

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

Securities identification code: 9076
June 6, 2017

To our shareholders:

Yoshitaka Taguchi
President and Chief Operating Officer
SEINO HOLDINGS CO., LTD.
1, Taguchi-cho, Ogaki, Gifu

NOTICE OF THE 96TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 96th Ordinary General Meeting of Shareholders of SEINO HOLDINGS CO., LTD. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail or electronically (via the internet, etc.). Please exercise your voting rights no later than 5:00 p.m., Tuesday, June 27, 2017 (Japan Standard Time) after reviewing the attached Reference Documents for the General Meeting of Shareholders.

1. Date and Time Wednesday, June 28, 2017 at 10:00 a.m. (Japan Standard Time)

2. Venue: Sophia Hall, 3F, Softpia Japan Center Building
4-1-7, Kagano, Ogaki, Gifu

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 96th Term (from April 1, 2016 to March 31, 2017), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 96th Term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Nine (9) Directors
- Proposal 3:** Determination of Compensation for Granting of Restricted Shares to the Company’s Directors
- Proposal 4:** Payment of Retirement Benefits to a Retired Director
- Proposal 5:** Gratis Allotment of Stock Acquisition Rights for Plan for Countermeasures to Large-Scale Acquisitions of the Company’s Shares

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company positions profit of shareholders as an important management policy. It has a basic policy of implementing interim dividends, paying annual dividends of 11 yen per share or higher in principle and maintaining a consolidated payout ratio of around 30% while enhancing shareholder capital with a mid-to-long term view and improving profitability.

Based on this policy, the Company proposes to pay 16 yen per common share as the year-end dividends for this fiscal year. As such, the total annual dividends for this fiscal year, including the already implemented interim dividends of 11 yen, will be 27 yen per share.

(1) Type of dividend property

Cash

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

16 yen per common share of the Company

Total amount of dividends: 3,155,848,912 yen

(3) Effective date of distribution of dividends of surplus

June 29, 2017

Proposal 2: Election of Nine (9) Directors

The terms of office of all nine (9) Directors will expire at the conclusion of this meeting. In that regard, the Company proposes that nine (9) Directors be elected, increasing the number of Independent Outside Directors by one (1), bringing the total to three (3), to further enhance the corporate governance system.

The candidates for Directors are as follows:

No.	Name	Current position, etc.		Attendance at Board of Directors meetings
1	Yoshitaka Taguchi	President and Chief Operating Officer	Reelection	100% (12 out of 12 times)
2	Takao Taguchi	Representative Director in charge of Business Promotion Department (Vehicle Sales and Related Services)	Reelection	92% (11 out of 12 times)
3	Masahiro Kamiya	Director in charge of Business Promotion Department (Transportation Services), Information Systems Department, and Real Estate Development Department	Reelection	100% (12 out of 12 times)
4	Hidemi Maruta	Director in charge of International Strategies Office	Reelection	100% (12 out of 12 times)
5	Harumi Furuhashi	Director in charge of General Affairs Department, Human Resources Department, and Corporate Promotion Department	Reelection	100% (12 out of 12 times)
6	Nobuyuki Nozu	Director in charge of Finance & IR Department and Accounting Department	Reelection	100% (9 out of 9 times)
7	Yuji Tanahashi	Outside Director Independent Officer	Reelection Outside Independent	100% (12 out of 12 times)
8	Kenjiro Ueno	Outside Director Independent Officer	Reelection Outside Independent	92% (11 out of 12 times)
9	Meyumi Yamada		New election Outside Independent	—

Notes: 1. Candidate for Director Nobuyuki Nozu was elected at the 95th Ordinary General Meeting of Shareholders that was held on June 28, 2016 and assumed office. Accordingly, the number of his attendance at the Board of Directors meetings differs from that of the other candidates.
2. Refer to the following pages for details on the candidates.

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yoshitaka Taguchi (April 20, 1961)	Mar. 1985 Joined the Company May 1985 Temporary assignment to Seino America Inc. Jan. 1988 President of the same company May 1989 General Manager and Assistant to the President of the Company July 1989 Director of the Company in charge of Corporate Secretariat, General Manager of General Affairs Department, General Manager of Group Planning Office, and General Manager of Seino General Research Institute July 1991 Managing Director of the Company in charge of the East Area and the Tohoku Area June 1996 Senior Managing Director of the Company in charge of Labor Department Oct. 1998 Representative Director and Vice President of the Company in charge of Sales Headquarters and Accounting Department June 1999 Representative Director and Vice President of the Company in charge of Management and Accounting Department June 2001 Representative Director and Vice President of the Company in charge of Management June 2003 President and Chief Operating Officer of the Company (present position) [Significant concurrent positions outside the Company] Representative Director and Chairman of Kanto Unyu Co., Ltd. and Representative Director of Seino Transportation Co., Ltd., Hokkaido Seino Transportation Co., Ltd., Kanto Seino Transportation Co., Ltd., Seino Super Express Co., Ltd., Tokai Seino Transportation Co., Ltd., Nohi Seino Transportation Co., Ltd., Shikoku Seino Transportation Co., Ltd., Kyushu Seino Transportation Co., Ltd., Seino Customs Clearance Service Co., Ltd., Gifu Hino Motor Co., Ltd., Netz Toyota Gifu Co., Ltd., Seino Engineering Co., Ltd., Seino Trading Co., Ltd., and Seino Information Service Co., Ltd.	615,644

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
2	Takao Taguchi (February 2, 1962)	Apr. 1984 Joined Nisshin Flour Milling Inc. July 1992 Joined Gifu Hino Motor Co., Ltd. June 1995 Director and Assistant General Manager of Sales Department of the same company Apr. 1998 Senior Managing Director of the same company June 1999 Director and Assistant to Director in charge of Sales Headquarters of the Company Apr. 2000 Managing Director of the Company in charge of Sales Headquarters June 2003 Senior Managing Director of the Company in charge of Sales Control Oct. 2005 Director of the Company in charge of Transportation Services Planning Department Oct. 2005 Senior Managing Director of Seino Transportation Co., Ltd. in charge of Management June 2006 Director of the Company in charge of Sales June 2007 Director of the Company in charge of Vehicle Sales and Related Services Planning Department Apr. 2011 Director of the Company in charge of Business Promotion Department (Vehicle Sales and Related Services) June 2015 Representative Director of the Company in charge of Business Promotion Department (Vehicle Sales and Related Services) Aug. 2015 Representative Director of the Company in charge of Business Promotion Department (Vehicle Sales and Related Services), Accounting Department and Finance & IR Department June 2016 Representative Director of the Company in charge of Business Promotion Department (Vehicle Sales and Related Services) (present position) [Significant concurrent positions outside the Company] Representative Director and Chairman of Toyota Corolla Gifu Co., Ltd., President of Gifu Hino Motor Co., Ltd., and Representative Director and President of Netz Toyota Gifu Co., Ltd.	371,853

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Masahiro Kamiya (August 13, 1953)	Mar. 1979 Joined the Company Jan. 1981 Temporary Assignment to Chubu Economic Federation Apr. 1982 Manager of the Yokkaichi Branch of the Company July 1984 Associate Director of Accounting Department of the Company July 1987 Director of Dotsu Seino Transportation Co., Ltd. (currently Hokkaido Seino Transportation Co., Ltd.), General Manager of Corporate Planning Department Aug. 1991 General Manager of Sales Department of Nohi Seino Transportation Co., Ltd. Aug. 1992 Director and General Manager of Sales Headquarters of the same company June 2003 Managing Director and General Manager of Sales Department of the same company June 2007 Senior Managing Director and General Manager of Sales Department of the same company Apr. 2011 Representative Director and President of the same company June 2013 Senior Managing Director of Seino Transportation Co., Ltd. in charge of Sales Headquarters June 2015 Director of the Company in charge of Real Estate Development Department Apr. 2016 Director of the Company in charge of New Business Development Department, Business Promotion Department (Transportation Services), Information Systems Department, and Real Estate Development Department Apr. 2016 Representative Director and President of Seino Transportation Co., Ltd. (present position) June 2016 Director of the Company in charge of Business Promotion Department (Transportation Services), Information Systems Department, and Real Estate Development Department (present position) [Significant concurrent positions outside the Company] Representative Director and President of Seino Transportation Co., Ltd.	5,742

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Hidemi Maruta (March 4, 1963)	Apr. 1985 Joined the National Tax Agency July 1992 Superintendent of Monbetsu Tax Office July 1995 Director of Co-ordination Department, Sapporo Regional Taxation Bureau May 1996 Consul, Consulate-General of Japan in Hong Kong Oct. 1997 Joined the Company as General Manager of Corporate Planning Office June 2001 Director of the Company in charge of Accounting Department and Employee's Pension Fund Mar. 2002 Director of the Company in charge of Accounting Department and Finance & IR Department Dec. 2004 Director of the Company in charge of Accounting Department, Finance & IR Department, Loan Management Department, Group Management Department, and Accounting and Auditing Office Oct. 2005 Director of Seino Transportation Co., Ltd. in charge of Accounting Department, Finance Department, and Loan Management Department Oct. 2005 Director of the Company in charge of Accounting Department, Finance & IR Department, and Loan Management Department Apr. 2012 Director of the Company in charge of Accounting Department, Finance & IR Department, and Real Estate Development Department. June 2013 Director of the Company in charge of Accounting Department and Finance & IR Department Apr. 2014 Director of the Company in charge of Accounting Department, Finance & IR Department, and International Strategies Office June 2014 Director of the Company in charge of International Strategies Office (present position) [Significant concurrent positions outside the Company] Audit & Supervisory Board Member of Seino Super Express Co., Ltd.	1,000

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Harumi Furuhashi (April 13, 1957)	Mar. 1981 Joined the Company July 2003 General Manager of Eco Business Department of the Company Oct. 2005 General Manager of Operations Department of Seino Transportation Co., Ltd. Apr. 2007 General Manager of Sales Department stationed in the Chubu Area of the same company Apr. 2009 Executive Officer of the same company, General Manager in charge of Shizuoka Mikawa Area Apr. 2011 Executive Officer of the same company, General Manager in charge of Meito Area Apr. 2012 Director of the same company in charge of Human Resources Department (present position) Apr. 2012 General Manager of Human Resources Department of the Company June 2013 Director of the Company in charge of General Affairs Department, Human Resources Department, and Corporate Promotion Department (present position)	8,000
6	Nobuyuki Nozu (May 24, 1961)	Apr. 1985 Joined the Tokai Bank, Ltd. (currently the Bank of Tokyo-Mitsubishi UFJ, Ltd.) Jan. 2014 Joined the Company as General Manager of Corporate Planning Office July 2014 Executive Manager of the Accounting Department and Finance & IR Department of the Company July 2014 General Manager of Finance Department of Seino Transportation Co., Ltd. Apr. 2015 Executive Officer and General Manager of Finance Department at the same company Apr. 2016 Director in charge of the Accounting Department and Finance Department of the same company (present position) June 2016 Director of the Company in charge of Finance & IR Department and Accounting Department (present position)	100

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Yuji Tanahashi (October 13, 1934)	Apr. 1958 Joined the Ministry of International Trade and Industry June 1991 Vice-Minister of International Trade and Industry June 1993 Special Advisor to the Ministry of International Trade and Industry, Executive Advisor to the Research Institute of International Trade and Industry Feb. 1995 Executive Advisor to the Industrial Bank of Japan, Limited. Apr. 1997 Professor of Faculty of Law and Graduate School of Law at Doshisha University Aug. 1997 Chairman of New Energy Foundation June 2001 President and Chief Executive Officer of Japan Petroleum Exploration Co., Ltd. June 2002 Outside Director of SMK Corporation June 2005 Outside Director of the Company (present position) June 2008 Chairman of Japan Petroleum Exploration Co., Ltd. Feb. 2009 Admission as a Lawyer (Daiichi Tokyo Bar Association) (present position) Feb. 2009 Attorney at law of City-Yuwa Partners (present position) Apr. 2013 Dean and Professor of Graduate School of Innovation Management, Kanazawa Institute of Technology (present position) Jan. 2014 Outside Director of K&O Energy Group Inc. (present position) June 2015 Director and Chairman of Japan Petroleum Exploration Co., Ltd. June 2016 Senior Advisor of Japan Petroleum Exploration Co., Ltd. (present position) [Significant concurrent positions outside the Company] Outside Director of K&O Energy Group Inc.	5,000

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	Kenjiro Ueno (January 1, 1939)	Apr. 1961 Joined Showa Denko K.K. Apr. 1966 Joined Haruhiko Kusano Law Office Apr. 1984 Opened Ueno Law Office Apr. 1987 Executive Governor of Japan Federation of Bar Associations June 1994 Outside Audit & Supervisory Board Member of Tokyo Toyota Co., Ltd. July 2001 Commission Chair of Equity Commission at the Supreme Court June 2005 Outside Director of the Company (present position) June 2007 Outside Audit & Supervisory Board Member of Oji Paper Co., Ltd. Mar. 2012 Representative of Ueno & Hanasato Law Office (present position) Oct. 2012 Outside Audit & Supervisory Board Member of Oji Holdings Corporation [Significant concurrent positions outside the Company] Representative of Ueno & Hanasato Law Office	0
9	* Meyumi Yamada (August 30, 1972)	Apr. 1995 Joined KOEI KOGYO Co., Ltd. May 1997 Joined Kiss Me Cosmetics Co., Ltd. (currently ISEHAN Co., Ltd.) July 1999 Co-founding Representative Director of I-Style Co., Ltd. Apr. 2000 Co-founding Representative Director of istyle Inc. Dec. 2009 Director of istyle Inc. (present position) May 2012 Representative Director of CyberStar Inc. (currently istyle Beauty Solutions Inc.) Sept. 2015 Director of MEDIA GLOBE Co., Ltd. (present position) Mar. 2016 President and Representative Director of ISPartners Inc. (present position) Sept. 2016 Director of Eat Smart, Inc. (present position) [Significant concurrent positions outside the Company] Director of istyle Inc., Representative Director and President of ISPartners Inc. and Outside Director of JAPAN POST INSURANCE Co., Ltd. (scheduled to assume the position in June 2017)	0

Notes: 1. An asterisk (*) indicates a new candidate for Director.

2. When nominating candidates for Director, an impartial and strict review is carried out by the Human Resources Department based on the Company's basic policy for corporate governance, which states that "a candidate be an individual that has excellent character, insight, ability and extensive experience, as well as a strong sense of ethics" and "a candidate for Outside Director be an individual that fulfills the requirements for independence established by the Tokyo Stock Exchange."
3. Special interest between the candidates for Directors and the Company are as follows:
 - (1) Candidate for Director Yoshitaka Taguchi also has a post as Representative Director and Chairman at Kanto Unyu Co., Ltd. and Representative Director at Shikoku Seino Transportation Co., Ltd., with which the Company has a competitive relationship in terms of operational consignment and the like.
 - (2) Candidate for Director Yoshitaka Taguchi also has a post as Chairman at the Taguchi Fukujukai Foundation, which is the largest shareholder holding 12.58% of the total equity of the Company.

- (3) There are no other special interests between the Company and other candidates.
4. Among candidates for Directors, Yuji Tanahashi, Kenjiro Ueno, and Meyumi Yamada are candidates for Outside Directors.
- (1) The reason for selecting Yuji Tanahashi as a candidate for Outside Director is that he has demonstrated great success over many years as national government official, and still successfully holds many important positions including his position at JAPEx. He has also obtained qualifications as a lawyer; thus, together with his experience and insight, he is expected to provide oversight and monitoring on management based on the law. In the event that Proposal 5 is approved, he will become a member of the Independent Committee.
 - (2) The reason for selecting Kenjiro Ueno as a candidate for Outside Director is that he is a lawyer working as a Representative at the Ueno & Hanasato Law Office and is expected to advise and monitor the Board of Directors with his rich knowledge and experience based on his own legal insight. While he does not have any direct experience in the management of a company, he is well-versed in corporate legal affairs through his many years of experience as a legal specialist. Furthermore, based on his past record as Outside Director of the Company, it has been judged that he will be able to appropriately execute his duties as an Outside Director in the future as well. He will also become a member of the Independent Committee, the same as Yuji Tanahashi.
 - (3) The reason for selecting Meyumi Yamada as a candidate for Outside Director is that the Company judges that she will contribute to the Company's sustainable growth because she further diversifies values utilizing a woman's perspective, and her selection is in line with "ensuring diversity, including active participation of women," a part of the Company's basic policy for corporate governance. She will also become a member of the Independent Committee, the same as Yuji Tanahashi and Kenjiro Ueno.
 - (4) The Company has concluded limited liability agreements with both Yuji Tanahashi and Kenjiro Ueno limiting their liabilities specified in Article 423, Paragraph 1 of the Companies Act, based on the provisions of Article 427, Paragraph 1 of the Companies Act. Their maximum amount of liability shall be 20 million yen or the amount stipulated by laws and regulations, whichever is higher. If their reelection is approved, the Company plans to continue these agreements. Furthermore, if the election of Meyumi Yamada is approved, the Company plans to enter into the same limited liability agreement with her.
5. The Company has registered Yuji Tanahashi and Kenjiro Ueno as Independent Officers with the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. as stipulated by provisions of the said Exchanges. If their reelection is approved, the Company plans for their appointment as independent officers to continue. Furthermore, Meyumi Yamada satisfies the requirements for an independent officer as provided for by the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. If the election of Meyumi Yamada is approved, the Company plans to register her as an Independent Officer with the said Exchanges.
6. The terms of office of Yuji Tanahashi and Kenjiro Ueno, candidates for Outside Directors, as Outside Directors of the Company will be twelve years at the conclusion of this meeting.
7. Meyumi Yamada is well-known by the name Yamada, and that name is therefore presented here, but her name as recorded in the official family register is Meyumi Hara.

Proposal 3: Determination of Compensation for Granting of Restricted Shares to the Company's Directors

Compensation for the Company's Directors of up to 25 million yen per month (excluding the employment salary of Directors who concurrently serve as employees) was approved at the 68th ordinary general meeting of shareholders held on July 28, 1989.

As part of the revision of the Director compensation plan, with the objectives of offering incentives to the Company's Directors to achieve sustained improvement of the corporate value of the Company and sharing more of that value with its shareholders, the Company proposes that, with a separate limit from the said existing limit of compensation, the Company will create a compensation plan that will newly pay compensation in order to grant restricted shares to the Company's Directors.

The compensation to be paid in order to grant restricted shares to the Directors under this Proposal shall be monetary claims ("Monetary Compensation Claims"), and the total amount shall be 600 million yen or less per year (of which 100 million yen or less shall be for Outside Directors; excluding the employment salary of Directors who concurrently serve as employees), which is the amount considered appropriate based on the above objectives. However, that compensation amount is, in principle, based on the assumption of paying in a lump sum an amount substantially equivalent to consideration for execution of duties for three fiscal years, and the Company considers that this is substantially equivalent to paying less than 200 million yen per fiscal year. Furthermore, the specific payment timing and amount allocated for each of the Directors shall be decided by the Board of Directors.

Currently there are 9 Directors (including 2 Outside Directors), but if Proposal 2 "Election of 9 Directors" is approved and passed as proposed, there will be 9 Directors (including 3 Outside Directors).

Furthermore, based on a resolution of the Company's Board of Directors, the Directors shall make in-kind contributions of all of the Monetary Compensation Claims paid under this Proposal and shall, in return, receive the issuance or disposal of the common shares of the Company, and the total number of common shares of the Company to be issued or disposed of through this process shall be 360,000 shares or less per year (however, in the case that the Company conducts stock splits (including gratis allocations of its common shares) or reverse stock splits of its common shares on or after the date of the approval of this Proposal, or that any other event that requires adjustment of the total number of common shares of the Company to be issued or disposed of as restricted shares

occurs, the total number of shares can be adjusted to the reasonable extent according to the split ratio, reverse split ratio, or the like). However, as described above, the Monetary Compensation Claims to be paid in order to grant restricted shares are, in principle, based on the assumption of paying in a lump sum an amount substantially equivalent to consideration for execution of duties for three fiscal years, and the Company considers that this is substantially equivalent to granting less than 120,000 shares per fiscal year.

Note that the amount paid in per share shall be the amount determined by the Board of Directors within the extent that is not particularly advantageous to the Directors who subscribe for those common shares, based on the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution of the Board of Directors (in the case that the transaction has not been executed on that day, the closing price on the most recent trading day preceding that day). Furthermore, when issuing or disposing of the common shares of the Company through this process, a restricted stock allotment agreement (the “Allotment Agreement”) containing the following terms and conditions in summary shall be concluded between the Company and the Directors.

(1) Transfer Restriction Period

The Directors must not transfer the common shares of the Company allotted to them under the Allotment Agreement (the “Allotted Shares”), create a security interest on the Allotted Shares, or dispose of the Allotted Shares in any other way (“Transfer Restrictions”) during the period stipulated in advance by the Board of Directors of the Company that is between three and six years (“Transfer Restriction Period”).

(2) Treatment on retirement from office

In the case that Directors leave their posts as Directors of the Company or any of its subsidiaries before the expiration of the duty execution period during the Transfer Restriction Period, the Company shall automatically acquire the Allotted Shares at no cost except in the case of expiration of term of office, death, or any other reasonable grounds for the Directors to leave their posts.

(3) Cancellation of the Transfer Restrictions

Notwithstanding the provisions in (1) above, the Company shall cancel the Transfer Restrictions for the Allotted Shares as of the time when the Transfer Restriction Period expires, on the condition that the Directors have maintained their status as Directors of the Company or any of its subsidiaries continuously during the duty execution period during the Transfer Restriction Period. However, in the case that said Directors leave the posts stipulated in (2) above before the duty execution period during the Transfer Restriction Period expires due to expiration of term of office, death, or any other

reasonable grounds stipulated in (2) above, the number of the Allotted Shares for which the Transfer Restrictions are cancelled and the timing of the cancellation of the Transfer Restrictions shall be reasonably adjusted as necessary. The Company shall automatically acquire at no cost the Allotted Shares for which the Transfer Restrictions have not been cancelled pursuant to the above provisions at the time the Transfer Restriction Period expires.

(4) Treatment in the event of organizational restructuring, etc.

Notwithstanding the provisions in (1) above, in the case that matters regarding merger agreements under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other organizational restructuring, etc. are approved at a general meeting of shareholders of the Company (or at a meeting of its Board of Directors in the case that approval by the general meeting of shareholders of the Company is not required regarding the said organizational restructuring, etc.) during the Transfer Restriction Period, the Company shall cancel, based on the resolution of the Board of Directors of the Company, the Transfer Restrictions before the effective date of the said organizational restructuring, etc. with regard to the number of the Allotted Shares reasonably determined in consideration of the period from the commencement date of the Transfer Restriction Period to the day on which the said organizational restructuring, etc. is approved. Furthermore, in the case provided for above, the Company shall automatically acquire at no cost the Allotted Shares for which the Transfer Restrictions have not been cancelled at the time immediately after the cancellation of the Transfer Restrictions.

Proposal 4: Payment of Retirement Benefits to a Retired Director

In recognition of his contribution during his time in office, the Company wishes to pay retirement benefits to Shizutoshi Otsuka, whose term is expiring and who will retire at the conclusion of this meeting, according to the rules on retirement benefits of the Company.

The specific amount, timing, method, etc. shall be decided by the Board of Directors.

Additionally, in regards to the retirement benefits for Director Yoshikazu Taguchi who passed away on September 22, 2016, respecting both his and his family's strong wishes, the Board of Directors has decided not to pay retirement benefits.

The career summary of the retiring Director is as follows:

Name	Career summary
Shizutoshi Otsuka	June 2003 Director of the Company (present position)

Proposal 5: Gratis Allotment of Stock Acquisition Rights for Plan for Countermeasures to Large-Scale Acquisitions of the Company's Shares

For the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Company proposes to renew the plan for countermeasures to large-scale acquisitions of the shares in the Company.

1. Reason for Requiring Renewal of Plan for Countermeasures to Large-Scale Acquisitions of the Company's Shares

The effective period of the plan for countermeasures to large-scale acquisitions of the shares in the Company (the "Former Plan") that was renewed by the Company pursuant to a resolution at the Company's Board of Directors meeting held on May 14, 2014, and the Company's 93rd ordinary general meeting of shareholders held on June 26, 2014, expires at the conclusion of the Shareholders Meeting.

Pursuant to the basic policy regarding the persons who control decisions on the Company's financial and business policies (defined in Item 3 of Article 118 of the Enforcement Regulations of the Companies Act; the "Basic Policy"), the Company, prior to the expiration of the effective period of the Former Plan, resolved at its Board of Directors meeting held on May 12, 2017, to renew the Former Plan with necessary amendments (the "Renewal"; the amended plan, the "Plan") as a measure to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate under the Basic Policy (Item 3(b)(ii) of Article 118, of the Enforcement Regulations of the Companies Act). The Renewal will be subject to shareholder approval at the Shareholders Meeting. This proposal seeks the shareholders' opinion regarding assignment to the Board of Directors of the authority to determine matters pertaining to the gratis allotment of stock acquisition rights in accordance with the terms and conditions set out in the Plan pursuant to Article 17-2 of the Articles of Incorporation of the Company.

The Renewal was unanimously approved and passed by all of the Directors, including the Outside Directors, at the abovementioned Board of Directors meeting, and all of the Audit & Supervisory Board Members, including the Outside Audit & Supervisory Board Members, stated their opinions to the effect that they do not object to the Renewal.

The contents of the Plan are substantially the same as the Former Plan, and there are no particular amendments in the Renewal other than causing all three Independent Committee members

to be independent Outside Directors.

(1) Basic Policy Regarding the Persons Who Control Decisions on the Company's Financial and Business Policies

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and who will make it possible to continually and sustainably ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders.

In consideration of the dissolution of cross-shareholding structures, the transformation of corporate cultures in an era of international competition, changes in legal systems relating to acquisitions, and the like, it is anticipated that acquisitions conducted without obtaining the consent of the board of directors of the target company, i.e., hostile acquisitions, will increase in the future. Needless to say, if such an acquisition contributes to the corporate value of the Company and the common interests of its shareholders, the Company would not reject that acquisition unconditionally. However, there are often inappropriate acquisitions: those that would obviously harm the corporate value of the target company in light of the purpose of the acquisition, the management policy after the acquisition, and the like; those that do not provide sufficient information or time for the target company and its shareholders to consider the proposed details and other matters in relation to the acquisition; and those structured to coerce shareholders into accepting the acquisition.

In particular, since the Company has a large number of subsidiaries and affiliates and develops a broad range of businesses centered around the transportation business, it is not necessarily easy for its shareholders to accurately understand the Company's corporate value and make proper judgments on the appropriateness of an acquisition proposal considering the series of the Company's measures to maintain and enhance its corporate value. While the logistics industry in which the Company operates is a labor-intensive industry, where it is essential to train employees to provide high-quality transportation services and to build a relationship of trust between the management and employees, there is no assurance that a person attempting to acquire the Company would be qualified and capable in regard to these points. Furthermore, while a large number of the businesses engaged in by the Company require permits and licenses under laws, ordinances, and the like, some persons acquiring the control of the Company might not be able to maintain these permits or licenses due to their characteristics or the like. In addition to the above, there is also the possibility of an acquisition or the like that would be likely to harm the relationships that the Company has built with its nationwide customers, distribution networks and drivers supporting them, business partners, and other interested parties or to harm other tangible or intangible management

resources.

In order to prevent acquisitions against the interests of the Company and its shareholders, including the abovementioned acquisition types, the Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking necessary and reasonable countermeasures against such acquisition.

(2) Purpose of the Plan

The Plan is in accordance with the Basic Policy set out in (1) above for the purpose of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders.

As set out in the Basic Policy, the Company's Board of Directors believes that persons who would propose a large-scale acquisition of the shares in the Company in a manner that does not contribute to the corporate value of the Company and the common interests of its shareholders would be inappropriate as persons who control decisions on the Company's financial and business policies. The Company's Board of Directors has decided that, in order to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate and to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, for occasions when it receives a large-scale acquisition proposal for the shares in the Company, it is necessary to introduce a mechanism that enables the Company's Board of Directors to present alternative proposals to the shareholders, or that ensures necessary time and information for the shareholders to decide whether or not to accept such proposal, and for the Board of Directors to negotiate for the benefit of the shareholders.

2. Plan Details

(1) Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that an acquirer intending to make an acquisition of 20% or more of the Company's share certificates, etc. emerges. If the procedures for the Plan are commenced, the acquirer must not effect an acquisition until and unless the Company's Board of Directors resolves not to trigger the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of Company's share certificates, etc. threatens to cause harm to the corporate

value of the Company and the common interests of its shareholders, and if the acquisition satisfies the triggering requirements prescribed in the Plan, the Company will allot the Stock Acquisition Rights (defined in (2)(a) below, hereinafter the same) with conditions, such as (a) an exercise condition that does not, as a general rule, allow the acquirer, etc. to exercise the rights and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for the Company's shares and/or properties from persons other than the acquirer, etc., by means of a gratis allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) to all shareholders, except the Company, at that time. If a gratis allotment of Stock Acquisition Rights were to take place in accordance with the Plan and all shareholders other than the acquirer, etc. receive the shares in the Company as a result of those shareholders exercising, or the Company acquiring, those Stock Acquisition Rights, the ratio of voting rights in the Company held by the acquirer, etc. may be diluted by a maximum of approximately 50%.

In order to eliminate arbitrary decisions by Directors, the Company determines that decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights or the acquisition of Stock Acquisition Rights under the Plan will be made through the objective judgment of the Independent Committee, which is composed of independent members such as Outside Directors of the Company.

In addition, the Company's Board of Directors may, if prescribed in the Plan, convene a shareholders meeting and confirm the intent of the Company's shareholders.

Transparency with respect to the course of those procedures will be ensured through disclosure to all of the Company's shareholders.

(2) Procedures for Triggering the Plan

(a) Targeted Acquisitions

The Plan will apply in cases where there is a purchase or any other acquisition of the Company's share certificates, etc. that falls under (i) or (ii) below or any similar acts (including a proposal¹ for such acts) (except for such acts as the Company's board of Directors separately determines not to be subject to the Plan; the "Acquisition"). The party effecting the Acquisition (the "Acquirer") shall follow the procedures set out in the Plan, and the Acquirer shall not effect the Acquisition until and unless the Company's Board of Directors passes a resolution not to implement the gratis allotment of stock acquisition rights (the "Stock Acquisition Rights"; see (4) below, "Outline of the Gratis Allotment of Stock Acquisition Rights," for an outline of these stock

¹ "Proposal" includes solicitation of third parties.

acquisition rights) in accordance with the Plan.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariiai*)² of a holder (*hoyuusha*)³ amounting to 20% or more of the share certificates, etc. (*kabuken tou*)⁴ issued by the Company; or
- (ii) A tender offer (*koukai kaitsuke*)⁵ that would result in the owning ratio of share certificates, etc. (*kabuken tou shoyuu wariiai*)⁶ of a person conducting the tender offer and the owning ratio of share certificates, etc. of persons in a special relationship (*tokubetsu kankei-sha*)⁷ totaling at least 20% of the share certificates, etc. (*kabuken tou*)⁸ issued by the Company.

(b) Submission of the Acquirer's Statement

The Acquirer will submit to the Company in the form separately prescribed by the Company a legally binding document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (affixed with the signature, or the name and seal, of the representative of the Acquirer and to which no terms or conditions or reservations are attached) and a qualification certificate of the person whose signature, or whose name and seal, is placed on the document (collectively, the "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the Acquirer's name and address (location of headquarters, in case of a corporation), location of offices, the governing law for establishment, name of the representative, contact information in Japan and an outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below and other materials submitted by the Acquirer to the Company or the Independent Committee must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

² Defined in Article 27-23.4 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

³ Including persons described as a holder under Article 27-23.3 of the Financial Instruments and Exchange Act of Japan (including persons who are deemed to fall under the above by the Board of Directors of the Company). The same is applied throughout this document.

⁴ Defined in Article 27-23.1 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document unless otherwise provided for in this document.

⁵ Defined in Article 27-2.6 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

⁶ Defined in Article 27-2.8 of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

⁷ Defined in Article 27-2.7 of the Financial Instruments and Exchange Act of Japan (including persons who are deemed to fall under the above by the Board of Directors of the Company), provided, however, that persons provided for in Article 3.2 of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2.7(i) of the Financial Instruments and Exchange Act of Japan. The same is applied throughout this document.

⁸ Defined in Article 27-2.1 of the Financial Instruments and Exchange Act of Japan.

The Company will provide the Acquirer with the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than ten business days after receiving the Acquirer's Statement. The Acquirer shall submit to the Company's Board of Directors, in accordance with the format delivered by the Company, a document (the "Acquisition Document") which includes the information described in each item of the list below (the "Essential Information").

If it receives the Acquisition Document, the Company's Board of Directors will promptly send it to the Independent Committee (career summaries and other matters regarding members of the Independent Committee at the time of the Renewal will be as described in Attachment 1, "Profiles of the Members of the Independent Committee"). If the Company's Board of Directors and the Independent Committee determine that the Acquisition Document does not include sufficient Essential Information, they may set a reply period and request the Acquirer to additionally provide information. In such case, the Acquirer should additionally provide such information to both of the Company's Board of Directors and the Independent Committee within the relevant time limit.

- (i) Details (including name, capital relationship, financial position, operation results (if there has been any violation of laws and ordinances, or if guidance or the like has been received from a supervisory authority in connection with compliance with laws and ordinances, this includes the specific details and the like in regard thereto), other accounting status, and details of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including Joint Holders,⁹ persons in a special relationship and persons in a special relationship with a person in relation to whom the Acquirer is the controlled corporation¹⁰).¹¹
- (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timing, the scheme of any related transactions, the legality of the Acquisition method, and the probability that the Acquisition will be effected).
- (iii) The amount of and basis for consideration of the Acquisition.
- (iv) Information relating to any previous acquisition of the Company's share certificates, etc. by the Acquirer.
- (v) Financial support for the Acquisition (including the specific names of the fund providers

⁹ "Joint Holders" are as defined in Article 27-23.5 of the Financial Instruments and Exchange Act of Japan, including persons regarded as a Joint Holder under Article 27-23.6 of the Financial Instruments and Exchange Act of Japan (including persons who are deemed to fall under the above by the Company's Board of Directors). The same is applied throughout this document.

¹⁰ Defined in Article 9.5 of the Order for Enforcement of the Financial Instruments and Exchange Act.

¹¹ If the Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members shall be included.

for the Acquisition (including all indirect fund providers), financing methods, and the terms of any related transactions).

- (vi) Whether there is any communication of intention between the Acquirer and a third party regarding the Acquisition and the details of the communication.
 - (vii) Post-Acquisition management policy, business plan, capital and dividend policies for the Company Group.
 - (viii) Post-Acquisition policies dealing with the Company's shareholders (excluding the Acquirer), the Company Group's employees, business partners, customers, any other stakeholders in the Company Group, and the like.
 - (ix) Specific measures to avoid any conflict of interest with other shareholders in the Company if the Acquirer intends to carry out any measures that may give rise to such conflict of interest.
 - (x) Information regarding any relationship with an anti-social force.
 - (xi) Any other information that the Company's Board of Directors or the Independent Committee reasonably considers necessary.
- (d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of Alternative Proposals

(i) Request to the Company's Board of Directors for the Provision of Information

If the Acquirer has submitted the Acquisition Document and any additional information that the Company's Board of Directors or the Independent Committee had requested (if any), the Independent Committee may set a reply period (the "Board Consideration Period") and request the Company's Board of Directors to present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, alternative proposals (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

If the Independent Committee determines that the Acquirer has submitted the information (including any information requested to be additionally provided), the Independent Committee will consider the Acquisition terms, collect information on materials such as the management plans and business plans of the Acquirer and the Company's Board of Directors and compare such materials, consider any alternative proposals presented by the Company's Board of Directors (if any), and

perform other such acts until 90 days,¹² as a general rule, have passed (such period will not exceed 90 days together with the Board Consideration Period) after the Independent Committee has received the information (including any information requested to be additionally provided) from the Acquirer (the period necessary for the collection of information and consideration by the Independent Committee is referred to as the “Independent Committee Consideration Period”).

The Independent Committee may obtain advice from financial advisors, certified public accountants, attorneys, tax accountants, consultants or any other experts at the Company’s expense.

Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee may directly or indirectly discuss and negotiate with the Acquirer. If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

The Independent Committee may, to the reasonable extent that is considered necessary for acts such as consideration of the terms of the Acquirer’s Acquisition, consideration of alternative proposals (if any), and discussion and negotiation with the Acquirer, extend the Independent Committee Consideration Period (for a maximum of 30 days, as a general rule).

(e) Recommendations by the Independent Committee

Based on the procedures set out above, if the Independent Committee determines that the Acquisition by the Acquirer falls under either of the trigger events (the “Trigger Events”) set out below in (3), “Requirements for the Gratis Allotment of Stock Acquisition Rights,” the Independent Committee will recommend to the Company’s Board of Directors that the gratis allotment of Stock Acquisition Rights be implemented, except in any specific case where further information disclosure by the Acquirer or discussion or negotiation with the Acquirer is necessary. If it is concerned that the Acquisition may fall under the second Trigger Event (“Trigger Event 2”), the Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to confirming the intent of the shareholders.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events below applies, it may make a new recommendation that (on or before the second business day prior to the ex-rights date with respect to

¹² The ninety-day period of the Independent Committee Consideration Period is established as a period necessary for the collection of information, consideration, and the like by the Independent Committee described above to be appropriately conducted.

the gratis allotment of Stock Acquisition Rights) the Company should suspend the gratis allotment of Stock Acquisition Rights or that (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire Stock Acquisition Rights for no consideration.

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.
- (B) There are no longer any Trigger Events due to a change in the facts or otherwise upon which the recommendation decision was made.

On the other hand, if the Independent Committee determines that the Acquisition does not fall under either of the Trigger Events, the Independent Committee shall not recommend the implementation of the gratis allotment of Stock Acquisition Rights to the Company's Board of Directors. However, even after that, if there is a change in the facts or otherwise upon which that decision was made and either of the Trigger Events exist, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

In addition to the above, if the Acquisition threatens to harm the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may recommend convocation of a meeting of shareholders to confirm the intent of the shareholders regarding the Acquisition by the Acquirer or make other recommendations, along with the reasons therefore.

(f) Resolutions by the Board of Directors

The Company's Board of Directors, in exercising its role as an organ under the Companies Act, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition Rights respecting any recommendation made by the Independent Committee described above to the maximum extent.

However, if the Shareholders Meeting for Confirmation of Shareholder Intent is convened in accordance with (g) below, the Company's Board of Directors will make a decision in accordance with the resolution at the meeting.

(g) Convocation of the Shareholders Meeting for Confirmation of Shareholder Intent

If (i) the Independent Committee recommends implementation of the gratis allotment of Stock Acquisition Rights subject to confirming the intent of the shareholders in accordance with (e) above or recommends confirmation of the intent of shareholders regarding the Acquisition by the Acquirer, or (ii) the applicability of Trigger Event 2 becomes an issue with respect to the Acquisition and the Company's Board of Directors determines it appropriate to confirm the intent of shareholders, taking into consideration the time required to convene a general meeting of shareholders and other matters pursuant to the duty of care as a Director, then the Company's Board of Directors may convene a meeting of shareholders (the "Shareholders Meeting for Confirmation of Shareholder Intent") and confirm the intent of the Company's shareholders.

(h) Information Disclosure

When operating the Plan, the Company will disclose information in a timely manner on matters that the Independent Committee or the Company's Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the fact of whether the Acquirer has fully provided information, the fact that the Independent Committee Consideration Period has commenced, and the fact that the Independent Committee Consideration Period has been extended, as well as the extended period and reason for the extension if such extension has taken place), an outline of recommendations made by the Independent Committee, an outline of resolutions by the Company's Board of Directors and an outline of resolutions at the Shareholders Meeting for Confirmation of Shareholder Intent, in accordance with the relevant laws and ordinances or the regulations, rules, and the like of the financial instruments exchange.

(3) Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement a gratis allotment of Stock Acquisition Rights are as follows. As described above in (e) of (2), "Procedures for Triggering the Plan," the Company's Board of Directors will make a determination as to whether any acts by the Acquirer falls under a requirement below after receiving a recommendation by the Independent Committee.

Trigger Event 1

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

Trigger Event 2

The Acquisition falls under any of the requirements below and it is reasonable to implement the

gratis allotment of Stock Acquisition Rights.

- (a) Acquisitions that threaten to cause obvious harm to the corporate value of the Company and the common interests of its shareholders through acts including:
 - ① A buyout of share certificates, etc. to require the Company or its affiliates to purchase such share certificates, etc. at a high price.
 - ② Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of material assets of the Company Group.
 - ③ Diversion of the Company Group's assets to secure or repay debts of the Acquirer or its group company.
 - ④ Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company Group's business and paying temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity from the sudden rise in share price created by the temporarily high dividends.
 - (b) Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers that do not offer to acquire all shares in the initial acquisition, and set acquisition terms for the second stage that are unfavorable or do not set clear terms for the second stage).
 - (c) Acquisitions whose terms (including amount and type of consideration, the schedule, the legality of the method, and the feasibility) are inadequate or inappropriate in light of the Company's intrinsic value.
 - (d) Acquisitions that materially threaten to be against the corporate value of the Company and, in turn, the common interests of shareholders, by destroying relationships with the Company's employees, customers, business partners, and the like, which are indispensable to generate the Company's corporate value, or for other reasons.
- (4) Outline of the Gratis Allotment of Stock Acquisition Rights¹³
- An outline of the gratis allotment of Stock Acquisition Rights to be implemented under the

¹³ The description in "Outline of the Gratis Allotment of Stock Acquisition Rights" is based on the premise that the Company issues only one type of common stock (meaning the same type of shares as those the Company has actually issued at the time the Shareholders Meeting is held; the same is applied throughout this document).

Plan is described below.

(a) Number of Stock Acquisition Rights

The Company will implement a gratis allotment of Stock Acquisition Rights in the same number as the final and total number of issued and outstanding shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the “Allotment Date”) that is separately determined by the Company’s Board of Directors in a resolution relating to the gratis allotment of Stock Acquisition Rights (the “Gratis Allotment Resolution”).

(b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to the shareholders, other than the Company, who are recorded in the Company’s register of shareholders as of the Allotment Date (the “Entitled Shareholders”), at a ratio of one Stock Acquisition Right for each share in the Company held by each shareholder.

(c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The date of the gratis allotment of Stock Acquisition Rights will be determined separately in the Gratis Allotment Resolution.

(d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The number of shares to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) will, in principle,¹⁴ be the number separately determined in the Gratis Allotment Resolution by the Company’s Board of Directors in the range not exceeding one share. If there are any resulting fractional shares in the number of shares to be delivered to Stock Acquisition Right holders who exercise the Stock Acquisition Rights, the Company will dispose of the fractional shares in accordance with the applicable laws and ordinances.

(e) Amount of Contribution upon Exercise of the Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of any amount equivalent to one-half of the fair market value of one share in the Company. “Fair market value” means the amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the ninety-day period prior to the Gratis Allotment Resolution (excluding days on which trades are not made), with any fraction of a yen after such calculation

¹⁴ In case of a stock split, etc., the Company will adjust the Applicable Number of Shares as necessary.

rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the “Exercise Period Commencement Date”), and the period will be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

(g) Conditions for the Exercise of the Stock Acquisition Rights

Except when an exceptional event¹⁵ occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below will collectively be referred to as “Non-Qualified Parties”):

- (I) Specified Large Holders;¹⁶
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers;¹⁷
- (IV) Persons having a special relationship with Specified Large Purchasers;

¹⁵ Specifically, the Company intends to set out that an “exceptional event” means when (x) the Acquirer cancels or revokes the Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so and (y) the Acquirer’s shareholding ratio determined by the Company’s Board of Directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be the Acquirer’s Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the “Non-Qualified Parties’ Shareholding Ratio”) falls below the lower of (i) the Non-Qualified Parties’ Shareholding Ratio before the Acquisition or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Company’s Board of Directors.

¹⁶ “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc. issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed to fall under the above by the Company’s Board of Directors), provided, however, that a party that the Company’s Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or a certain other party that the Company’s Board of Directors determines separately in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this document.

¹⁷ “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same is applied throughout this Note) of share certificates, etc. (as defined in Article 27-2.1 of the Financial Instruments and Exchange Act; the same is applied throughout this Note) issued by the Company through a tender offer and whose ratio of owning of share certificates, etc. in respect of such share certificates, etc. owned by such person after such purchase, etc. (including similar owning as prescribed in Article 7.1 of the Order for Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of owning of share certificates, etc. of a person in a special relationship (including any party who is deemed to fall under the above by the Company’s Board of Directors), provided, however, that a party that the Company’s Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc. of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or a certain other party that the Company’s Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this document.

- (V) Any transferee of or successor to the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Company's Board of Directors; or
- (VI) Any Affiliated Party of any party falling under (I) through (V).¹⁸

Further, nonresidents of Japan who are required to follow certain procedures under foreign laws and ordinances to exercise the Stock Acquisition Rights may not, as a general rule, exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in item ② under (i), "Acquisition of the Stock Acquisition Rights by the Company," below subject to compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in a form prescribed by the Company and including representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants may not exercise the Stock Acquisition Rights.

(h) Assignment of the Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Company's Board of Directors.

(i) Acquisition of the Stock Acquisition Rights by the Company

- ① At any time on or before the day immediately prior to the Exercise Period Commencement Date, if the Company's Board of Directors recognizes that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Company's Board of Directors, acquire all of the Stock Acquisition Rights for no consideration as determined in the Gratis Allotment Resolution.
- ② On a day that falls on a date separately determined by the Company's Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised on or before the day immediately prior to such day determined by the Company's Board of Directors, that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares, etc.¹⁹ in the Company in the number

¹⁸ An "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 to fall under the above by the Company's Board of Directors), or a party deemed by the Company's Board of Directors to substantially act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3.3 of the Enforcement Regulations of the Companies Act) of other corporations or entities.

¹⁹ For the purpose of the Plan, shares in the Company are to be delivered, in principle, as consideration for acquiring the Stock Acquisition Rights. As stated in (d) of 2.(4). above, under this Plan, fractions in the Applicable Number of Shares may result, in which case, property other than shares in the Company may be delivered to the extent necessary

equivalent to the Applicable Number of Shares²⁰ for each Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Company's Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a day falling on a date determined by the Company's Board of Directors after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised on or before the day immediately prior to such date determined by the Company's Board of Directors (if any) and, in exchange, deliver shares, etc. in the Company in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

- (j) Delivery of the Stock Acquisition Rights in the Case of Merger, Absorption-type Demerger (*kyuushuu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

- (k) Issuance of Certificates Representing the Stock Acquisition Rights

Certificates representing the Stock Acquisition Rights will not be issued.

- (l) Miscellaneous

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

- (5) Procedures for the Renewal

The Company will renew the Plan subject to shareholders' approval at the Shareholders Meeting of the proposal to assign the Company's Board of Directors the authority to determine matters pertaining to the gratis allotment of Stock Acquisition Rights in accordance with the terms and conditions set out in the Plan pursuant to the provisions of Article 17-2 of the Articles of Incorporation of the Company.

- (6) Effective Period, Abolition, Revision and Amendment of the Plan

The effective period of the Plan will be the period until the conclusion of the ordinary general

to dispose of the fraction.

²⁰ The Company intends to properly dispose of any fraction in the Applicable Number of Shares in accordance with applicable laws and ordinances. In that case, the number of shares of common stock in the Company to be delivered for each Stock Acquisition Right may differ from the Applicable Number of Shares.

meeting of shareholders relating to the last fiscal year ending within three years of the conclusion of the Shareholders Meeting.

However, if, before the expiration of the effective period, a general meeting of shareholders of the Company passes a resolution to withdraw the abovementioned assignment to the Company's Board of Directors of the authority to decide matters relating to the gratis allotment of Stock Acquisition Rights, or the Company's Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished in accordance with that resolution.

Further, the Company's Board of Directors may revise or amend the Plan even during the effective period of the Plan in such cases as where any law, ordinance, financial instruments exchange regulations, rules, or the like concerning the Plan is enacted, amended or abolished and it is appropriate to reflect such enactment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, and cases where such revision or amendment is not detrimental to the Company's shareholders, if such revision or amendment is not against the purpose of the assignment by resolution at the Shareholders Meeting and subject to the approval of the Independent Committee.

If the Plan is abolished, revised, or amended, the Company will promptly disclose information as necessary, including the fact that such abolition, revision, amendment or the like has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

(7) Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 12, 2017. If it becomes necessary after such date to amend the terms and conditions or definitions of terms set out in the paragraphs above due to the enactment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such enactment, amendment or abolishment.

Profiles of the Members of the Independent Committee

The following three persons are planned to be the members of the Independent Committee upon the Renewal.

Yuji Tanahashi (Outside Director)

Profile:

Born 1934

March 1958	Graduated from University of Tokyo, Faculty of Law
April 1958	Joined the Ministry of International Trade and Industry
June 1991	Vice-Minister of International Trade and Industry
June 1993	Special Advisor to the Ministry of International Trade and Industry, Executive Advisor to the Research Institute of International Trade and Industry
February 1995	Executive Advisor to the Industrial Bank of Japan, Limited.
April 1997	Professor of Faculty of Law and Graduate School of Law at Doshisha University
August 1997	Chairman of New Energy Foundation
June 2001	President and Chief Executive Officer of Japan Petroleum Exploration Co., Ltd.
June 2002	Outside Director of SMK Corporation
June 2005	Outside Director of the Company (present position)
June 2008	Chairman of Japan Petroleum Exploration Co., Ltd.
April 2009	Admission as a lawyer (Daiichi Tokyo Bar Association) (present position)
April 2009	Of-Counsel of City-Yuwa Partners (present position)
January 2014	Outside Director, K&O Energy Group Inc. (present position)
June 2015	Director and Chairman, Japan Petroleum Exploration Co., Ltd.
June 2016	Senior Advisor of Japan Petroleum Exploration Co., Ltd. (present position)

Note: Yuji Tanahashi is an Outside Director as defined in Article 2, item 15 of the Companies Act. He does not have any special interest in the Company.

Kenjiro Ueno (Outside Director)

Profile:

Born 1939

March 1961	Graduated from University of Tokyo, Faculty of Law
April 1961	Joined Showa Denko K.K.
April 1966	Joined Haruhiko Kusano Law Office
April 1984	Opened Ueno Law Office
April 1987	Executive Governor of Japan Federation of Bar Associations
June 1994	Outside Audit & Supervisory Board Member of Tokyo Toyota Co., Ltd.
July 2001	Commission Chair of Equity Commission at the Supreme Court (present position)
June 2005	Outside Director of the Company (present position)
June 2007	Outside Audit & Supervisory Board Member of Oji Paper Co., Ltd.

March 2012	Representative of Ueno & Hanasato Law Office (present position)
October 2012	Outside Audit & Supervisory Board Member of Oji Holdings Corporation

Note: Kenjiro Ueno is an Outside Director as defined in Article 2, item 15 of the Companies Act. He does not have any special interest in the Company.

Meyumi Yamada (Outside Director)

Profile:

Born 1972

March 1995	Graduated from Tokyo University of Science, Faculty of Industrial Science and Technology
April 1995	Joined KOEI KOGYO Co., Ltd.
May 1997	Joined Kiss Me Cosmetics Co., Ltd. (currently ISEHAN Co., Ltd.)
July 1999	Co-founding Representative Director of I-Style Co., Ltd..
April 2000	Co-founding Representative Director of istyle Inc.
December 2009	Director of istyle Inc. (present position)
May 2012	Representative Director of CyberStar Inc. (currently istyle Beauty Solutions Inc.)
September 2015	Director of MEDIA GLOBE Co., Ltd. (present position)
March 2016	President and Representative Director of ISPartners Inc. (present position)
September 2016	Director of Eat Smart Co., Ltd (present position)

Note: Meyumi Yamada will take office as an Outside Director as defined in Article 2, item 15 of the Companies Act on the condition that Proposal 2 is approved and passed by the Shareholders Meeting. She does not have any special interest in the Company. Her name is stated above as “Meyumi Yamada” because that name is well known, but her name as recorded in the family register is Meyumi Hara.

End