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Securities code: 1980

June 3, 2019

To our shareholders:

Ichiro Fujisawa  
President and Director  
**DAI-DAN CO., LTD.**  
1-9-25 Edobori, Nishi-ku, Osaka-city

## NOTICE OF THE 90TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 90th Ordinary General Meeting of Shareholders of DAI-DAN 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 via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights no later than 5:30 p.m., Monday, June 24, 2019 (Japan Standard Time).

1. **Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m. (Japan Standard Time)
2. **Place:** 7F Conference Room, Osaka Head Office  
1-9-25 Edobori, Nishi-ku, Osaka-city  
(Please note that the venue is different from the previous year.)

### 3. Purposes:

#### Items to be reported:

1. Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements for the 90th Term (from April 1, 2018 to March 31, 2019)
2. The results of audit of the Consolidated Financial Statements for the 90th Term by the Accounting Auditors and the Board of Corporate Auditors

#### Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Partial amendments to the articles of incorporation
- Proposal 3:** Election of ten (10) Directors
- Proposal 4:** Election of one (1) Corporate Auditor
- Proposal 5:** Determination of amount and details of the performance-linked share-based compensation for Directors, etc.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Matters

#### **Proposal 1:** Appropriation of surplus

The Company considers the return of profits to its shareholders to be its top management priority. The Company adopts the basic policy of ensuring the stable and continuous payment of cash dividends while establishing a sound financial position.

Taking into consideration the need to return profits commensurate with the strong performance in the fiscal year, the Company proposes an ordinary dividend of 28 yen per share and a bonus dividend of 20 yen per share, as set forth below.

The Company has already paid an interim dividend of 28 yen per share; therefore, the annual dividend totals 76 yen per share (an increase of 20 yen from the previous year).

#### Matters related to year-end dividends

- (1) Type of dividend property  
Cash
- (2) Allocation of dividend property and total amount thereof  
48 yen per common share of the Company (ordinary dividend: 28 yen; bonus dividend: 20 yen)  
Total amount of dividends: 1,069,963,344 yen
- (3) Effective date of distribution of dividends of surplus  
June 26, 2019

**Proposal 2:** Partial amendments to the articles of incorporation

1. Reason for the proposal

The Company plans to shorten the term of office of Directors from two years to one year in order to establish a management structure that can swiftly cope with changes in management climate along with further strengthening corporate governance by clarifying the management accountability of Directors. Consequently, the Company plans to revise Article 22 (Term of Office of Directors) of the current Articles of Incorporation.

2. Details of amendments

The details of the amendments are as follows:

(Underlined text indicates the amended parts.)

Current Articles of Incorporation	Proposed amendments
<p style="text-align: center;">Chapter 4 Directors and the Board of Directors (Term of Office of Directors)</p> <p>Article 22.</p> <p>1. The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders on the last fiscal year within <u>two (2) years</u> following their election of office.</p> <p>2. <u>The term of office of Directors elected as a substitute or due to an increase in the number of Directors shall be until the expiry of the term of office of other incumbent Directors.</u></p>	<p style="text-align: center;">Chapter 4 Directors and the Board of Directors (Term of Office of Directors)</p> <p>Article 22.</p> <p>The term of office of Directors shall expire at the close of the Ordinary General Meeting of Shareholders on the last fiscal year within <u>one (1) year</u> following their election of office.</p> <p style="text-align: center;">(Deleted)</p>

**Proposal 3: Election of ten (10) Directors**

The tenures of all ten (10) Directors (including two (2) outside Directors) will expire at the close of this meeting. In that regard, the Company proposes the election of ten (10) Directors (including three (3) outside Directors), raising the number of outside Directors by one (1) to enhance the Company's management system.

The candidates for Director are as follows:

No.	Name		Position and responsibilities (significant concurrent positions outside the Company)	Tenure as a Director
1	Shohei Kitano	Reelection	Representative Director, Chairman, and Corporate Officer	10 years
2	Ichiro Fujisawa	Reelection	Representative Director, President, and Corporate Officer	10 years
3	Takashi Ohta	Reelection	Representative Director, Vice President, and Corporate Officer	8 years
4	Ryoei Koshin	Reelection	Director and Senior Executive Corporate Officer General Manager of West Japan Division and General Manager of Osaka Head Office	5 years
5	Takayuki Ikeda	Reelection	Director and Senior Executive Corporate Officer General Manager of Central Japan Division and General Manager of Nagoya Branch Office	4 years
6	Kazuhiko Chikaraishi	Reelection	Director and Executive Corporate Officer General Manager of East Japan Division and General Manager of Tokyo Head Office	2 years
7	Yasuo Kamei	Reelection	Director and Corporate Officer Head of General Administration Division	1 year
8	Hiroshi Yoshida	Reelection Outside Independent	Outside Director	4 years
9	Fumio Matsubara	Reelection Outside Independent	Outside Director Attorney at Law, Asunaro Law Firm Director, Sewerage Business Management Centre	4 years
10	Koji Kono	New election Outside Independent	Outside Corporate Auditor	—

Outside: Candidate for outside Director

Independent: Candidate for independent officer

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<p style="text-align: center;">Shohei Kitano (October 13, 1955)</p> <p style="text-align: center;">Reelection Tenure as a Director 10 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1979      Joined the Company</p> <p>Apr. 2009      Corporate Officer, Deputy General Manager of Tokyo Head Office, and Manager of Administration Department</p> <p>June 2009      Director, Corporate Officer, Deputy General Manager of Tokyo Head Office, and Manager of Administration Department</p> <p>Apr. 2011      Director, Executive Corporate Officer, in charge of East Japan Area, and General Manager of Tokyo Head Office</p> <p>Apr. 2013      Representative Director, President, Corporate Officer, COO, and Head of Sales Division</p> <p>Apr. 2014      Representative Director, President, Corporate Officer, and COO</p> <p>Apr. 2017      Representative Director, President, Corporate Officer, in charge of Sales Division, and in charge of International Business</p> <p>Apr. 2018      Representative Director, Chairman, and Corporate Officer (present position)</p>	25,800
<p>[Reasons for nomination as candidate for Director]</p> <p>Shohei Kitano is familiar with a wide range of businesses including the Accounting Division. He assumed office as a Director of the Company in June 2009 and served as Representative Director and President for five (5) years from April 2013 and as Representative Director and Chairman from April 2018, and is leading the management as a whole. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			
2	<p style="text-align: center;">Ichiro Fujisawa (October 19, 1956)</p> <p style="text-align: center;">Reelection Tenure as a Director 10 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1979      Joined the Company</p> <p>Apr. 2009      Corporate Officer, Head of Industrial Facilities Division, and Manager of Technical Department</p> <p>June 2009      Director, Corporate Officer, Head of Industrial Facilities Division, and Manager of Technical Department</p> <p>Apr. 2010      Director, Corporate Officer, and Head of Technical Division</p> <p>Apr. 2011      Director, Executive Corporate Officer, and Head of Technical Division</p> <p>Oct. 2011      Director, Executive Corporate Officer, and Head of Technical Development Division</p> <p>Apr. 2013      Director, Senior Executive Corporate Officer, in charge of East Japan Area, and General Manager of Tokyo Head Office</p> <p>Apr. 2016      Director and Vice President, Corporate Officer, in charge of East Japan Area, General Manager of Tokyo Head Office, and Head of Technical Development Group</p> <p>Apr. 2018      Representative Director, President, and Corporate Officer (present position)</p>	19,600
<p>[Reasons for nomination as candidate for Director]</p> <p>Ichiro Fujisawa is familiar with a wide range of businesses including the R&amp;D Division and Technical Construction Division, etc. He assumed office as a Director of the Company in June 2009 and served as Representative Director and President for four (4) years from April 2018, and is leading with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<p style="text-align: center;">Takashi Ohta (October 13, 1950)</p> <p style="text-align: center;">Reelection Tenure as a Director 8 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1973      Joined the Company</p> <p>Apr. 2010      Corporate Officer and Manager of Hokuriku Branch</p> <p>Apr. 2011      Senior Corporate Officer, in charge of Central Japan Area, and General Manager of Nagoya Branch</p> <p>June 2011      Director, Corporate Officer, in charge of Central Japan Area, and General Manager of Nagoya Branch</p> <p>Apr. 2013      Director, Senior Executive Corporate Officer, in charge of West Japan Area, and General Manager of Osaka Head Office</p> <p>Apr. 2016      Director and Vice President, Corporate Officer, in charge of Osaka Head Office, in charge of Nagoya Branch, in charge of General Administration Division, and in charge of Technical Construction Division</p> <p>Apr. 2017      Director, Vice President, Corporate Officer, and Head of Technical Construction Group</p> <p>Apr. 2018      Representative Director, Vice President, Corporate Officer, and Head of Technical Construction Group</p> <p>Apr. 2019      Representative Director, Vice President, and Corporate Officer (present position)</p>	16,900
<p>[Reasons for nomination as candidate for Director]</p> <p>Takashi Ohta is familiar with a wide range of business, including the Technical Construction Division and Sales Division, etc. He assumed office as a Director of the Company in June 2011 and is Representative Director and Vice President from April 2018, with his ability to supervise management from his broad knowledge. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			
4	<p style="text-align: center;">Ryoei Koshin (April 11, 1954)</p> <p style="text-align: center;">Reelection Tenure as a Director 5 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1975      Joined the Company</p> <p>Apr. 2013      Corporate Officer, Deputy General Manager of Nagoya Branch, and Technical Development Coordination</p> <p>Feb. 2014      Senior Corporate Officer, in charge of Central Japan Area, and General Manager of Nagoya Branch</p> <p>June 2014      Director, Corporate Officer, in charge of Central Japan Area, and General Manager of Nagoya Branch</p> <p>Apr. 2016      Director, Executive Corporate Officer, in charge of West Japan Area, and General Manager of Osaka Head Office</p> <p>Apr. 2018      Director, Senior Executive Corporate Officer, in charge of West Japan Area, and General Manager of Osaka Head Office</p> <p>Apr. 2019      Director, Senior Executive Corporate Officer, in charge of West Japan Division, and General Manager of Osaka Head Office (present position)</p>	8,400
<p>[Reasons for nomination as candidate for Director]</p> <p>Ryoei Koshin has many years of experience in the Technical Construction Division. He assumed office as a Director of the Company in June 2014, and in his current role in charge of the West Japan Division, he is leading with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
5	<p>Takayuki Ikeda (July 25, 1961)</p> <p>Reelection Tenure as a Director 4 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1985      Joined the Company</p> <p>Apr. 2014      Corporate Officer, Deputy Head of General Administration Division, Manager of Accounting Department, and in charge of Compliance Committee</p> <p>May 2015      Senior Corporate Officer and Head of General Administration Division</p> <p>June 2015      Director, Corporate Officer, Head of General Administration Division</p> <p>Apr. 2016      Director, Executive Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office</p> <p>Apr. 2018      Director, Senior Executive Corporate Officer, in charge of Central Japan Area, and General Manager of Nagoya Branch</p> <p>Apr. 2019      Director, Senior Executive Corporate Officer, General Manager of Central Japan Division, and General Manager of Nagoya Branch (present position)</p>	4,800
<p>[Reasons for nomination as candidate for Director]</p> <p>Takayuki Ikeda has many years of experience in the Accounting Division. He assumed office as a Director of the Company in June 2015, and in his current role in charge of the Central Japan Division, he is leading with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
6	<p>Kazuhiko Chikaraishi (August 3, 1959)</p> <p>Reelection Tenure as a Director 2 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1983      Joined the Company</p> <p>Apr. 2010      Deputy Technical Development Coordination in Tokyo Head Office and Manager of Engineering Department 4</p> <p>Apr. 2013      Technical Development Coordination in Tokyo Head Office</p> <p>Apr. 2014      Deputy General Manager of Tokyo Head Office, and Technical Development Coordination</p> <p>May 2015      Corporate Officer, Deputy General Manager of Tokyo Head Office, and Technical Development Coordination</p> <p>Apr. 2016      Senior Corporate Officer and Head of Technical Construction Division</p> <p>Apr. 2017      Senior Corporate Officer, Deputy Head of Technical Construction Group, Head of Technical Construction Division, and Deputy General Manager of Tokyo Head Office</p> <p>June 2017      Director, Corporate Officer, Deputy Head of Technical Construction Group, Head of Technical Construction Division, and Deputy General Manager of Tokyo Head Office</p> <p>Apr. 2018      Director, Executive Corporate Officer, in charge of East Japan Area, and General Manager of Tokyo Head Office</p> <p>Apr. 2019      Director, Executive Corporate Officer, General Manager of East Japan Division, and General Manager of Tokyo Head Office (present position)</p>	2,200
		<p>[Reasons for nomination as candidate for Director] Kazuhiko Chikaraishi has many years of experience in the Technical Construction Division of the Tokyo Head Office. He assumed office as a Director of the Company in June 2017, and in his current role in charge of the East Japan Division, he is leading with excellent management skills. Based on this we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>	
7	<p>Yasuo Kamei (November 27, 1962)</p> <p>Reelection Tenure as a Director 1 year Attendance to Board of Directors Meetings 14/15 times (93%) Attendance since assuming office on June 28, 2018</p>	<p>Apr. 1986      Joined the Company</p> <p>Apr. 2013      Manager of Accounting Department, General Administration Division</p> <p>Apr. 2014      Manager of Administration Department at Tokyo Head Office</p> <p>Apr. 2018      Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office</p> <p>June 2018      Director, Corporate Officer, Head of General Administration Division, and Manager of International Affairs Office</p> <p>Apr. 2019      Director, Corporate Officer, Head of General Administration Division (present position)</p>	3,400
		<p>[Reasons for nomination as candidate for Director] Yasuo Kamei has many years of experience in the Accounting Division. Based on the fact that he currently responds quickly to changes in the business environment as the person in charge of the General Administration Division, we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as a Director.</p>	



No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
8	<p>Hiroshi Yoshida (October 20, 1947)</p> <p>&lt;Candidate for outside Director&gt; Reelection Tenure as a Director 4 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1970    Joined Mitsubishi Petrochemical Co., Ltd.                   (Currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2006    Managing Executive Officer and Head of                   Polymer Division                   President and Director, Japan Polychem                   Corporation</p> <p>Apr. 2008    Representative Director and President,                   Mitsubishi Plastics, Inc. (Currently Mitsubishi                   Chemical Corporation)</p> <p>June 2008    Director of the Board of Mitsubishi Chemical                   Holdings Corporation</p> <p>Apr. 2012    Senior Advisor, Mitsubishi Plastics, Inc.                   (Currently Mitsubishi Chemical Corporation)</p> <p>Apr. 2014    Special Advisor</p> <p>June 2015    Director, the Company (present position)</p>	0
<p>[Reasons for nomination as candidate for outside Director]</p> <p>Hiroshi Yoshida has extensive experience and a wide range of insight as a corporate manager, and has worked hard to strengthen management oversight functions. Based on his track record of positive opinions and suggestions about the Company's management we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as an outside Director.</p> <p>In addition, he was working for Mitsubishi Plastics, Inc. (Currently Mitsubishi Chemical Corporation), and the Company has ordinary business relations with the company including orders of construction work. However, the Company deems him to be independent as an outside Director, since the transaction amount with it accounts for only 0.28% of the Company's net sales, and thus he meets the Company's criteria for independence of outside Directors.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
9	<p>Fumio Matsubara (March 20, 1950)</p> <p>&lt;Candidate for outside Director&gt; Reelection Tenure as a Director 4 years Attendance to Board of Directors Meetings 18/18 times (100%)</p>	<p>Apr. 1973      Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)</p> <p>July 2004      Senior Executive Director, Development Bank of Japan</p> <p>July 2006      Director-General, Land and Water Resources Bureau, Ministry of Land, Infrastructure, Transport and Tourism</p> <p>Apr. 2008      Senior General Manager, Mizuho Research Institute Ltd.</p> <p>July 2009      Vice President, Japan Sewage Works Agency</p> <p>July 2011      Registered as an Attorney at Law Joined Asunaro Law Firm (present position)</p> <p>Aug. 2011      Commission, Construction Industry Transaction Improvement Organization</p> <p>June 2013      Executive Officer, Urban Renewal Fund Investment Corp. President, Sewerage Business Management Centre (present position)</p> <p>June 2015      Director, the Company (present position) [Significant concurrent positions outside the Company] Attorney at Law, Asunaro Law Firm Director, Sewerage Business Management Centre</p>	0
<p>[Reasons for nomination as candidate for outside Director]</p> <p>Fumio Matsubara has extensive experience as a government administrator, extensive insight into the construction industry and wide knowledge through his activities as an attorney at law. He has worked hard to strengthen management oversight functions and based on his track record of positive opinions and suggestions about the Company's management we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we propose his reelection as an outside Director. Please note that he has never in the past been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as an outside Director based on the above reasons.</p> <p>In addition, on the assumption that he would assume office as the Company's outside Director, he served as a part-time Advisor for a period from June 2014 to June 2015, before assuming office as the Company's outside Director. Since his work was to provide advice from an outside perspective independent of the Company management, and he did not receive a large amount of remuneration (less than 10 million yen), he meets the Company's criteria for independence of outside Directors. Therefore, the Company deems him to be independent as an outside Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions outside the Company)	Number of the Company's shares owned
10	<p style="text-align: center;">Koji Kono (September 17, 1952)</p> <p style="text-align: center;">&lt;Candidate for outside Director&gt; New election Attendance to Board of Directors Meetings 18/18 times (100%) Attendance as a Corporate Auditor</p>	<p>Apr. 1978      Joined Osaka Gas Co., Ltd.</p> <p>Apr. 2003      General Manager of South Area Energy Sales Dept., Commercial &amp; Industrial Energy Business Unit</p> <p>June 2005      Associate Director, and General Manager of South Area Energy Sales Dept., Commercial &amp; Industrial Energy Business Unit</p> <p>June 2007      Executive Officer, and General Manager of Energy Business Development Dept., Commercial &amp; Industrial Energy Business Unit</p> <p>June 2009      Senior Executive Officer, and Head of Pipeline Business Unit</p> <p>June 2010      Director, Senior Executive Officer, and Head of Pipeline Business Unit</p> <p>Apr. 2012      Director, Osaka Gas Co., Ltd.; and Director and Chairman, Creative Technology Solutions Co., Ltd. (Currently OGCTS Co., Ltd.)</p> <p>June 2012      Advisor, Osaka Gas Co., Ltd.; and Director and Chairman, Creative Technology Solutions Co., Ltd. (Currently OGCTS Co. Ltd.)</p> <p>Apr. 2016      Special Advisor, Osaka Gas Co., Ltd.</p> <p>June 2016      Corporate Auditor, the Company (present position)</p>	0
<p>[Reasons for nomination as candidate for outside Director]</p> <p>Koji Kono has extensive experience and a wide range of insight as a corporate manager, and has worked hard to strengthen management oversight functions in his role as outside Corporate Auditor. Based on his track record of positive opinions and suggestions about the Company's management, we have determined that he is qualified to realize sustainable growth and improvement of corporate value of the Company, and we newly propose his election as an outside Director.</p> <p>In addition, he was working for Osaka Gas Co., Ltd. and OGCTS Co., Ltd., and the Company has ordinary business relations with the companies including orders of construction work. However, the Company deems him to be independent as an outside Director, since each transaction amount with the companies accounts for only 0.45% of the Company's net sales, and thus he meets the Company's criteria for independence of outside Directors.</p>			

- Notes:
1. There is no special interest between the candidates and the Company.
  2. Hiroshi Yoshida, Fumio Matsubara, and Koji Kono are candidates for outside Director.
  3. Hiroshi Yoshida and Fumio Matsubara are currently outside Directors of the Company, and at the close of this meeting, their tenures as outside Directors will be four (4) years each. In addition, Koji Kono is currently an outside Corporate Auditor of the Company, at the close of this meeting, his tenure as a Corporate Auditor will be three (3) years.
  4. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Hiroshi Yoshida and Fumio Matsubara, who are currently outside Directors of the Company, along with Koji Kono, who is currently an outside Corporate Auditor of the Company, to limit their liability for damages as provided in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under these agreements is up to the total of the minimum liability amount specified in Article 425, Paragraph 1 of the same Act. If the reelection of Hiroshi Yoshida and Fumio Matsubara is approved, the Company plans to renew the aforementioned agreements with them. In addition, if the election of Koji Kono is approved, the Company plans to conclude the agreement with him again.
  5. The Company has submitted notification to the Tokyo Stock Exchange that Hiroshi Yoshida and Fumio Matsubara, who are currently outside Directors of the Company, have been designated as independent officers as provided for by the aforementioned exchange. If the reelection of Hiroshi Yoshida and Fumio Matsubara is approved, the Company plans to continue to appoint them as independent officers. In addition, if the election of Koji Kono is approved, the Company also plans to appoint him as an independent officer.
  6. The Company's criteria for independence of outside Directors are as follows.  
The Company deems outside Directors or candidates for outside Director to be independent when they do not fall under any of the following items:
    - (1) (i) A person who is an Executive Director, an Executive Officer, or an employee, including a manager, of the Company or any of its Subsidiaries (hereinafter referred to as an "Executing Person"), or who was an Executing Person of the Company or any of its Subsidiaries for ten (10) years before assuming the office

- (ii) A person who was a Director or a Corporate Auditor (excluding the person who used to be an Executing Person), of the Company or any of its Subsidiaries at any time during the ten (10) years before assuming the office, and who was an Executing Person of the Company or any of its Subsidiaries for ten (10) years before assuming the office as a Director or a Corporate Auditor
- (2) A person who is a major business partner of the Company or an Executing Person thereof  
(A person who is a major business partner of the Company means a person who received the payment of 2% or more of the annual consolidated net sales of the person from the Company for the most recent fiscal year.)
- (3) A major business partner of the Company or an Executing Person thereof  
(A major business partner of the Company means a person who has made the payment of 2% or more of the average annual consolidated net sales of the Company to the Company over the past three (3) fiscal years, or a person who has loaned the amount of 2% or more of the average total consolidated assets of the Company to the Company over the past three (3) fiscal years.)
- (4) A major shareholder of the Company (a person who directly or indirectly holds 10% or more of the total voting rights) or an Executing Person thereof
- (5) A person of a corporation of which 10% or more of the total voting rights are directly or indirectly held by the Company or an Executing Person thereof
- (6) An attorney at law, a certified public accountant, a tax accountant or a consultant, etc. who receives a large amount of cash and other financial assets in addition to officer remuneration from the Company  
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (7) A person who belongs to an organization such as a corporation or association including a law firm, an audit corporation, a tax accountant corporation or a consultant firm which receives a large amount of cash and other financial assets from the Company  
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (8) A person, a director of an organization such a corporation or association, or any other Executing Person who receives a large amount of contribution or subsidy from the Company  
(A large amount means an average annual amount of 10 million yen or more for a person, and for an organization such as a corporation or association, more than 10% of the average consolidated net sales or total income of the organization, over the past three (3) fiscal years.)
- (9) An executive director, an executive officer or a corporate officer of the other company in which an Executive Director or a full-time Corporate Auditor of the Company concurrently serves as an outside director or an outside corporate auditor of the other company
- (10) A person who has fallen under any of the aforementioned items (2) to (9) during the past three (3) years
- (11) A spouse, or any relative within the second degree of relationship of a person falling under any of the aforementioned items (1) to (9) who is an important person  
(An important person means a Director (excluding an outside Director), a Corporate Auditor (excluding an outside Corporate Auditor), or an employee who is a senior manager equal to or higher than a Corporate Officer and a department manager.)

**Proposal 4:** Election of one (1) Corporate Auditor

Corporate Auditor Koji Kono will retire at the close of this meeting. Therefore, the Company newly proposes the election of one (1) Corporate Auditor.

This proposal has obtained the consent of the Board of Corporate Auditors.

The term of the newly elected Corporate Auditor will be the same as that of her predecessor under the Company's Articles of Incorporation.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Career summary and position (significant concurrent positions outside the Company)	Number of the Company's shares owned
<p style="text-align: center;">Ikumi Sato (December 25, 1963)</p> <p>&lt;Candidate for outside Corporate Auditor&gt; New election</p>	<p>Apr. 1990 Registered as an Attorney at Law (Tokyo Bar Association)</p> <p>Mar. 1992 Canceled the Registration of Tokyo Bar Association due to Leaving for the U.S.</p> <p>Sept. 1995 Re-registered as an Attorney at Law (Daini Tokyo Bar Association) Registered as an Attorney at Law (New York State, U.S.)</p> <p>Mar. 2013 Joined Yabuki Law Offices (present position)</p> <p>Apr. 2017 Vice President, Daini Tokyo Bar Association</p> <p>Apr. 2018 Executive Governor, Japan Federation of Bar Associations</p> <p>Apr. 2019 Member, Disclosure and Personal Information Protection Review Board, Ministry of Internal Affairs and Communications (present position)</p> <p>[Significant concurrent positions outside the Company] Attorney at Law, Yabuki Law Offices</p>	0

[Reasons for nomination as candidate for outside Corporate Auditor]

Ikumi Sato has abundant experience as an attorney at law, and extensive insight especially into the Intellectual Property Act and the Anti-Monopoly Act. Since the Company determined that she can contribute to further enhancement of the audit system of the Company as an outside Corporate Auditor, the Company proposes her election as a new outside Corporate Auditor. Although she has never been involved in corporate management other than as an outside officer in the past, the Company deems that she will be able to adequately carry out her duties as an outside Corporate Auditor for the aforementioned reasons.

- Notes:
1. There is no special interest between the candidate and the Company.
  2. Ikumi Sato is a candidate for outside Corporate Auditor.
  3. If the election of Ikumi Sato is approved, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company plans to enter into an agreement with her to limit her liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act. The maximum amount of the liability for damages under this agreement is up to the total of the amounts specified in Article 425, Paragraph 1 of the Companies Act.
  4. If the election of Ikumi Sato is approved, the Company plans to appoint her as an independent officer as provided for by the Tokyo Stock Exchange.

**Proposal 5:** Determination of amount and details of the performance-linked share-based compensation for Directors, etc.

1. Reason for the proposal and reason justifying such compensation

The maximum compensation of the Company's Directors (excluding wages of an employee serving concurrently as Director) was approved to be less than 700 million yen at the 64th Ordinary General Meeting of Shareholders held on June 29, 1993. As a separate amount from this maximum compensation, the Company proposes the introduction of a share-based compensation system (hereinafter referred to as "the System") to newly issue the Company's shares as compensation to the Company's Directors (excluding outside Directors and non-residents in Japan) and Corporate Officers (together with Directors, hereinafter referred to as "Directors, etc.>").

Since the System is aimed at giving Directors, etc. greater motivation to make contributions to improve business performance and increase corporate value in the medium and long run, the Company believes the introduction thereof is appropriate.

Furthermore, the number of Directors eligible for the System will total seven (7) if Proposal 3 "Election of ten (10) Directors" is approved as proposed.

In addition, Corporate Officers are also eligible for the System. Compensation under the System includes compensation paid to Corporate Officers, but considering the possibility that a Corporate Officer could become a Director during the eligibility period of the System, this proposal proposes the total amount and content of compensation pursuant to the System. At the close of this general meeting of shareholders, there will be 25 Corporate Officers that do not serve concurrently as Director eligible for the System.

2. Amount and other details of compensation, etc. of the System

(1) Outline of the System

The System is a share-based compensation system under which the Company's shares are acquired through a trust using the amount of money to be contributed by the Company to fund the compensation amount of Directors, etc. and the Company's shares and the amount of cash equivalent to the converted value of such Company's shares (hereinafter referred to as the "Company's Shares, etc.") are vested or paid ("delivered, etc.") to Directors equivalent to points granted to Directors, etc. based on duty position and achievement level of business performance targets.

(The details are as in (2) below.)

• Eligibility for delivered, etc. of the Company's Shares, etc. covered by this Proposal

Directors (excluding outside Directors and non-residents in Japan) and Corporate Officers of the Company

• Impact of the Company's shares covered by this Proposal on the total number of shares issued

(i) Upper limit of funds to be contributed by the Company

A total of 420 million yen for the five (5) fiscal years

(ii) Upper limit on the number of Company's shares to be delivered, etc. to Directors and the method of acquisition

• The maximum number of the Company's Shares, etc. to be delivered, etc. is 150,000 in five (5) fiscal years to eligible Directors, etc.

• The maximum number of points to be granted to Directors, etc. in one (1) fiscal year is 30,000.

• The number of shares converted at one (1) point per common share of the Company is approximately 0.6% of the total number of shares issued of the Company (as of March 31, 2019, after deducting treasury shares)

• The Company's shares for the System can be acquired from the stock market or the Company (disposition of treasury shares)

(iii) Details of the terms of achieving performance targets

• The achievement-linked portion varies on the level of achievement of business performance targets, with the minimum set at 0%.

• Operating income, etc., will be employed as the indicator for evaluating the level of achievement of business performance targets.

- (iv) Timing of delivered, etc. of Company's Shares, etc. to the Directors, etc.
- In principle, stock compensation will be delivered, etc. every year after business performance is finalized for the fiscal year subject to evaluation
  - However, the Company's shares acquired through the System will continue to be held until one (1) year elapses after retirement.
- (2) Upper limit of funds to be contributed by the Company
- The System covers five (5) consecutive fiscal years (the System initially covers the five [5] fiscal years from the fiscal year ending March 31, 2020 to the fiscal year ending March 31, 2024 and, if the trust period is extended, the System will apply to each five [5] fiscal years thereafter [hereinafter referred to as the "Covered Period"]).
- The Company will establish a trust for a trust period of five (5) years whose beneficiaries are Directors, etc. satisfying beneficiary requirements (the "Trust") by contributing trust money to the Trust as compensation for Directors, etc. of the Company up to the maximum amount of 420 million yen for the Covered Period.
- The Trust will acquire the Company's shares from the Company (disposition of treasury shares) or the stock market using the trust money in accordance with the directions of the Trust administrator. During the trust period, the Company will grant the prescribed number of points to Directors, etc. at the prescribed time each year based on duty position and achievement level of business performance targets. In turn, the Trust will deliver, etc. the Company's Shares, etc. in the number equivalent to the points.
- The Trust may be continued at the expiry of the trust period by modifying the trust contract and making additional contributions to the Trust instead of establishing a new Trust. In such case, the Company will extend the trust period only by the period equal to the initial trust period and will designate the five (5) fiscal years following such extension as the new Covered Period.
- The Company will make an additional contribution within the range of the total amount of 420 million yen in each extended trust period, and it will continue granting points to the Directors, etc. and conducting delivered, etc. of the Company's Shares, etc. to them during the extended trust period.
- However, in the case of making such additional contributions, if the Company's shares remaining in the trust property prior to the extension (excluding the number of the Company's shares that have not yet been delivered, etc. to Directors equivalent to points granted to them) and cash (such shares and money are collectively referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. and additionally contributed money shall not exceed 420 million yen.
- (3) Calculation method and maximum number of Company's Shares, etc. to be delivered, etc. to Directors, etc.
- The number of Company's Shares, etc. that will be delivered, etc. to Directors, etc. will be determined based on the points granted at the prescribed time each year pursuant to duty position and achievement level of business performance targets.
- If the number of Company's shares under the Trust is increased or decreased through a stock split or consolidation of shares, etc. during the trust period, the Company will adjust the number of Company's Shares, etc. to be delivered, etc. based on the ratio of such increase or decrease, converting one (1) point to one (1) share of the Company's common stock.
- The maximum number of points to be granted to Directors, etc. in one (1) fiscal year shall be 30,000. Therefore, the maximum number of Company's Shares, etc. to be delivered, etc. to Directors, etc. for the five (5) fiscal years will be 150,000.
- (4) Method and timing of Company's Shares, etc. to be delivered, etc. to Directors, etc.
- Directors, etc. who meet the beneficiary requirements are eligible to receive the grant from the Trust for the number of the Company's shares, etc. corresponding to the granted number of points by performing prescribed beneficiary confirmation procedures at the prescribed time each year.
- At this time, the said Director, etc., shall receive delivery of the Company's shares in the amount equivalent to a certain percentage of the granted points (the number of shares less than a share unit will be rounded off), and receive money equivalent to the Company's shares corresponding to the number of remaining granted points that are converted into cash under the Trust.

Additionally, in the event that a Director, etc. who satisfies the beneficiary requirements is assigned overseas during the trust period and is no longer a resident in Japan during the trust period, all the Company's shares shall be converted into cash in numbers corresponding to the points which have been granted to the Director, etc. and the cash equivalent to the amount of conversion shall be received by the said Director, etc., from the Trust.

Furthermore, in the event that a Director, etc., becomes deceased during the trust period, all the Company's shares shall be converted into cash in numbers corresponding to the points which have been granted to the said Director, etc., and the cash equivalent to the amount of conversion shall be received by the deceased's heir from the Trust.

(5) Voting rights for the Company's shares within the Trust

Voting rights for the Company's shares within the Trust will not be exercised during the trust period, in order to ensure neutrality in the business management of the Company.

(6) Other details of the System

Other details of the System will be determined by the Board of Directors upon the establishment of the Trust, the modification of the trust contract and additional contributions to the Trust.