎ In the event the Company makes any amendment to the Reference Materials for the General Meeting of Shareholders and/or attached documents (including the Notes to the Consolidated Financial Statements and the Notes to the Financial Statements), such amendment will be posted on the Company’s website (<http://www.dnp.co.jp>).

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| <p>The Company will no longer hand out souvenirs at the Meeting of Shareholders from this year in consideration of, among others, fairness between shareholders attending the Meeting of Shareholders and those who are unable to attend. We would appreciate your understanding.</p> |
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## Reference Materials for the General Meeting of Shareholders

### Agenda and Reference Matters

#### 1<sup>st</sup> Agenda: Appropriation of Retained Earnings

The Company's basic policy on appropriation of profit is to pay out stable dividends to shareholders while giving consideration to the Company's performance and dividend payout ratio. Further, for future business development, the Company will work on enhancement of the management foundation through improvement of financial standing by the internal reserves.

As for the appropriation of retained earnings for the current term, the year-end dividend for the current term will be ¥16 per common share in the Company. The dividend for the current fiscal year will be ¥32 per share, the same amount as the preceding fiscal year, including the interim dividend of ¥16 per share.

#### Matters related to the year-end dividend

(1) Type of the dividend property

Cash

(2) Matters regarding the assignment of the dividend property to shareholders and the total amount of it

¥16 per share of common share in the Company

Total Amount: ¥10,065,688,816

(3) Effective date of dividend of retained earnings

June 30, 2016

**2<sup>nd</sup> Agenda:** Partial Amendments to the Articles of Incorporation

1. Purpose of the Amendments

- (1) In order to clarify the Company’s business components and to prepare for the expansion and diversification of the Company’s business in the future, the Company makes addition to the business purposes provided in Article 2.
- (2) In order to promote precise and prompt decision-making by management, the Company revises the number of directors provided for in Article 18.
- (3) The “Code Revising a Portion of the Companies Act” (Code No. 90 of 2014) was enacted on May 1, 2015, and made it possible to execute a limited liability agreement with directors (excluding Executive Directors, etc.) and statutory auditors who are not outside statutory auditors. In conjunction with this change, for the purpose of enabling those directors and statutory auditors to fully demonstrate their capabilities as expected in their roles, as well as to secure competent personnel in the future, a portion of each of Articles 28 and 37 will be amended. Further, each of the statutory auditors has consented to the submission of the proposed changes to Article 28.

2. Details of the Amendments

The details of the amendments are as follows:

(Underlines indicate amended portions)

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                         | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Purpose)<br/>           Article 2. The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) through (7)<br/>           (Contents are omitted)</p> <p>(8) The manufacture and sales of arts and crafts, furniture and fittings, miscellaneous daily goods, foods, pharmaceutical products, cosmetic products, chemical industry products, textiles, paper and processed paper products, wood products</p> | <p>(Purpose)<br/>           Article 2. The purpose of the Company shall be to engage in the following businesses:</p> <p>(1) through (7)<br/>           (Contents remain the same)</p> <p>(8) The manufacture and sales of arts and crafts, furniture and fittings, miscellaneous daily goods, foods, pharmaceutical products, <u>quasi-drugs</u>, <u>cosmetic products</u>, <u>medical equipment</u>, chemical industry products, textiles, paper and processed</p> |

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| <p>and metal products, and the sales of general fuels;</p> <p>(9) through (29)<br/>(Contents are omitted)</p> <p>(30) The <u>planning, operation and data processing</u> agency services for <u>such HR related tasks as recruitment, personnel transfers, benefits and training, and accounting</u> agency services;</p> <p>(31) through (39)<br/>(Contents are omitted)</p> <p>(Number of Directors)<br/>Article 18. The Company shall have not more than <u>twenty (20)</u> Directors.</p> <p>(Exemption of Directors from Liabilities)<br/>Article 28 (Contents are omitted)<br/>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement for limiting liability, stipulated in Article 423, Paragraph 1 of the said Act, with <u>Outside Directors</u> which limits the maximum amount of their liabilities for damages arising from their failure to perform duties; provided that the maximum amount of liabilities for damages under such agreement shall be the amount provided for by law.</p> <p>(Exemption of Statutory Auditors from Liabilities)<br/>Article 37 (contents are omitted)</p> | <p>paper products, wood products and metal products, and sales of general fuels;</p> <p>(9) through (29)<br/>(Contents remains the same)</p> <p>(30) The agency services for <u>corporate data processing, etc. and accounting</u> agency services;</p> <p>(31) through (39)<br/>(Contents remain the same)</p> <p>(Number of Directors)<br/>Article 18. The Company shall have not more than <u>sixteen (16)</u> Directors.</p> <p>(Exemption of Directors from Liabilities)<br/>Article 28 (Contents remain the same)<br/>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement for limiting liability, stipulated in Article 423, Paragraph 1 of the said Act, with <u>Directors (excluding Executive Directors, etc.)</u> which limits the maximum amount of their liabilities for damages arising from their failure to perform duties; provided that the maximum amount of liabilities for damages under such agreement shall be the amount provided for by law.</p> <p>(Exemption of Statutory Auditors from Liabilities)<br/>Article 37 (contents remain the same)</p> |
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| <p>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement for limiting liability, stipulated in Article 423, Paragraph 1 of the said Act, with <u>Outside Statutory Auditors</u> which limits the maximum amount of their liabilities for damages arising from their failure to perform duty; provided the maximum amount of liabilities for damages under such agreement shall be the amount provided for by law.</p> | <p>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement for limiting liability, stipulated in Article 423, Paragraph 1 of the said Act, with <u>Statutory Auditors</u> which limits the maximum amount of their liabilities for damages arising from their failure to perform duty; provided the maximum amount of liabilities for damages under such agreement shall be the amount provided for by law.</p> |
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**3<sup>rd</sup> Agenda:** Election of Twelve (12) Directors

The terms of office of all eighteen (18) Directors will expire as of the conclusion of this General Meeting of Shareholders. The Company requests the shareholders to decrease the number of Directors by six (6) and to elect twelve (12) Directors in order to strengthen further swift decision-making regarding management.

The candidates for Director are as follows:

| Candidate No. | Name<br>(Date of Birth)                | Brief personal history, title, responsibilities and status of important concurrent office                                                                                                                                                                                                                                                                                                                                                                                                                                                             | No. of shares in the Company held                                                                                                                                                                                          |           |
|---------------|----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 1             | Yoshitoshi Kitajima<br>(Aug. 25, 1933) | May 1963<br>Jul. 1967<br>Jul. 1970<br>Jan. 1972<br>Aug. 1975<br>Dec. 1979                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Joined the Company<br>Director of the Company<br>Managing Director of the Company<br>Senior Managing Director of the Company<br>Director, Vice President of the Company<br>President of the Company<br>(currently serving) | 3,036,000 |
|               |                                        | <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Yoshitoshi Kitajima as a candidate for Director is that it is expected that he will work to realize the Company's group strategy towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience acquired over many years as a management executive in the Company and its group companies.</p>                                                         |                                                                                                                                                                                                                            |           |
| 2             | Koichi Takanami<br>(Dec. 19, 1940)     | Apr. 1963<br>Aug. 1987<br>Jun. 1993<br>Jun. 1997<br>Jun. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Joined the Company<br>Director of the Company<br>Managing Director of the Company<br>Senior Managing Director of the Company<br>Executive Vice President of the Company<br>(currently serving)                             | 115,000   |
|               |                                        | <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Koichi Takanami as a candidate for Director is that it is expected that he will work to realize, among others, the business strategy in life and industry area for technology, research and business development towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience acquired over many years as a management executive in the Company.</p> |                                                                                                                                                                                                                            |           |
| 3             | Masayoshi Yamada<br>(Oct. 19, 1940)    | Apr. 1963<br>Jun. 1989<br>Jun. 1996<br>Jun. 2001<br>Jun. 2007                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Joined the Company<br>Director of the Company<br>Managing Director of the Company<br>Senior Managing Director of the Company<br>Executive Vice President of the Company<br>(currently serving)                             | 113,000   |
|               |                                        | <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Masayoshi Yamada as a candidate for Director is that it is expected that he will work to realize, among others, the financial strategy towards business growth and</p>                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                            |           |



|   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                            |                                                                                                                                                                                                                             |         |
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|   | improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience acquired over many years as a management executive in the Company.                                                                                                                                                                                                                                                                                                                                             |                                                                            |                                                                                                                                                                                                                             |         |
| 4 | Yoshinari Kitajima<br>(Sept. 18, 1964)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Apr. 1987<br>Mar. 1995<br>Jun. 2001<br>Jun. 2003<br>Jun. 2005<br>Jun. 2009 | Joined The Fuji Bank Ltd.<br>Joined the Company<br>Director of the Company<br>Managing Director of the Company<br>Senior Managing Director of the Company<br>Executive Vice President of the Company<br>(currently serving) | 286,000 |
|   | <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Yoshinari Kitajima as a candidate for Director is that it is expected that he will work to realize, among others, the corporate planning strategy and business strategy for information and communication area towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience acquired over many years as a management executive in the Company.</p> |                                                                            |                                                                                                                                                                                                                             |         |
| 5 | Masahiko Wada<br>(Jan. 14, 1947)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Mar. 1970<br>Jun. 2002<br>Jun. 2005<br>Jun. 2008                           | Joined the Company<br>Director, General Manager of Display Components Operations of the Company<br>Managing Director of the Company<br>Senior Managing Director of the Company<br>(currently serving)                       | 44,000  |
|   | <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Masahiko Wada as a candidate for Director is that it is expected that he will work to realize, among others, the business strategy for electronics area towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience acquired over many years as a management executive in the Company and its group companies.</p>                                |                                                                            |                                                                                                                                                                                                                             |         |
| 6 | Tetsuji Morino<br>(Feb. 23, 1948)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Mar. 1970<br>Jun. 2002<br>Jun. 2005<br>Jun. 2014                           | Joined the Company<br>Director, General Manager of Strategic Business Planning Dept. of the Company<br>Managing Director of the Company<br>Senior Managing Director of the Company<br>(currently serving)                   | 56,000  |
|   | <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Tetsuji Morino as a candidate for Director is that it is expected that he will work to promote, among others, the business planning towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience acquired over many years as a management executive in the Company.</p>                                                                            |                                                                            |                                                                                                                                                                                                                             |         |

| Candidate No. | Name (Date of Birth)                                                                                                                                                                                                                                                                                                                                                                                                 | Brief personal history, title, responsibilities and status of important concurrent office |                                                                                                                                                                                                                    | No. of shares in the Company held |
|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| 7             | Tokuji Kanda<br>(Jun. 10, 1951)                                                                                                                                                                                                                                                                                                                                                                                      | Apr. 1974                                                                                 | Joined the Company                                                                                                                                                                                                 | 27,000                            |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                      | Jun. 2007                                                                                 | Corporate Officer ( <i>Yakuin</i> ), General Manager of Employee Relations Dept., in charge of Recruiting Dept. of the Company                                                                                     |                                   |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                      | Jun. 2012                                                                                 | Managing Director of the Company                                                                                                                                                                                   |                                   |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                      | Jun. 2015                                                                                 | Senior Managing Director of the Company (currently serving)                                                                                                                                                        |                                   |
|               | [Reasons for nomination as a candidate for Director]                                                                                                                                                                                                                                                                                                                                                                 |                                                                                           |                                                                                                                                                                                                                    |                                   |
|               | The reason for nominating Mr. Tokuji Kanda as a candidate for Director is that it is expected that he will work to realize, among others, the strategy for human resources and labor towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience as a management executive in the Company.                      |                                                                                           |                                                                                                                                                                                                                    |                                   |
| 8             | Motoharu Kitajima<br>(Jan. 28, 1966)                                                                                                                                                                                                                                                                                                                                                                                 | Apr. 1988                                                                                 | Joined Sony Corporation                                                                                                                                                                                            | 184,000                           |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                      | Nov. 1996                                                                                 | Joined the Company                                                                                                                                                                                                 |                                   |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                      | Jun. 2005                                                                                 | Director, General Manager of Communication & Information Operations, in charge of Information Communication Center of the Company                                                                                  |                                   |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                      | Jun. 2007                                                                                 | Managing Director, General Manager of Communication & Information Operations, in charge of Information Communication Center of the Company                                                                         |                                   |
|               |                                                                                                                                                                                                                                                                                                                                                                                                                      | Apr. 2016                                                                                 | Managing Director, General Manager of Communication Development Division, Advanced Business Center, in charge of Information Communication Center and honto Business Operations of the Company (currently serving) |                                   |
|               | [Reasons for nomination as a candidate for Director]                                                                                                                                                                                                                                                                                                                                                                 |                                                                                           |                                                                                                                                                                                                                    |                                   |
|               | The reason for nominating Mr. Motoharu Kitajima as a candidate for Director is that it is expected that he will work to promote, among others, the start-up business development towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience acquired over many years as a management executive in the Company. |                                                                                           |                                                                                                                                                                                                                    |                                   |

| Candidate No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Name (Date of Birth)         | Brief personal history, title, responsibilities and status of important concurrent office | No. of shares in the Company held                                                                                                                                          |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Takashi Saito (Aug. 5, 1950) | Apr. 1973<br>Apr. 2012                                                                    | Joined the Company<br>Senior Corporate Officer ( <i>Joumu Yakuin</i> ), in charge of Advanced Optics Operations of the Company                                             | 13,000 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              | Jun. 2013                                                                                 | Managing Director, in charge of Purchasing Div., Corporate Administration Dept. of the Company (currently serving)                                                         |        |
| <p>Status of important concurrent office<br/>President of Uzumine Country Club Co., Ltd.</p>                                                                                                                                                                                                                                                                                                                                                                                                               |                              |                                                                                           |                                                                                                                                                                            |        |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Takashi Saito as a candidate for Director is that it is expected that he will work to realize, among others, the strategy for sourcing, purchasing and general affairs towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience as a management executive in the Company and its group companies.</p> |                              |                                                                                           |                                                                                                                                                                            |        |
| 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Satoru Inoue (Jan. 14, 1955) | Apr. 1978<br>Jun. 2013                                                                    | Joined the Company<br>Director, in charge of Technical & Engineering Div., Technology Development Center, Environment & Product Liability Dept. of the Company             | 13,000 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              | Jun. 2015                                                                                 | Managing Director, in charge of Technical & Engineering Div., Technology Development Center, Environment & Product Liability Dept., Information System Div. of the Company |        |
| <p>Apr. 2016<br/>Managing Director, in charge of Technical &amp; Engineering Div., Technology Development Center, CSR, Environment &amp; Product Liability Dept., Information System Div. of the Company (currently serving)</p> <p>Status of important concurrent office<br/>President of DNP Engineering Co., Ltd.</p>                                                                                                                                                                                   |                              |                                                                                           |                                                                                                                                                                            |        |
| <p>[Reasons for nomination as a candidate for Director]</p> <p>The reason for nominating Mr. Satoru Inoue as a candidate for Director is that it is expected that he will work to realize, among others, the strategy for technical development towards business growth and improvement of business performance, and also appropriately oversee the entire Company's group, based on his considerable experience as a management executive in the Company and its group companies.</p>                     |                              |                                                                                           |                                                                                                                                                                            |        |

| Candidate No. | Name (Date of Birth)                | Brief personal history, title, responsibilities and status of important concurrent offices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | No. of shares in the Company held |
|---------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| 11            | Tadao Tsukada<br>(Oct. 19, 1938)    | Nov. 1982 Professor of Tokyo Institute of Technology<br>Apr. 1999 Adviser to the Company<br>Oct. 1999 Professor of Meiji University Faculty of Science and Technology<br>Jun. 2002 Director of the Company (currently serving)                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 2,000                             |
|               |                                     | <p>[Reasons for nomination as a candidate for Outside Director]</p> <p>The reason for nominating Mr. Tadao Tsukada as a candidate for Outside Director is that his advice and supervision, based on his high level insight and extensive experience as an academic expert, over the Company's management from an objective perspective independent from the management executing the business are expected.</p>                                                                                                                                                                                                                                                                |                                   |
| 12            | Tsukasa Miyajima<br>(Aug. 23, 1950) | Apr. 1990 Professor of Keio University Faculty of Law<br>Apr. 2003 Registered as an attorney at law at the Daini Tokyo Bar Association<br>Apr. 2004 Director of General Insurance Rating Organization of Japan<br>Oct. 2010 Director of the Japan Association of Private Law<br>Jun. 2014 Director of the Company (currently serving)<br>Apr. 2016 Emeritus Professor of Keio University Professor of Asahi University, Faculty of Law and Graduate School of Law (currently serving)                                                                                                                                                                                          | 1,000                             |
|               |                                     | <p>Status of important concurrent offices</p> <p>Councilor of Meiji Yasuda Life Insurance Co.<br/>Outside Director of Hulic Co., Ltd.<br/>Outside Statutory Auditor of Mikuni Corporation<br/>Outside Director of Mitsui Sumitomo Insurance Company, Limited</p> <p>[Reasons for nomination as a candidate for Outside Director]</p> <p>The reason for nominating Mr. Tsukasa Miyajima as a candidate for Outside Director is that his advice and supervision based on his high level insight and extensive experiences as a legal expert over the Company's management from an objective perspective independent from the management executing the business are expected.</p> |                                   |

(Notes)

1. The “Corporate Officer (*Yakuin*)” and “Senior Corporate Officer (*Joumu Yakuin*)”, which were titles used in the Company, were changed to the “Corporate Officer (*Shikko Yakuin*)” and “Senior Corporate Officer (*Joumu Shikko Yakuin*)” in November 2015.
2. ① The Company has trading relationship with Uzumine Country Club Co., Ltd. in which the candidate for Director, Mr. Takashi Saito serves as the President, including lending the Company’s assets, etc.  
② The Company has trading relationship with DNP Engineering Co., Ltd. in which the candidate for Director, Mr. Satoru Inoue serves as the President, including purchase of printing machinery and machine tools, etc.  
Further, there is no special interest between any of the other candidates for Director and the Company.
3. ▪ Among the candidates for Director, Mr. Tadao Tsukada is a candidate for the Outside Director provided in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Further, the Company designated him as an Independent Officer stipulated by the Tokyo Stock Exchange, Inc. and submitted notification to the same Exchange. When his reappointment is approved, he is planned to remain in office as an Independent Officer.
  - Although he does not have experience of involvement in corporate management other than by way of being an Outside Director, the Company determined that he is capable of carrying out his duties adequately as an Outside Director for the reason stated in “[Reasons for nomination as a candidate for Outside Director]” above.
  - While he was an Adviser to the Company in the past, he was not involved in execution of the Company’s and its subsidiaries’ business but took the Adviser’s post for the purpose of giving opinion based on his high level insight and extensive experience as an academic expert on the Company’s management from a standpoint of various stakeholders, including shareholders and investors.
  - He will have been in office as one of the Company’s Outside Directors for fourteen (14) years at the conclusion of this General Meeting of Shareholders.
  - The Company has entered into a Contract for Limitation of Liabilities with him with regard to the liability for damage to the Company provided in Article 423, Paragraph 1 of the Companies Act, to the effect that the liability for damage

attributable to his performance of duty as an Outside Director of the Company in good faith and without gross negligence to be limited to the amount of minimum liability stipulated in Article 425, Paragraph 1 of the same Act. If his reappointment is approved, the Company plans to extend the above mentioned Contract for Limitation of Liabilities with him.

4. • Among the candidates for Director, Mr. Tsukasa Miyajima is a candidate for Outside Director defined in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. Further, the Company designated him as an Independent Officer stipulated by the Tokyo Stock Exchange, Inc. and submitted notification to the same Exchange. When his reappointment is approved, he is planned to remain in office as an Independent Officer.
  - Although he does not have experience of involvement in corporate management other than in the way of being an Outside Director or an Outside Statutory Auditor, the Company determined that he is capable of carrying out his duties adequately as an Outside Director for the reason stated in “[Reasons for nomination as a candidate for Outside Director]” above.
  - He will have been in office as one of the Company’s Outside Directors for two (2) years at the conclusion of this General Meeting of Shareholders.
  - The Company has entered into a Contract for Limitation of Liabilities with him with regard to the liability for damage to the Company provided in Article 423, Paragraph 1 of the Companies Act to the effect that the liability for damage attributable to his performance of duty as an Outside Director of the Company in good faith and without gross negligence to be limited to the amount of minimum liability stipulated in Article 425, Paragraph 1 of the same Act. If his reappointment is approved, the Company plans to extend the above mentioned Contract for Limitation of Liabilities with him.

**4<sup>th</sup> Agenda:** Revision of the Amount of Compensation payable to Directors

The amount of compensation currently paid to Directors was determined by the resolution at the 117<sup>th</sup> General Meeting of Shareholders held on June 29, 2011 to be up to ¥1.8 billion per year (including a maximum of ¥40 million for Outside Directors). Considering the fact that, if 3<sup>rd</sup> Agenda (Election of Twelve (12) Directors) is approved and passed, the number of Directors decreases by six (6) and for the purpose of enhancing the Company's corporate governance in the future, we propose to revise the amount of compensation to up to ¥1.4 billion per year and the amount of compensation for Outside Directors to up to ¥80 million per year.

Currently, there are eighteen (18) Directors (two (2) of whom are Outside Directors). If 3<sup>rd</sup> Agenda (Election of Twelve (12) Directors) is approved and passed in the original form, the number of the Directors will be twelve (12) (two (2) of whom are Outside Directors).

**5<sup>th</sup> Agenda:** Continuation of Countermeasures against Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

At the Board of Directors meeting held on May 17, 2007, the Company introduced the "Countermeasures against Large-Scale Purchase of the Company's Shares," which was approved by the shareholders at the 113<sup>th</sup> Ordinary General Meeting of Shareholders held on June 28, 2007, and subsequently has been continued by approvals of the shareholders at the 116<sup>th</sup> Ordinary General Meeting of Shareholders held on June 29, 2010 and the 119<sup>th</sup> Ordinary General Meeting of Shareholders held on June 27, 2013 (hereinafter, referred to as the "Plan").

Though the effective period of the Plan continues until the conclusion of the 122<sup>nd</sup> Ordinary General Meeting of Shareholders to be held on June 29, 2016 (hereinafter, referred to as the "Ordinary General Meeting of Shareholders"), the Company has continued to examine the Plan, including in regards to the appropriateness of its continuation, as part of efforts to ensure and enhance the corporate value of the Company and ultimately, the common interest of its shareholders, in light of the changes in social and economic circumstances and trends, etc. of various discussions impacting takeover defense measures.

As a result, the Company resolved at the meeting of the Board of Directors held on May 12, 2016 to continue the Plan, subject to approval by the Company's shareholders at the Ordinary General Meeting of Shareholders, in an effort to prevent decisions on the Company's financial and business policies from being controlled by an inappropriate person in light of the "basic policy concerning the persons who control decisions on the Company's financial and business policies" (hereinafter, referred to as the "Basic Policy on Control of the Company") provided in Article 118, item 3 of the Ordinance for Enforcement of the Companies Act. The Company requests all of the shareholders to approve the continuation of the Plan in this Agenda.

The details of the Plan are described from this page to page 40.

The Plan has gained support by all statutory auditors including the three (3) outside statutory auditors, subject to appropriate and concrete operation of the Plan. Further, the status of the Company's shares as of March 31, 2016 is as shown in Attachment 3.

<The Plan>



The detailed contents of the Countermeasures against Large-Scale Purchase of the Company's Shares (Takeover Defense Measures)

## 1. Basic Policy on Control of the Company

The Company believes that, as its shares are listed and traded freely on the markets, the way a person may gain control of the Company should ultimately rest on the will of the shareholders as a whole, and the final decision as to whether or not to accept a purchase offer for shares which involves a change of control of the Company should also be ultimately made based upon the will of the shareholders as a whole.

Nonetheless, among those large-scale purchases or offers for purchase of the Company's shares, etc., there may be cases in which the common interests of shareholders are harmed, such as purchases or offers benefiting only the large-scale purchaser to the detriment of other shareholders' interests, purchases or offers not providing a reasonable time period or information necessary for the shareholders to determine whether or not to accept the purchase offer, purchases or offers in which proposed management after a large-scale purchase is not appropriate, purchases or offers in which the purchase price offered by a large-scale purchaser is unjustly low price, and other similar cases.

The Company believes that the person who controls decision-making over the financial and business policies of the Company must ensure and enhance the Company's corporate value and ultimately, the common interests of its shareholders over a medium to long-term period, while understanding the Company's corporate philosophy and building relationships of trust with various stakeholders of the Company. Accordingly, the Company believes that the person who conducts inappropriate large-scale purchases with possibilities of harm to the corporate value and, ultimately, the common interests of the shareholders, is inappropriate to control decision-making regarding the Company's financial and business policies.

## 2. Efforts to improve the Company's corporate value, to ensure the common interests of shareholders, and the purpose of the Plan

The Company was first established in 1876 under the name of "Shueisha". In Shueisha's rules in those early days, it mentions that "operation of civilization" which illustrates the lofty aspirations for the contribution of the Company to the

development of our country's civilized society shortly after the Meiji Restoration when modernization of Japan was urgently needed, through utilizing a cutting edge technology in those days, type printing using metal typeset. After the end of the war in 1945, the Company, based on its founding philosophy, began by launching into the packaging field in 1951 with the application and advancement of high level printing technology including coating, patterning and minute processing, which the Company cultivated for a long time, and has expanded its business into such area as construction materials, electronics, business forms, information recording materials and industrial materials.

Based on this historical background of the Company's business, the Company formulated "DNP Group's 21<sup>st</sup> Century Vision" in May 2001, in which the Company aimed at further growth in the 21<sup>st</sup> century. Further, in 2015 when marking seventy (70) years since post-war reconstruction, the Company revised the said vision to "DNP Group Vision 2015" in which a new corporate commitment, "DNP Group offers new value through connecting people and society", is included. Based on the Company's strengths - printing and information - and combining resources in and out of the Company, we will create "future ordinary" centering on four (4) growing areas "knowledge and communication", "food and healthcare", "lifestyle and mobility" and "environment and energy".

The Company will work to create new business in such areas and enhance the value of existing business, as well as to improve capital efficiency and effective utilization of management resources. Treasury stock was acquired for seven (7) consecutive years since 2003 and approximately 15,220,000 shares were acquired and twenty (20) million shares of treasury stocks were cancelled in 2015. As to the distribution of profits to shareholders, stable dividend is a basic policy, and a high dividend payout ratio (76.5% in the term ending Marth 2015) has been maintained.

Further, corporations are strongly urged not only to improve their performance and enhance their financial structure but to fulfill social responsibilities. The Company has always been aware of various stakeholders including customers and consumers and proactively engaged in cultural activities and environmental preservation activities before CSR (Corporate Social Responsibility) or ESG (Environment, Social, Governance) were even widely discussed. In 2015, "the Louvre-DNP Museum Lab", a joint project of the Company and Louvre Museum, was awarded the "Mecenat Award 2015" (sponsored by the Association for Corporate Support of the Art). Furthermore, the Company was elected for eleven (11)

consecutive years as a component stock of the “Dow Jones Sustainability Indices (DJSI) World”, one of the indexes of global social responsibility investment. The Company will continue to be a corporation trusted by society through regular engagement in such activities.

The Company firmly believes that further development by continuously engaging in such activities leads to enhancement of corporate value of the Company and the common interests of shareholders. However, there are some actual cases in Japan where a large-scale purchase of shares is unilaterally undertaken without obtaining consent of the management of the target company. Of course, the Company does not categorically reject even a large-scale purchase as long as it benefits the interests of stakeholders including the shareholders, business partners, customers, regional society and employees, and does not deny such share purchase as may be in accordance with the rules of capital markets. Further, the Company believes that a decision on a purchase offer that involves a transfer of control of the Company should ultimately be made based upon the will of its shareholders as a whole. Nonetheless, among those large-scale purchases or offers for purchase, in light of its purpose, etc., there may be a case in which the corporate value and/or the common interests of the shareholders could be harmed.

Considering these situations, the Board of Directors of the Company believed that it is responsibility of the Board of Directors of the Company to take necessary appropriate measures to protect corporate value and the common interests of its shareholders in certain cases, and decided to continue the Plan as a framework not only to enable the shareholders to decide appropriately whether or not to accept the purchase offer, but also to allow the Board of Directors of the Company to secure necessary information and time to present an alternative proposal to the shareholder or negotiate on behalf of the shareholders, and thereby constrain any purchase that is contrary to the corporate value and common interest of shareholders of the Company.

### 3. Details of the Plan

#### (1) Outline of the Plan

##### (a) Establishment of the Procedures for Triggering the Plan

In the event that the purchase or other similar acts of or proposal of such for the Company’s shares, etc. (hereinafter, referred to as the “Purchase, etc.”) is conducted, the Plan sets out procedures for requiring the party who attempts to purchase or proposes to purchase (hereinafter,

collectively referred to as the “Purchaser, etc.”) to provide information regarding such Purchase, etc. in advance, allowing a time period to gather information regarding such Purchase, etc. and give such information full consideration, etc., presenting a plan or alternative proposal of the Board of Directors of the Company to the shareholders and negotiating with the Purchaser, etc. (Please refer to “(2) Procedures for Triggering the Plan” below)

(b) Triggering the Plan and Establishment of the Independent Committee for Elimination of Arbitrary Decisions by the Directors

When conduct of Purchaser, etc. is deemed to have a possibility to harm the corporate value and the common interests of shareholders of the Company (as to the details of the requirements, please refer to “(3) Requirements for the Allotment of Share Options without Contribution” below), the Company will, by resolution of the Board of Directors, allot Share Options (having as an exercise condition that the Purchaser, etc. may not exercise such Share Options and an acquisition term to the effect that the Company may acquire the Share Options from parties other than the relevant Purchaser, etc. in exchange for shares in the Company, as described below, and hereinafter, referred to as the “Share Options”) to all shareholders as of the day specified by the Board of Directors of the Company by way of allotment without contribution (stipulated in Article 277 et. seq. of the Companies Act).

Under the Plan, in order to eliminate arbitrary decisions by the Directors regarding implementation or non-implementation of allotment of Share Options without contribution or acquisition, etc., the Company establishes the Independent Committee, consisting of only outside persons who are independent from the Company’s management so as to obtain its objective judgement, in accordance with the Rules of the Independent Committee (for an outline of these rules, please refer to Attachment 1). Names and career summary of the candidates for members of the Independent Committee under the Plan are provided in Attachment 2 hereto, and each candidate is an outside director or outside statutory auditor of the Company.

(c) Exercise of the Share Option and Acquisition of the Share Options by the Company

In the case where the allotment of Share Options without contribution is implemented in accordance with the Plan and either the shareholders other than the Purchaser, etc. exercise the Share Options or the shareholders other than the Purchaser, etc. receive shares in the Company in exchange for the acquisition of the Share Options by the Company, it would be possible for the voting rights ratio of the share in the Company held by the Purchaser, etc. to be diluted by up to around 50% compared to before such exercise or acquisition.

(2) Procedures for Triggering the Plan

(a) Purchase, etc. subject to the Plan

The Company will implement allotment of Share Options without contribution in accordance with the procedures provided in the Plan when any Purchase, etc. falls under ① or ② below based on the Plan.

① Purchase, etc. of share certificates, etc. (Note 1) issued by the Company that will cause such holder's (Note 2) holding ratio (Note 3) of share certificates, etc. to be twenty percent (20%) or greater.

② Any tender offer (Note 5) for share certificates, etc. (Note 4) issued by the Company that will cause the holding ratio (Note 6) of the share certificates, etc. of the person who conducts such Purchase, etc. subject to such tender offer and the holding ratio of share certificates, etc. of any person in a special relationship (Note 7) to equal or exceed twenty percent (20%).

(b) Requirement that the Purchaser, etc. Submits Information

The Purchaser, etc. intending a Purchase, etc. provided in (a) above, except such case determined by the Board of Directors of the Company to be an amicable purchase, must submit the following in a form prescribed by the Company prior to commencement of Purchase, etc. to the Company; (i) designated document stated written oath, etc. to the effect that such Purchaser, etc. will comply with the procedures provided in the Plan during the Purchase, etc. in a form prescribed by the Company (hereinafter, referred to as the "Acquisition Document"), and (ii) information necessary for examination of the purchase details of the Purchaser, etc., in a form prescribed by the Company (hereinafter, referred to as the "Essential Information").

When the Independent Committee determines that the information submitted as the Essential Information is not sufficient, it by itself or through the Board of Directors of the Company may require the Purchaser, etc. to submit additional Essential Information during a specified reply period (up to sixty (60) days). In such case, the Purchaser, etc. will submit the additional Essential Information during the specified period.

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- Notes:
1. AS defined in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Law, unless otherwise stated in this document.
  2. Includes person included as a holder pursuant to Paragraph 3 of Article 27-23 of the Financial Instrument and Exchange Law. (Including any person considered applicable by the Board of Directors of the Company)
  3. Defined in Paragraph 4 of Article 27-23 of the Financial Instruments and Exchange Law.
  4. Defined in Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Law. The same shall apply to ②.
  5. Defined in Paragraph 6 of Article 27-2 of the Financial Instruments and Exchange Law.
  6. Defined in Paragraph 8 of Article 27-2 of the Financial Instruments and Exchange Law.
  7. Defined in Paragraph 7 of Article 27-2 of the Financial Instruments and Exchange Law (including any person considered applicable by the Board of Directors of the Company). Provided, however, that such person specified in Paragraph 2 of Article 3 of the Cabinet Office Ordinance on Disclosure of Tender Offer for Shares, etc. by Entities Other than Issuers, shall be excluded from a person referred to in Item 1, Paragraph 7 of Article 27-2 of the Financial Instruments and Exchange Law.

Further, the Essential Information, including any additional submissions, shall be provided solely in the Japanese language.

Fundamental items of the Essential Information are as follows:

- ① Details (including specific name, capital structure and financial standing) of the Purchaser, etc. and its group (including joint-holders, specially related parties and (if a fund) partners and other members).
- ② Purpose, method and terms of Purchase, etc. (including the amount and type of Purchase, etc., price, timeframe of Purchase, etc., scheme of any related transaction, legality of the method of Purchase, etc. and feasibility of Purchase, etc.)
- ③ Basis of calculation of the purchase, etc., price (including the facts and assumptions forming the premise of the calculation, calculation method, numerical information used in the calculation and details of expected synergistic effects created through the series of transactions related to the Purchase, etc. (including the details of any expected synergistic gains that are to be distributed to other shareholders) and its calculation basis).
- ④ Financial resources for the Purchase, etc. (including specific names of providers of funding for the Purchase, etc. (including all indirect providers), financing method and terms of related transactions).
- ⑤ Fundamental management policy, business plan, capital and dividend policies for the Company Group after the Purchase, etc.
- ⑥ Policy for treatment of employees, business partners, customers of the Company and other stakeholders related to the Company after the Purchase, etc.
- ⑦ Concrete measures to avoid conflicts of interest with other shareholders of the Company.
- ⑧ Other information reasonably judged necessary by the Independent Committee.

Further, when the Independent Committee determines that the Purchaser, etc. has commenced a Purchase, etc. without complying with the procedures provided in the Plan, the Independent Committee will, in principle, recommend that the Board of Directors of the Company implement the allotment of Share Options

without contribution as described in (d) ① below, except in any specific case where the Independent Committee determines that the Company should continue to request the Acquisition Document and the Essential Information and to negotiate or discuss with the Purchaser, etc.

(c) Consideration of the terms of Purchase, etc., Negotiation with the Purchaser, etc., Consideration of an Alternative Proposal

① Requirement for the Board of Directors of the Company to Submit Information

When the Purchaser, etc. submits the Acquisition Document and the Essential Information, the Independent Committee may, in order to compare the details of the Acquisition Document and the Essential Information with the business plan of the Board of Directors of the Company and corporate evaluation of the Company by the Board of Directors, etc., from a viewpoint of ensuring and enhancing corporate value and the common interests of shareholders of the Company, request the Board of Directors of the Company, during a specified reply period (up to thirty (30) days), submit an opinion on the terms of the Purchase, etc. by the Purchaser, etc. (including an opinion to refrain from giving such opinion. Same apply hereafter) with supporting materials, alternative proposal (if any), and other information and materials, etc. which the Independent Committee may consider necessary from time to time.

② Independent Committee Consideration

The Independent Committee will review the terms of Purchase, etc. of the Purchaser, etc., gather and compare information regarding business plans of the Purchaser, etc. and those of the Board of Directors of the Company for sixty (60) days (in the case described in (d) below, the Independent Committee may extend such timeframe (up to thirty (30) days), hereinafter, referred to as the “Independent Committee Review Period”) after receiving information and materials from the Purchaser, etc. and, if the Board of Directors has been requested to submit information and materials as stated the



above, from the Board of Directors of the Company. Further, if it is necessary to improve the terms of the relevant Purchase, etc. from a viewpoint of ensuring and enhancing corporate value and the common interests of shareholders of the Company, the Independent Committee will directly or indirectly discuss and negotiate with the relevant Purchaser, etc. and make recommendation to revise the terms of Purchase, etc. or provide an alternative proposal by the Board of Directors of the Company to the shareholders.

As an aid to the Independent Committee to make the best decision for corporate value and the common interests of shareholders of the Company, the Independent Committee may, at the Company's expenses, obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, consultants and any other experts). When the Independent Committee, by itself or through the Board of Directors, etc., requests the Purchaser, etc. to submit review materials and other information or to have discussions and negotiations, etc., the Purchaser, etc. must promptly respond to such request.

### ③ Disclosure

The Company will promptly disclose to the shareholders that the Acquisition Document was submitted by the Purchaser, etc., that the Independent Committee Review Period has started, information included in the Essential Information and other information which the Independent Committee considers appropriate at the time the Independent Committee considers appropriate.

#### (d) Method for Decision Making by the Independent Committee

When a Purchaser, etc. has emerged, the Independent Committee will follow the procedures below:

##### ① When the Independent Committee recommends implementation of the allotment of Share Options without contribution,

When the Purchaser, etc. did not comply with the procedures provided in (b) and (c) above, or when the Purchase, etc. by the

Purchaser, etc. falls under any of the requirements provided in “(3) Requirements for Allotment of Share Options without Contribution” below as a result of review of the terms of the Purchase, etc. and/or discussion/negotiation with the Purchaser, etc., and it is determined that implementation of the allotment of Share Options without contribution is appropriate, regardless of the start or end of the Independent Committee Review Period, the Independent Committee will recommend that the Board of Directors of the Company implement the allotment of Share Options without contribution.

Further, even in the case where the Purchase, etc. by the Purchaser, etc. falls under any of the requirements provided in “(3) Requirements for the Allotment of Share Options without Contribution” below and it is determined that implementation of the allotment of Share Options without contribution is appropriate, if the Independent Committee considers that obtaining an approval by the general meeting of shareholders is appropriate, the Independent Committee may recommend implementation of the allotment of Share Options without contribution subject to obtaining prior approval at the general meeting of shareholders.

Even after the Independent Committee has already made a recommendation to implement the allotment of Share Options without contribution, if it determines that any of the events below applies, it may make a new recommendation that (i) on or before the exercise period starts (defined in (4)(f) below) (before the allotment without contribution becomes effective) the Company suspend the allotment of Share Options without contribution, or (ii) (if after the allotment without contribution becomes effective) the Company acquire the Share Options for no consideration.

- (A) When the Purchaser, etc. withdraws the Purchase, etc. or the Purchase, etc. otherwise ceases to exist after the recommendation.
- (B) When there is a change in the relevant fact, etc. upon which the determination to make the relevant recommendation was based, and when either the Purchase, etc. by the Purchaser, etc. does not fall under any requirement provided in “(3) Requirements for the Allotment of Share Options without Contribution” below, or

when it is determined that implementation of the allotment of Share Options without contribution or exercise of it is not appropriate even if the Purchase, etc. falls under any such requirement.

- ② When the Independent Committee recommends non-implementation of the allotment of Share Options without contribution

When the Independent Committee determines that the Purchase, etc. by the Purchaser, etc. does not fall under any of the requirements provided in “(3) Requirements for the Allotment of Share Options without Contribution” below, or does fall under such requirements but, as a result of reviewing the terms of the Purchase, etc. by the Purchaser, etc. or discussion and/or negotiation with the Purchaser, etc., determines that non-implementation of the allotment of Share Options without contribution to be appropriate, regardless of the expiration of the Independent Committee Review Period, the Independent Committee will recommend the Board of Directors of the Company not implement the allotment of Share Options without contribution.

Provided, however, when there is a change in the relevant facts, etc. upon which the determination to make the relevant recommendation was based, and satisfied the requirements in ① above, the Independent Committee may make a separate determination including recommendation of implementation of the allotment of Share Options without contribution and may recommend the Board of Directors of the Company the implementation of the allotment of Share Options without contribution.

- ③ When the Independent Committee extends the Independent Committee Review Period

When the Independent Committee does not reach a recommendation for either implementation or non-implementation of the allotment of Share Options without contribution before the expiration of the Independent Committee Review Period, the Independent Committee will, to the extent (up to thirty (30) days) that is reasonably necessary for examination of the terms of the Purchase, etc. by the Purchaser, etc., discussion and negotiation with the relevant Purchaser, etc. and preparation of an alternative proposal, resolve to extend the Independent Committee Review Period.

If the Independent Committee Review Period is extended, the Independent Committee will continue to collect information, deliberate and use its best efforts to make a recommendation for the implementation or non-implementation of the allotment of Share Options without contribution within the extended period.

④ Disclosure

When the Independent Committee passes a resolution on the recommendation, etc. provided in ① through ③ above, or other matters deemed appropriate by the Independent Committee, the Company will promptly disclose information about the outline of such resolutions (including the fact that the Independent Committee Review Period has expired) and other matters considered appropriate by the Independent Committee (including, when the Independent Committee Review Period is extended in accordance with ③, the extended period and reason for it).

(e) Resolution of the Board of Directors

The Board of Directors, as a body under the Companies Act, will pass a resolution relating to the implementation or non-implementation of the allotment of Share Options without contribution, etc., respecting to the maximum extent such recommendation of the Independent Committee described above. When the Independent Committee recommends to the effect that the allotment of Share Options without contribution should be implemented and such implementation is subject to prior approval at the general meeting of shareholders, and when the Board of Directors of the Company, upon considering the time, etc. required to convene the general meeting of shareholders, determines that confirmation of the shareholders' will is appropriate in light of duty of care of a good manager, then the Board of Directors of the Company will convene a general meeting of shareholders as promptly as practically possible and submit a proposal regarding implementation of the allotment of Share Options without contribution. When the proposal regarding implementation of the allotment of Share Options without contribution is approved at such general meeting of shareholders, the Board of Directors of the Company will pass a resolution concerning implementation of the allotment of Share Options without contribution, and when the proposal regarding implementation of the allotment of Share Options without contribution is denied at such general meeting of shareholders, the Board of Directors of the Company will pass a resolution concerning

non-implementation of the allotment of Share Options without contribution.

After the said resolution has passed, the Board of Directors of the Company will promptly disclose the outline of such resolution and other matters deemed appropriate by the Board of Directors. Further, the Purchaser, etc. may not execute the Purchase, etc. until the Board of Director of the Company passes a resolution regarding implementation or non-implementation of the Allotment of Share Options without contribution.

(3) Requirements for the Allotment of Share Options without Contribution

The Company contemplates to implement the allotment of Share Options without contribution through resolution by the Board of Directors of the Company as described in “(2) Procedures for Triggering the Plan” (e) above, in the cases where the Purchaser, etc. does not comply with the procedures set out in the Plan, or conduct, etc. of the Purchaser, etc. falls under any of the followings, and when it is determined that such conduct threatens to cause obvious harm to the corporate value of the Company and ultimately the common interests of shareholders of the Company and that implementation of the allotment of Share Options without contribution is reasonable. As stated in “(2) Procedures for Triggering the Plan” (e) above, whether or not it falls under the following requirements and whether or not implementation of the allotment of Share Options without contribution is reasonable shall be determined respecting to the maximum extent the recommendation of the Independent Committee.

- ① The cases where the Purchase, etc. threatens to cause obvious harm to the corporate value of the Company and ultimately the common interests of its shareholders due to the following cases;
  - (a) The case where it is determined that the Purchaser, etc. conducts the Purchase, etc. for the sole purpose of driving up the stock price in order to have those shares purchased at a high price by the Company or its related persons, and where there is no intention of truly participating in the management of the Company.
  - (b) The case where it is determined that the Purchase, etc. is being conducted for the purpose of so-called “scorched management” by temporary controlling the management of the Company and having the intellectual property, know-how, confidential business

information, main clients and customers, etc. which are necessary for the management of the Company, transferred to the Purchaser, etc. or its group companies, etc.

- (c) The case where it is determined that the Purchase, etc. is being conducted for the purpose of, after obtaining control of the management of the Company, diverting the Company's assets to the Purchaser, etc. or its group companies, etc. for provisions of their collateral or repayment of debt.
  - (d) The case where it is determined that the Purchase, etc. is being conducted for the purpose of temporarily controlling the management of the Company and having the Company sell or otherwise dispose of real estate, securities and other assets that have no current relevance to the Company's business and making temporarily high dividends with the profits from disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share price due to temporary high dividends.
- ② The case where it is determined that the method of Purchase, etc. suggested by the Purchaser, etc. may actually force shareholders to sell the shares in the Company by restricting the opportunity or freedom of judgement by shareholders, such as a coercive two-tier purchase (i.e. the purchase of shares such as tender offer, in which the purchase of all the shares is not offered in the initial stage, and the purchasing conditions in the second stage are set unfavorably, or not stated clearly) (provided, however, that a partial tender offer does not fall under this category by definition).
  - ③ The case where it is determined that the acquisition of controlling right by the Purchaser, etc. threatens to cause damage to the corporate value of the Company including the interests of customers, employees and other stakeholders, and ultimately obstructs the pursuit of the common interests of shareholders.
  - ④ The case where it is determined that the corporate value of the Company over the medium to long-term would be diminished in the case of acquisition of controlling rights by the Purchaser, etc., compared with the case of no acquisition of controlling rights by the Purchaser, etc.

- ⑤ The case where the conditions of the Purchase, etc. (including price and type of consideration, timeframe of the Purchase, etc., legality of the method of Purchase, etc., feasibility of the Purchase, etc., management policy or business plan after Purchase, etc., policy for treatment of minority shareholders, employees, business partners, customers of the Company and other stakeholders related to the Company after the Purchase, etc.) are significantly insufficient or inappropriate in light of the corporate value and ultimately the common interests of shareholders of the Company.
- ⑥ The case where it is determined that the Purchaser, etc. is inappropriate as a controlling shareholder from the perspectives of public order and morals, such as the case where a party associated with antisocial forces is included in the management or is a major shareholder of the Purchaser, etc.

(4) Outline of the Allotment of Share Options without Contribution

The outline of the allotment of Share Options without contribution that is anticipated to be implemented in accordance with the Plan is as follows:

(a) Number of the Share Options

The number of Share Options to be allotted will be the same number as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company) on a certain date (hereinafter, referred to as the “Allotment Date”) to be determined by the Board of Directors of the Company at the resolution of the Board of Directors on the allotment of Share Options without contribution (hereinafter, referred to as the “Resolution on Allotment of Share Options without Contribution”).

(b) Shareholders Eligible for Allotment

The Company will allot the Share Option without contribution to shareholders, other than the Company, who are recorded in the Company’s final register of the shareholders on the Allotment Date (hereinafter, referred to as an “Eligible Shareholder”), at a ratio of one Share Option for each share in the Company held.

(c) Effective Date of Allotment of Share Options without Contribution

The Board of Directors of the Company will decide at the

Resolution on Allotment of Share Options without Contribution.

(d) Number of Shares subject to the Share Options

The number of shares subject to each Share Option (hereinafter, referred to as “Number of Applicable Shares”) shall be one share per each Share Option.

(e) Amount to be contributed upon exercise of the Share Option

The assets to be contributed upon exercise of Share Option shall be cash, and the amount of the assets per share shall be the amount determined at the Resolution on Allotment of Share Options without Contribution by the Board of Directors of the Company within a range of one (1) Japanese yen or more and fifty percent (50%) or less of the market price of one share in the Company.

(f) Exercise Period of the Share Options

The commencement date will be the date determined by the Board of Directors of the Company in the Resolution on Allotment of Share Options without Contribution (hereinafter, such commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”) and the period will be determined by the Board of Directors of the Company in the Resolution on Allotment of Share Options without Contribution, within a range of one (1) month to three (3) months. Provided, however, that when the Company acquires the Share Options as provided in (i) below, the Exercise Period for such Share Options acquired by the Company shall end on the day immediately prior to the acquisition date. If the last day of the Exercise Period falls on a holiday for the place handling cash payments, the Exercise Period will end on the business day immediately prior to that date.

(g) Conditions for Exercise of the Share Options

The parties fall under the following, in principle, may not exercise the Share Option; (i) Specific large volume holder (Note 1); (ii) Joint holder of specific large volume holder (Note 2); (iii) Specific large-scale purchaser (Note 3); (iv) Parties having a special relationship with specific large-scale purchaser (Note 4); (v) any transferee of, or successor to the Share Options of any party falling under (i) through (iv) above without approval of the Company’s Board of Directors (Note 5);



or (vi) any affiliated party of any party falling under (i) through (v) above (Note 6). Further, non-residents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Share Options may not, in principle, exercise the Share Options (provided, however, the Share Options held by non-residents also be subject to acquisition by the Company in exchange for shares in the Company as set out in (i) below.

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Notes:

1. Means any holder (including parties included in the holders pursuant to Article 27-23, Paragraph 3 of the Financial Instruments and Exchange Law) of share certificates, etc. issued by the Company (defined in Article 27-23, Paragraph 1 of the same) and whose holding ratio of share certificates, etc. in respect of relevant share certificates, etc. (defined in of Article 27-23, Paragraph 4 of the same) is twenty (20) % or more (including any party who is deemed applicable to the above by the Board of Directors of the Company).
  2. Including parties defined in Article 27-23, Paragraph 5 of the Financial Instruments and Exchange Law and who are deemed as joint holders pursuant to Paragraph 6 of the same Article (including any party who is deemed applicable to the above by the Board of Directors of the Company).
  3. Parties who make public announcement of purchase, etc. (defined in of Article 27-2, Paragraph 1 of the Financial Instruments and Exchange Law; the same is applied hereunder) of share certificates, etc. (defined in of Article 27-2 Paragraph 1 of the same; the same is applied hereunder) issued by the Company through a tender offer (defined in Article 27-2, Paragraph 6 of the same) and whose holding ratio of share certificates (defined in Article 27-2, Paragraph 8 of the Financial Instrument and Exchange Law; the same is applied hereunder), in respect of such share certificates, etc. owned by such party after such purchase, etc. (including the case defined in Article 7, Paragraph 1 of the Order of Enforcement of the Financial Instruments and Exchange Law as conform) together with parties with special relationship, become twenty (20) % or more (including any party who is deemed applicable to the above by the Board of Directors of the Company).
  4. Defined in of Article 27-2, Paragraph 7 of the Financial Instrument and Exchange Law (including any person considered applicable by the Board of Directors of the Company). Provided, however, that such person specified in Paragraph 2 of Article 3 of the Cabinet Office Ordinance on Disclosure of Tender Offer for Shares, etc. by Entities Other than Issuers, shall be excluded from a person referred to in Item 1, Paragraph 7 of Article 27-2 of the Financial Instruments and Exchange Law.
  5. “Affiliated party” of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed applicable to the above by the Board of Directors of the Company), or a party deemed by the Board of Directors of the Company to act in concert with such given party.
-

(h) Assignment of Share Options

Any acquisition of the Share Options by assignments requires approval of the Board of Directors of the Company.

(i) Acquisition of Share Options by the Company

① At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors of the Company deems that it is appropriate for the Company to acquire the Share Options, the Company may, on the day separately determined by the Board of Directors of the Company, acquire all of the Share Options for no consideration.

② Notwithstanding ① above, the Company may acquire all of the Share Options that have not been exercised before or on the day immediately prior to such date determined by the Board of Directors of the Company among those that are held by parties other than parties that fall under the Paragraph (g) (i) through (vi) above, and issue Applicable Share in the Company in exchange for each Share Option. Further, if on or after the date upon which the acquisition takes place, the Board of Directors of the Company recognizes the existence of any party other than parties falling under the Paragraph (g) (i) through (vi) above, holding Share Options, the Company may, on a date determined by the Board of Directors of the Company that falls after the date upon which acquisition described above takes place, acquire all of the Share Options held by such party that have not been exercised by or on the day immediately prior to such date determined by the Board of Directors of the Company, and issue Applicable Share in the Company in exchange for each Share Option. The same will be applied thereafter. Further, the Company gives due respect to the purport of a report titled “Take Over Defense Measures in Light of Recent Environmental Changes” published by the Corporate Value Study Group on June 30, 2008, and will not provide any cash, etc. as consideration for redemption of Share Options held by parties that fall under the Paragraph (g) (i) through (vi) above.

(5) Effective Period of the Plan

The effective period of the Plan shall be three (3) years from the Ordinary General Meeting of Shareholders (until the conclusion of the ordinary general meeting of shareholders relating the fiscal year ending March 2019) and thereafter, continuation of the Plan (including continuation upon partial amendment) shall require approval at the ordinary general meeting of shareholders. When the continuation of the Plan is approved, the Board of Directors of the Company shall promptly announce it.

(6) Abolition and Amendment of the Plan

Even before the expiration of the effective period, if ① a resolution is passed at the general meeting of shareholders to revoke the Plan, or ② the Board of Directors passes a resolution to abolish the Plan through recommendation by the Independent Committee, the Plan will be abolished at such time. Accordingly, the Plan may be abolished in accordance with the shareholders' will.

Further, in order to respond to developments in the legal system or other factors surrounding the Company, the Board of Directors may revise or amend the Plan upon recommendation by the Independent Committee, even during the effective period.

When the Plan is abolished or amended, the Company will promptly disclose the facts of such abolishment or amendment and (if amended) the details of the amendment and other matters.

4. Rationality of the Plan

(1) Fully Satisfying Requirements including Policies regarding Takeover Defense Measures

The Plan fully satisfies three (3) principles (the principle of ensuring and enhancing of the corporate value and common interests of shareholders, the principle of prior disclosure and shareholders' will, and the principle of necessity and reasonableness) stipulated in "the Guidelines for Takeover Defense Measures to Ensure or Enhance the Corporate Values and Common Interests of Shareholders", released by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. Further, the Plan is also based on the content and intention of the report "Take Over Defense Measures in Light of Recent Environmental Changes" published by the

Corporate Value Study Group on June 30, 2008 published by the Corporate Value Study Group that set up in the Ministry of Economy, Trade and Industry.

- (2) Valuing the Shareholders' Wills (Resolution in the General Meeting of Shareholders and Sunset Clause)

The effective period of the Plan will, if approved by the shareholders at the Ordinary General Meeting of the Shareholder, be for three years, up to the conclusion of the Ordinary General Meeting of Shareholders relating to the term ending March 2019. Further, since the term of office of the Company's directors is one (1) year, the shareholders may indicate their will through election of the directors even during the effective period. Furthermore, if it is resolved to abolish the Plan at the General Meeting of Shareholders, the Plan will be abolished at such time, even before the expiration of effective period of the Plan, and shareholders' will can be reflected.

- (3) Judgement by the Independent Committee who are Independent from the Management Team Engaged in the Business Execution of the Company and Disclosure

The Independent Committee is composed of outside director, outside statutory auditor of the Company, or any outside expert who meets certain requirements provided in the Rules of the Independent Committee, and when the Purchase, etc. is actually attempted (i) the Independent Committee will, in accordance with the Rules of the Independent Committee, make a recommendation to the Board of Directors of the Company on whether or not such Purchase, etc. could harm the corporate value and common interests of shareholders of the Company, (ii) the Board of Directors of the Company, as a body under the Companies Act, will pass a resolution relating to the implementation or non-implementation of the allotment of Share Options without contribution, etc., with maximum respect to such recommendation by the Independent Committee.

In this way, the Independent Committee will strictly monitor and prevent triggering the Plan arbitrarily by the Board of Directors, while the Company discloses the outline of the Independent Committee's judgement to the shareholders, thus ensuring transparent operation of the Plan for the benefit to

the corporate value and common interests of shareholders of the Company.

(4) Reasonable and Objective Requirements

The Plan is designed not to be triggered unless reasonable and objective requirements are satisfied, and secured a mechanism to prevent arbitrary triggering by the Board of Directors of the Company.

(5) Obtaining Opinions from Third Parties

When the Purchaser, etc. emerges, the Independent Committee may obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, consultants and other experts) at the Company's expenses. Thus, a mechanism to secure fairness and objectivity of judgement by the Independent Committee is ensured.

(6) Not a Dead-Hand or Slow-Hand Type Takeover Defense Measure

The Plan can be abolished at any time by the Board of Directors, composed of directors elected at the general meeting of shareholders of the Company, and the Plan can be abolished by the Board of Directors composed of directors who are designated by the party that purchased a large number of shares in the Company and were elected at the general meeting of shareholders of the Company.

Accordingly, the Plan is not a Dead-Hand Takeover Defense Measure (a takeover defense measure in which even if a majority of the members of the board of directors are replaced, the defense measure cannot be abolished or stopped). Further, since the Company sets its directors' term of office to be one (1) year, and does not adopt the staggered term system nor add any requirement to dismiss them, the Plan is not a Slow-Hand Takeover Defense Measure (a takeover defense measure in which stopping the defense measure takes more time due to the fact that the directors cannot be replaced all at once).

5. Impact on the Shareholders and Investors, etc.

(1) Impact, etc. of the Plan on the Shareholders and Investors

The Plan aims at assuring the shareholders' opportunities to receive necessary information from the Purchaser, etc. for reviewing the terms of

purchase, and to receive opinions on such Purchase, etc. and alternative proposals to be presented by the Board of Directors of the Company that currently manages the Company, for making decision on whether or not to accept the Purchase, etc. by the Purchaser, etc. As a result, it enables the shareholders to make a proper decision whether or not to accept the offer of the Purchase, etc. with sufficient information, and will protect the corporate value and common interest of shareholders of the Company. Therefore, the Company believes that establishment of the Plan will benefit the interests of the shareholders and investors. As stated in 3 above, since the Company's response to the Purchaser, etc. will be different depending on whether or not the Purchaser, etc. complies with the Plan, the shareholders and investors shall pay attention to the actions of the Purchaser, etc.

(2) Impact at the time of the Allotment of Share Options without Contribution on the Shareholders and Investors

When the Plan is triggered, the Company will allot the Share Options without contribution to those shareholders as of the Allotment Date, which shall be separately determined by the Board of Directors of the Company in the Resolution on Allotment of Share Options without Contribution, at a ratio of one Share Option for each share the shareholder holds. If a shareholder does not follow the procedures detailed in (3) (a) below including payment of money for exercise of the Share Option within the Exercise Period, the shares in the Company held by such shareholder will be diluted by exercise of the Share Options held by other shareholders. However, the Company may, by a resolution of the Board of Directors, acquire the Share Options held by shareholders who do not fall under 3. (4) (g) (i) through (vi) above, in exchange, deliver the shares in the Company, in accordance with the procedures described in (3)(b) below. When the Company carries out such acquisition procedures, shareholders other than those falling under 3. (4) (g) (i) through (vi) above, will receive shares in the Company without exercising their Share Options nor paying in monies equivalent to the exercise price, and no dilution of the aggregate shares in the Company held will result, rather, only dilution of the value per share in the Company held will result.

Further, in the case where, after the shareholders who will receive the allotment of Share Options without contribution are confirmed, the Company

cancel the allotment of Share Options without contribution or the Share Options issued are acquired by the Company with no consideration, dilution of the value per share will not take place, and thus, investors who traded shares of the Company on the assumption of dilution of value per share might incur damages due to fluctuations of share value.

(3) Required Procedures of the Shareholders upon the Allotment of Share Options without Contribution

(a) Procedures for Exercising the Share Option

The Company, in principle, sends documents of request for exercising the Share Options (a form prescribed by the Company including details and number of the Share Options to be exercised, necessary matters including exercise date of the Share Option, etc., as well as, representations clause as the fact that he or she satisfied the exercise conditions of the Share Option, etc., indemnity clauses and other covenants) and other documents necessary for exercising the Share Option, to the shareholders in the latest register of shareholders as of the Allotment Date. After allocation of the Share Options without contribution, one share in the Company will be issued per one Share Option upon submission of such necessary documents within the Exercise Period and upon payment, at the place handling payment, of the amount per Share Option determined by the Board of Directors of the Company in the Resolution on Allotment of Share Options without Contribution, in principle, within a range of one (1) Japanese yen or more and the amount equivalent to fifty (50) % or less of the market price of the share in the Company.

(b) Procedures for Acquisition of the Share Options by the Company

When the Board of Directors of the Company decides to acquire the Share Options, the Company acquires the Share Options on or after the date separately determined by the Board of Directors of the Company in accordance with the statutory procedures. When the Company delivers the shares in the Company equal to the number of applicable shares in exchange for acquisition of the Share Options to the Shareholders, the Company promptly delivers. In such case, the Company may request

the relevant shareholders to submit documents prescribed by the Company separately, including the representation clause stating that he or she is not a party falling under (i) through (vi) above, indemnity clause and other covenant.

In addition to the above, the Company will disclose information to or notify its shareholders with respect to the details of allotment method, exercise method and method for acquisition by the Company after resolution of the Board of Directors of the Company regarding the allotment of Share Options without contribution is made, so we request that shareholders check these details at that time.

END



**Outline of the Rules of the Independent Committee**

- The Independent Committee shall be established by a resolution of the Board of Directors of the Company.
- The Independent Committee shall consist of three (3) or more members who shall be elected by the Board of Directors of the Company from persons falling under any of the following categories: (i) outside director of the Company, (ii) outside statutory auditor of the Company or (iii) outside experts, in each case independent from the management team engaged in the execution of the business of the Company. Provided, however, that in the case of persons falling under the category (iii), such outside experts must be experienced corporate managers, persons with profound knowledge of the investment banking business, lawyers, certified public accountants or researchers whose research focuses on the Companies Act., etc. or persons equivalent to such qualifications, and must have executed with the Company an agreement prescribed by the Board of Directors of the Company, that includes a duty of care of prudent manager provision, etc.
- Unless otherwise determined by a resolution by the Board of Directors of the Company, the term of office of the Independent Committee members will continue until the conclusion of the ordinary general meeting of shareholders relating to the fiscal year ending March 2019. However, the term of office of any member of the Independent Committee who is an outside director or an outside statutory auditor will end concurrently upon losing the status as an outside director or an outside statutory auditor (except in the case of re-appointment).
- The Independent Committee will make decisions on the matters described in each item below and make recommendation to the Board of Directors of the Company by submitting details of and reasons for such decision. The Board of Directors of the Company will, as a body under the Companies Act, determine whether or not to implement the allotment of Share Option without contribution upon respecting such recommendation to the fullest extent. Further, each member of the Independent Committee and each director of the Company is required to make decisions solely from the perspective of whether such decision will benefit the corporate value of the Company and ultimately the common interests of shareholders, and not with a purpose of pursuing his or her own personal benefit or that of the management team of the Company.
  - ① Applicability of the Plan to subject Purchase, etc.
  - ② Implementation or non-implementation of the allotment of Share Options without contribution (including submission of these matters to the general meeting of

shareholders) or extension of the Independent Committee Review Period.

- ③ Cancellation of the allotment of Share Options without contribution.
  - ④ Acquisition of the Share Options without consideration.
  - ⑤ Abolishment or amendment of the Plan
  - ⑥ Any other matters that may be determined by the Board of Directors, on which the Board of Directors of the Company has consulted the Independent Committee.
- In addition to the matters provided above, the Independent Committee shall handle the items listed below, as necessary.
    - ① To determine the information that should be provided to the Independent Committee by the Purchaser, etc. and the Board of Directors of the Company and the deadline for submission of such information.
    - ② To examine and review the terms of the Purchaser etc.'s Purchase, etc.
    - ③ To negotiate and discuss with the Purchaser, etc.
    - ④ To request the Board of Directors of the Company to produce an alternative proposal and review such alternative proposal.
    - ⑤ Other matters assigned to the Independent Committee under the Plan.
    - ⑥ Matters the Board of Directors of the Company assign to the Independent Committee.
  - When the Independent Committee judges that the contents of the acquisition document or the essential information are insufficient, it shall request the Purchaser, etc. submit additional information, etc. Further, when the acquisition document and the essential information is submitted by the Purchaser, etc., the Independent Committee may also request the Board of Directors of the Company to submit an opinion on the terms of Purchase, etc. by the Purchaser, etc. with supporting materials, alternative proposal (if any), and any other information the Independent Committee deems necessary from time to time, within the prescribed period.
  - When it is necessary to procure more favorable terms than those of the Purchase, etc. by the Purchaser, etc. in order to ensure and enhance corporate value and the common interests of shareholders of the Company, the Independent Committee will directly or indirectly discuss and negotiate with the Purchaser, etc., and recommend the Board of Directors of the Company to submit an alternative proposal.
  - In order to gather necessary information, the Independent Committee may request attendance of directors, statutory auditors, employees of the Company and other persons whom the Independent Committee deems necessary, and ask for explanation relating to such matters as the Independent Committee requests.
  - The Independent Committee may obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, consultants and other experts) at the

Company's expenses.

- Each of the Independent Committee members may convene a meeting of the Independent Committee in the event of the emergence of a Purchaser, etc. or at any other time.
- As a general rule, resolutions of the meeting of the Independent Committee will pass by majority of the vote cast where at least two-third (2/3) of all members of Independent Committee are in attendance.

END

Names and Career Summary of the Candidates  
for the Independent Committee

Tadao Tsukada

[Career Summary]

Born in October 1938

November 1982: Professor of Tokyo Institute of Technology

April 1999: Advisor of the Company

October 1999: Professor of Meiji University, School of Science & Technology

June 2002: Director of the Company (currently serving)

May 2007: Member of the Independent Committee of the Company  
(currently serving)

- ※ Mr. Tadao Tsukada is an Outside Director of the Company as provided in Article 2, Item 15 of the Companies Act.
- ※ Mr. Tadao Tsukada is designated as an Independent Officer pursuant to the provision of Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange, Inc. There is no special interest between Mr. Tsukada and the Company.
- ※ Though Mr. Tadao Tsukada served as “Advisor of the Company” in the past, he never executed business of the Company or subsidiary companies of the Company, and the Company appointed him as an Advisor for the purpose of obtaining his opinion regarding the Company’s management from the perspective of various stakeholders including shareholders and investors.

Makoto Matsuura

[Career Summary]

Born in March 1939

April 1964: Appointed as a Public Prosecutor  
February 1998: Appointed as a Superintendent Public Prosecutor of the Sendai High Public Prosecutors Office  
July 2001: Appointed as a Superintendent Public Prosecutor of the Tokyo High Public Prosecutors Office  
June 2002: Appointed as a Chairman of the Central Parole Board  
July 2008: Registered as an attorney-at-law  
June 2010: Member of the Independent Committee of the Company (currently serving)  
June 2011: Statutory Auditor of the Company (currently serving)

- ※ Mr. Makoto Matsuura is an Outside Statutory Auditor of the Company as provided in Article 2, Item 16 of the Companies Act.
- ※ Mr. Makoto Matsuura is designated as an Independent Officer pursuant to the provisions of Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange, Inc. There is no special interest between Mr. Matsuura and the Company.

Tsukasa Miyajima

[Career Summary]

Born in August 1950

April 1990: Professor of Keio University  
April 2003: Registered as an attorney-at-law  
June 2011: Member of the Independent Committee of the Company (currently serving)  
June 2014: Director of the Company (currently serving)  
April 2016: Emeritus Professor of Keio University  
Professor of Asahi University, Faculty of Law and Graduate School of Law (currently serving)

- ※ Mr. Tsukasa Miyajima is an Outside Director of the Company as provided in Article 2, Item 15 of the Companies Act.
- ※ Mr. Tsukasa Miyajima is designated as an Independent Officer pursuant to the provision of Article 436-2 of the Securities Listing Regulation of the Tokyo Stock Exchange, Inc. There is no special interest between Mr. Miyajima and the Company.

END

**Status of Shareholders of the Company**

(as of March 31, 2016)

- (1) Total number of authorized shares                      1,490,000,000 shares
- (2) Total number of issued shares                              680,480,693 shares  
(including 51,375,142 shares of treasury shares)
- (3) Number of shareholders                                      30,353
- (4) Major shareholders (Top 10)

| Name                                                 | Number of shares held<br>(unit: thousand shares) | Percentage of shares held |
|------------------------------------------------------|--------------------------------------------------|---------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 46,972                                           | 7.47%                     |
| Japan Trustee Services Bank, Ltd. (Trust Account)    | 35,566                                           | 5.65%                     |
| The Dai-ichi Life Insurance Co., Ltd                 | 30,882                                           | 4.91%                     |
| Mizuho Bank Ltd.                                     | 18,413                                           | 2.93%                     |
| Employees Shareholding Association                   | 15,639                                           | 2.49%                     |
| Nippon Life Insurance Company                        | 9,471                                            | 1.51%                     |
| Japan Trustee Services Bank, Ltd. (Trust Account 9)  | 8,010                                            | 1.27%                     |
| The Bank of New York Mellon SA/NV 10                 | 7,340                                            | 1.17%                     |
| State Street Bank West Client-Treaty 505234          | 7,306                                            | 1.16%                     |
| State Street Bank and Trust Company 505225           | 7,198                                            | 1.14%                     |

- (Notes) 1. Percentage of shares held is calculated after deduction of the treasury shares from the total number of issued shares (629,105,551 shares).
2. Treasury shares are excluded from the above list of major shareholders.

END

## Guidance Note on the Exercise of Voting Rights through the Internet

### 1. Exercise of Voting Rights through the Internet

- (1) In place of exercising your voting right in writing, it is possible to exercise your voting right by using the “Website for Exercise of Voting Rights” (URL below) designated by the Company. When you wish to exercise your voting rights through the Internet, please use the voting rights exercise code and password, which are printed on the right side of the Voting Form enclosed herewith to log-in, and follow the instruction on the screen to enter your approval or disapproval of each of the agenda. Further, for security purposes, you will be prompted to change your password the first time you log-in.

<http://www.it-soukai.com/>

- (2) The deadline for voting is 6:00 p.m. on June 28, 2016 (Tuesday) (Japan time), and votes must be input by the above time. Shareholders are kindly requested to exercise their voting rights as early as possible.
- (3) If you exercise your voting rights both in writing and through the Internet, the vote through the Internet shall be accepted as the valid exercise of your voting rights and shall supersede any vote in writing. If you exercise your voting rights more than once through the Internet, the latest vote shall be accepted as the valid exercise of your voting rights and shall supersede any prior vote.
- (4) The password (including the password changed by the shareholder) is valid only for this General Meeting of Shareholders. New passwords will be issued for the next General Meeting of Shareholders.
- (5) The cost for Internet connection is to be borne by the shareholders.

(Please note)

- The “Password” is a tool to identify the person who is voting as the shareholder himself/herself. Please note that the Company will not contact shareholders regarding their passwords.
- If you enter an incorrect password more than a certain number of times, the password will be locked and invalid. If it is locked, please follow the guidance on the screen.
- The Website for Exercise of Voting Rights has been confirmed for use through common

devices connected to the Internet. However, there is a possibility that such exercise is not possible depending on the device you use.

## **2. Inquiries**

- If you have any questions or inquiries, please contact Mizuho Trust & Banking Co., Ltd., Stock Transfer Agency Department (below) which is the Administrator of Shareholder Registry.

(1) Inquiries regarding use of the Website for Exercise of Voting Rights

Toll-free telephone: 0120-768-524

(Operating Hours: Japan time, 9:00 a.m. through 9 p.m. of business day)

(2) Inquiries as to share administrative affairs other than the above;

Toll-free telephone: 0120-288-324

(Operating Hours: Japan time, 9:00 a.m. through 5 p.m. of business day)

[End]