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Securities code: 5310  
March 14, 2017

To Our Shareholders,

Takashi Konishi,  
President  
**Toyo Tanso Co., Ltd.**  
5-7-12 Takeshima, Nishiyodogawa-ku, Osaka

## Notice of the 75th Ordinary General Shareholders Meeting

You are cordially invited to attend the 75th Ordinary General Shareholders Meeting of Toyo Tanso Co., Ltd. (the “Company”) to be held as described below.

If you are unable to attend the meeting, you may exercise your voting rights either in writing (Voting Card) or electronically or magnetically (e.g., via the Internet). Please read the Reference Documents for the General Shareholders Meeting and exercise your voting rights by 5:30 p.m. on Wednesday, March 29, 2017 (JST).

### Details

- 1. Date and time:** Thursday, March 30, 2017, at 10:00 a.m.
- 2. Venue:** ABC Room, Kitahama Forum, (3rd floor, Osaka Securities Exchange Building)  
1-8-16 Kitahama, Chuo-ku, Osaka
- 3. Purpose of the meeting**
  - Matters to be reported:**
    1. Report on the Business Report, the Consolidated Financial Statements and audit reports by the Accounting Auditor and the Audit & Supervisory Board for the Consolidated Financial Statements for the 75th term (from January 1, 2016 to December 31, 2016)
    2. Report on the Non-consolidated Financial Statements for the 75th term (from January 1, 2016 to December 31, 2016)
  - Matters to be resolved:**
    - Proposal 1:** Appropriation of surplus
    - Proposal 2:** Election of seven (7) Directors
    - Proposal 3:** Election of one (1) substitute Auditor
    - Proposal 4:** Determination of compensation for granting restricted stocks to Directors of the Company (excluding Outside Directors)

#### 4. Guide to the Exercise of Voting Rights

- (1) Instructions on Exercise of Voting Rights in Writing (Voting Card)  
Please indicate your approval or disapproval of each proposal on the enclosed Voting Card and return it so that your vote is received by the aforementioned deadline.
- (2) Instructions on Exercise of Voting Rights by Electronic or Magnetic Means (e.g., via the Internet)  
Please access the website for exercising voting rights (<http://www.evotep.jp/>) with a personal computer, smartphone, or cellular phone, and use the log-in ID and temporary password shown on the enclosed Voting Card. Follow the on-screen instructions to indicate your approval or disapproval no later than the aforementioned deadline.

##### [Multiple Exercises of Voting Rights]

- 1) In the event that voting rights are exercised both in writing (Voting Card) and electronically or magnetically (e.g., via the Internet), only the vote submitted electronically or magnetically (e.g., via the Internet) will be deemed valid.
- 2) In the event that voting rights are exercised multiple times electronically or magnetically (e.g., via the Internet), only the last vote will be deemed valid.

##### [TSE Platform for Electronic Voting]

Management trust banks and other nominee shareholders (including standing proxies) who send in applications to use the “Electronic Voting Platform for Institutional Investors” (the “TSE Platform”) operated by ICJ Inc., founded by Tokyo Stock Exchange, Inc. and other entities, in advance, may use the TSE Platform.

- (3) When Handling Voting Cards with No Indication of “Approval” or “Disapproval”  
If a Voting Card is submitted with no indication of either “approval” or “disapproval” of the respective proposals, the shareholders in question shall be deemed to have indicated “approval”.
- (4) Diverse Exercise of Voting Rights  
In the event that you exercise your voting rights diversely, please notify the Company in writing by three days prior to the General Shareholders Meeting stating your intention of diverse exercise and the reasons.

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- \* If you attend the meeting in person, please present the enclosed Voting Card at the reception desk upon your arrival at the meeting.
  - \* If any corrections in the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements or Reference Documents for the General Shareholders Meeting are determined to be necessary, such corrections will be posted on the Company’s website (<http://www.toyotanso.co.jp>).

# Reference Documents for the General Shareholders Meeting

## Proposals and References

### Proposal 1: Appropriation of surplus

We hereby propose the year-end dividends below. The Company's basic policy is to make strategic investments in order to strengthen competitiveness and enhance corporate value over the long term, and to distribute profits to shareholders in a continuous and stable fashion with due comprehensive consideration of business results for each fiscal year and funding needs, etc., for the future expansion of business operations and reinforcement of the operating foundations. The Company intends to use internal reserves for capital expenditures for production facilities, development of new products and investment in research and development.

Based on the above policy and financial results for the current term, the Company plans to pay a year-end dividend of ¥25 per share for the current term.

<Year-end dividend>

(1) Type of dividend property

Cash

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

¥25 per share of common stock of the Company

Total amount: ¥518,337,975

(3) Effective date of dividends from surplus

March 31, 2017

**Proposal 2:** Election of seven (7) Directors

The terms of office of all of the eight (8) Directors will expire at the conclusion of this meeting. To further promote the separation of execution of business and supervision, and to clarify the functions of management supervision, we propose the election of seven (7) Directors, reducing the number of Directors that execute business by one (1). Of the seven (7) candidates, three (3) are candidates for Outside Directors.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
1	Takashi Konishi (Jun. 17, 1960)	Apr. 1983    Joined NIHON YAKIN KAGAKU KOUGYOU CO LTD. Feb. 1985    Joined the Company Jun. 2006    General Manager, Quality Assurance Department General Manager, Atomic Energy Department May 2008    General Manager, Production Division, Production Department Sep. 2009    Executive Officer Aug. 2010    Director Director of Division, Production Division Mar. 2015    Representative Director, President, Totan Kako Co., Ltd. Representative Director, President, Ohwada Carbon Industrial Co., Ltd. (incumbent) President, Toyo Tanso Taiwan Co., Ltd. (incumbent) Jul. 2015    In charge of Global Quality Assurance, In charge of Quality Assurance Department, In charge of Environmental Control Department Mar. 2016    Representative Director (incumbent) President (incumbent) Executive President (incumbent)  <i>&lt;Important concurrent positions&gt;</i> Representative Director, President, Ohwada Carbon Industrial Co., Ltd. President, Toyo Tanso Taiwan Co., Ltd.	4,200
Reasons for nomination as Director Takashi Konishi has profound knowledge of and experience with the Company's carbon products manufacturing business and has made extensive contributions to the Company's overall management as a Director and an Executive Officer of the Company. Since assuming office as Representative Director, he has used his strong leadership to drive efforts to improve business results including structural reform of the Company's business, which is a top priority. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value.			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
2	Naruhito Ishihata (Jun. 3, 1962)	<p>Apr. 1987 Joined The Nikko Securities Co., Ltd. (current SMBC Nikko Securities Inc.)</p> <p>Sep. 1998 Joined JPMorgan Securities Asia Pte. Limited Vice President, Capital Markets Division, JPMorgan Securities Asia Pte. Limited</p> <p>Dec. 2002 Joined NIDEC CORPORATION Deputy General Manager, Finance Department and Assistant Advisor, Corporate Planning Department, NIDEC CORPORATION</p> <p>Feb. 2005 Joined OMRON Corporation General Manager of Business Development, Group Strategy Department, OMRON Corporation</p> <p>Sep. 2008 Joined GE International, Inc. Senior Executive Officer, Business Development Division, GE International, Inc.</p> <p>Jun. 2009 Joined Nissen Holdings Co., Ltd. Executive Officer, Finance Division</p> <p>Mar. 2012 Executive Officer, CFO, Nissen Holdings Co., Ltd.</p> <p>Oct. 2013 Chairman and Representative Director, GE Nissen Credit Co., Ltd.</p> <p>Jan. 2016 Joined the Company Executive Officer (incumbent) Planning, Finance and Management</p> <p>Mar. 2016 Director (incumbent) In charge of Finance, In charge of Planning Department (incumbent)</p> <p>Sep. 2016 In charge of US (incumbent) Representative Director, Chairman, TOYO TANSO USA, INC. (incumbent)</p> <p>&lt;Important concurrent positions&gt; Representative Director, Chairman, TOYO TANSO USA, INC.</p>	900
<p>Reasons for nomination as Director</p> <p>Naruhito Ishihata has, in addition to experience as a CFO at multiple listed companies, a wealth of knowledge and experience regarding business management and business strategy acquired at financial institutions and major companies in Japan and overseas. Since joining the Company, he has overseen financial management, corporate planning, and a subsidiary in the United States, and contributed to promoting structural reform of the Company's business and efforts to improve business results. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value through the effective use of shareholders' equity.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
3	Zhan GuoBin (Jul. 20, 1962)	<p>Jul. 1987 Lecturer, Shaanxi Normal University</p> <p>Jul. 1992 Joined China Electronics Import and Export Shaanxi CO., LTD.</p> <p>Mar. 1996 Joined the Company</p> <p>Jul. 1997 Vice President, SHANGHAI TOYO TANSO CO., LTD.</p> <p>Apr. 2003 Director and President, SHANGHAI TOYO TANSO CO., LTD.</p> <p>Sep. 2003 Director and President, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD.</p> <p>Aug. 2008 Executive Officer, the Company (incumbent)</p> <p>Aug. 2012 Director, the Company (incumbent)</p> <p>Sep. 2014 Chairman and President, TOYO TANSO (ZHEJIANG) CO., LTD. (incumbent)</p> <p>May 2015 Chairman and President, SHANGHAI TOYO TANSO CO., LTD. (incumbent)</p> <p>Chairman and President, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD. (incumbent)</p> <p>Jun. 2015 Chairman and President, JIAXIANG TOYO TANSO CO., LTD. (incumbent)</p> <p>Mar. 2016 In charge of Heat-Technology Material Division, In charge of Asia (incumbent)</p> <p><i>&lt;Important concurrent positions&gt;</i></p> <p>Chairman and President, SHANGHAI TOYO TANSO CO., LTD.</p> <p>Chairman and President, SHANGHAI TOYO TANSO INDUSTRIAL CO., LTD.</p> <p>Chairman and President, TOYO TANSO (ZHEJIANG) CO., LTD.</p> <p>Chairman and President, JIAXIANG TOYO TANSO CO., LTD.</p>	0
<p>Reasons for nomination as Director</p> <p>Zhan GuoBin has a wealth of management experience and profound knowledge of and experience with the Company's business, acquired while serving as a representative of subsidiaries in China, an important business region for the Company. He presides over the Company's business in Asia as a Director of the Company, and contributes to promoting structural reform of the Company's business and efforts to improve business results. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value.</p>			
4	Hiroki Tsutsumi (Aug. 8, 1962)	<p>Apr. 1985 Joined Shinano Kenshi Co., Ltd.</p> <p>Mar. 2002 General Manager of Personal Development, Business Promotion Division, Shinano Kenshi Co., Ltd.</p> <p>Nov. 2005 Director, Shinano Kenshi Staff Service Co., Ltd.</p> <p>Sep. 2010 Director and President, Shinano Kenshi (Hong Kong) Co., Ltd.</p> <p>Deputy Director General, Global Business Promotion Division, Shinano Kenshi Co., Ltd.</p> <p>Mar. 2013 Deputy Director General, Global Procurement Division, Shinano Kenshi Co., Ltd.</p> <p>Sep. 2015 Executive Officer, Shinano Kenshi Co., Ltd.</p> <p>Mar. 2016 Joined the Company</p> <p>Director (incumbent)</p> <p>Executive Officer (incumbent)</p> <p>Director of Division, General Administration Division, General Manager, Personnel Department, In charge of affiliates (incumbent)</p>	600
<p>Reasons for nomination as Director</p> <p>Hiroki Tsutsumi has a wealth of knowledge and experience regarding management restructuring, human resources, procurement, and global business administration. Since joining the Company, he has overseen the General Administration Division, and contributed to promoting structural reform of the Company's business and efforts to improve business results. Considering the above, the Company has nominated him as a candidate for Director because he is expected to appropriately execute duties as a Director of the Company and contribute to the increase of corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
5	Shogo Yamada (Jan. 25, 1966)	Apr. 1988 Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Corporation) Sep. 1992 Joined Aoyama Audit Corporation Apr. 1996 Registered as certified public accountant Aug. 2005 Registered as certified public tax accountant Sep. 2005 Representative Partner, Zeirishi-Hojin PricewaterhouseCoopers Jul. 2013 Established Shogo Yamada Certified Tax Accountant Office (to the present) Mar. 2014 Auditor, the Company Mar. 2015 Director, the Company (incumbent)  <i>&lt;Important concurrent positions&gt;</i> Director, Shogo Yamada Certified Tax Accountant Office Outside Director, CONTEC Co., Ltd.	500
<p>Reasons for nomination as Outside Director</p> <p>Although Shogo Yamada does not have experience being involved in corporate management other than being an outside officer, he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to strengthening the Company's corporate governance because he has knowledge of and experience with corporate law cultivated over many years as a certified public accountant and a certified public tax accountant, and experience as an Outside Director at the Company and other companies. Accordingly, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director will be two years at the conclusion of this General Shareholders Meeting.</p> <p>Shogo Yamada is concurrently engaged as Director of Shogo Yamada Certified Tax Accountant Office and serving as Outside Director at CONTEC Co., Ltd. There is no particular information that must be reported concerning the relationships between the Company and the aforementioned companies.</p>			
6	Mune Iwamoto (Jan. 3, 1949)	Apr. 1976 Joined Mitsui Toatsu Chemicals, Inc. (current Mitsui Chemicals, Inc.) Jun. 1995 General Manager, Polymers Division, Osaka R&D Center, Mitsui Toatsu Chemicals, Inc. Oct. 1997 Assistant to General Manager, Polymeric Planning & Coordination Division, Mitsui Chemicals, Inc. Jul. 1999 Director, General Manager, ABS Marketing & Sales Division, NIPPON A&L INC. Jun. 2001 General Manager, Specialty Resins Division, Functional Materials Business Group, Mitsui Chemicals, Inc. Jun. 2003 Senior Director, Mitsui Chemicals, Inc. Vice President, Japan Polystyrene, Inc. Jun. 2004 President & CEO, Japan Polystyrene, Inc. Apr. 2010 Councillor, Production & Technology Center, Mitsui Chemicals, Inc. Mar. 2016 Director, the Company (incumbent)  <i>&lt;Important concurrent positions&gt;</i> Outside Director, Takiron Co., Ltd.	2,900
<p>Reasons for nomination as Outside Director</p> <p>Mune Iwamoto is expected to offer useful advice for the development of the Company's business including the structural reform of the Company's business, because he has experience serving in research roles and on the management at major chemicals manufacturers, a wealth of knowledge concerning international activities, including the management and rebuilding of an overseas subsidiary, experience as an Outside Director at the Company and other companies, and because he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to the discussion and review of overall sales strategy, including the structural reform of the Company's business. Accordingly, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director will be one year at the conclusion of this General Shareholders Meeting.</p> <p>Mune Iwamoto is concurrently serving as an Outside Director at Takiron Co., Ltd. There is no particular information that must be reported concerning the relationship between the Company and the aforementioned company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company and important concurrent positions	Number of the Company's shares held
7	Yasuo Yamagata (Jun. 27, 1971)	<p>Apr. 2000 Registered as lawyer Joined Kansai Law &amp; Patent Office</p> <p>Mar. 2003 Auditor, MonotaRO Co., Ltd.</p> <p>Apr. 2005 Staff lawyer, Kansai Law &amp; Patent Office (incumbent)</p> <p>Mar. 2016 Director, the Company (incumbent)</p> <p>&lt;Important concurrent positions&gt; Staff lawyer, Kansai Law &amp; Patent Office Outside Director, MonotaRO Co., Ltd. Outside Corporate Director, Osaka City Dome Co., Ltd.</p>	0
<p>Reasons for nomination as Outside Director</p> <p>Although Yasuo Yamagata does not have experience being involved in corporate management other than being an outside officer, he is expected to appropriately fulfill the role of overseeing the execution of business and contribute to strengthening the Company's corporate governance because he has knowledge of and experience with corporate law cultivated over many years as a lawyer in the area of corporate law, and experience as an Outside Director at the Company and other companies. Accordingly, the Company has nominated him as a candidate for Outside Director. His term of office as an Outside Director will be one year at the conclusion of this General Shareholders Meeting.</p> <p>Yasuo Yamagata is concurrently working as a staff lawyer at Kansai Law &amp; Patent Office, serving as an Outside Director at MonotaRO Co., Ltd., and serving as an Outside Corporate Director at Osaka City Dome Co., Ltd. There is no particular information that must be reported concerning the relationships between the Company and the aforementioned companies.</p>			

- Notes:
1. There is no special interest between the candidates and the Company.
  2. Shogo Yamada, Mune Iwamoto and Yasuo Yamagata are candidates for Outside Directors.
  3. Matters concerning the candidates for Outside Directors are as follows:
    - (1) Liability limitation agreement with candidate for Outside Director

The Company has concluded contracts with Shogo Yamada, Mune Iwamoto and Yasuo Yamagata for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The amount of liability for damages under such an agreement is the higher of 5,000,000 yen or the minimum liability amount as provided for by the laws and regulations. In the event that they are re-elected, the Company intends to continue the agreements that it has concluded with them.
    - (2) Independence of candidates for Outside Directors

The Company has notified Shogo Yamada, Mune Iwamoto and Yasuo Yamagata as independent officers as prescribed by the Tokyo Stock Exchange. If they are re-elected, we plan to maintain their positions as independent officers. Until June 2013, Shogo Yamada was involved in the execution of business at Zeirishi-Hojin PricewaterhouseCoopers. The Company and the aforementioned company have concluded a consulting agreement. However, Shogo Yamada retired from the aforementioned company in July 2013. Moreover, in the 75th fiscal year (from January 1, 2016 to December 31, 2016), the amount of transactions between the Company and the aforementioned tax accountancy firm was limited to about 3,000,000 yen, and the size of this amount was proportionally insignificant compared with either the Company's net sales or the tax accountancy firm's operating revenue. Therefore, it is considered that there is no risk of conflict of interest between Shogo Yamada and general shareholders.



**Proposal 3:** Election of one (1) substitute Auditor

In order to prepare for a case in which the number of Auditor falls short of the number stipulated by laws and regulations, we propose the election of one (1) substitute Auditor.

Consent of the Audit & Supervisory Board has been obtained concerning this proposal.

The candidate for substitute Auditor is as follows:

Name (Date of birth)	Career summary, position in the Company and important concurrent positions	Number of the Company's shares held
Tadashi Edo (Sep. 16, 1944)	Jul. 2002 General Manager, Second Investigation Department, Osaka Regional Taxation Bureau Jul. 2003 Retired as General Manager, Second Investigation Department, Osaka Regional Taxation Bureau Aug. 2003 Registered as certified public tax accountant Established Tadashi Edo Certified Tax Accountant Office (to the present) Aug. 2006 Auditor, the Company Mar. 2014 Elected as substitute Auditor, the Company (to the present)  <i>&lt;Important concurrent positions&gt;</i> Certified public tax accountant, Tadashi Edo Certified Tax Accountant Office Outside Auditor, YJS Co., Ltd. Outside Auditor, Hashimoto metal industry Co., Ltd. Outside Auditor, ASAHI WOODTEC CORPORATION Outside Auditor, Doshisha Corporation	2,500
Reasons for nomination as substitute Outside Auditor Although Tadashi Edo does not have experience being involved in corporate management other than being an Outside Auditor, he has diverse knowledge and experience in finance and accounting as a certified public tax accountant. Moreover, it is considered that he will be able to execute duties as an Outside Auditor appropriately based on his experience of contributing to auditing at the Company as an Outside Auditor from August 2006 to March 2014. Accordingly, the Company has nominated him as a candidate for substitute Outside Auditor.		

- Notes:
1. There is no special interest between the candidate and the Company.
  2. Tadashi Edo is a candidate for substitute Outside Auditor.
  3. Matters concerning the candidate for substitute Outside Auditor are as follows:  
 Liability limitation agreement with candidate for substitute Outside Auditor  
 If Tadashi Edo assumes office as Auditor, the Company intends to conclude a contract with him for limitation of liability as provided for in Article 423, paragraph 1 of the Companies Act. The amount of liability for damages under such an agreement is the higher of 5,000,000 yen or the minimum liability amount as provided for by the laws and regulations.

**Proposal 4: Determination of compensation for granting restricted stocks to Directors of the Company (excluding Outside Directors)**

Regarding compensation of Directors of the Company, the monthly amount of up to 25 million yen was approved by resolution of the 63rd Ordinary General Shareholders Meeting held on August 30, 2005, and regarding stock option compensation that is separate to the compensation amount described above, the annual amount of up to 150 million yen was approved by resolution of the 67th Ordinary General Shareholders Meeting held on August 28, 2009.

The Company proposes the payment of compensation for newly granting the restricted stocks to Directors of the Company (excluding Outside Directors, hereinafter “the Eligible Directors”) in a framework that is separate to the compensation amount described above with the aim of, as part of revisions of compensation system for corporate officers, giving incentives to Eligible Directors for sustainable growth in our corporate value and making Eligible Directors further share values with our shareholders.

The compensation to be paid to Eligible Directors for granting the restricted stocks based on this proposal shall be monetary claim, and its total amount shall be 90 million yen or less per year, the level of amount deemed as reasonable in light of the aforementioned objective; provided, however, that the Company assumes in principle an amount equivalent to compensation for duties executed in three fiscal years will be paid to Eligible Directors in a lump sum as the compensation in the first year of the three fiscal years covered under the medium-term business plan, etc. The Company assumes the amount to be paid per fiscal year will be essentially 30 million yen or less. Furthermore, the total amount of monetary compensation claims to be provided to Eligible Directors in this fiscal year shall be 60 million yen or less because this fiscal year, in which the restricted-stock compensation plan will be newly introduced, is the second year of the three-year plan of the structural reform of the Company’s business. Also, the Company asks that specific granting periods and distributions to each Eligible Director be determined by the Board of Directors following deliberations of the Nominating Compensation Committee. The compensation for granting the restricted stocks shall not, however, be provided to Outside Directors.

The number of Directors is currently eight (including three Outside Directors). Subject to the approval and adoption of Proposal 2 “Election of seven (7) Directors” in its original form, the number of Directors will be seven (including three Outside Directors).

In addition, Eligible Directors shall pay all of the monetary compensation claims to be provided under this proposal in accordance with resolution of the Board of Directors of the Company in the form of property contributed in kind, and shall have the common stock of the Company be issued or disposed of. The total number of shares of common stock of the Company to be issued or disposed of thereby shall be 50,000 shares or less per year (However, adjustments will be made, to a reasonable extent, to the total number of shares of common stock of the Company if, on and after the day on which this proposal is approved and adopted, either a share split of common stock of the Company (including any allotment of shares of common stock of the Company without contribution) or a share consolidation is carried out, or cause arises that necessitates adjusting the total number of shares of common stock of the Company to be issued or disposed of as restricted stocks.).

The amount to be paid per share shall be determined based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately before each resolution by the Board of Directors (if there is no closing price on such date, the closing price of the closest preceding trading day). For the issuance or disposal of the common stock of the Company, an agreement on allotment of the restricted stocks that includes the following provisions (hereinafter the “Allotment Agreement”) shall be entered into between the Company and each Eligible Director.

(1) Restricted period

The Eligible Director may not transfer, offer as security, or otherwise dispose of the common stock of the Company allotted under the Allotment Agreement (hereinafter the “Allotted Shares”) for a period of minimum two years and maximum five years that starts from the day of allotment designated in the Allotment Agreement as determined in advance by the Board of Directors of the Company (hereinafter the “Restricted Period”). The restriction described in the previous sentence will hereinafter be referred to as the “Restriction.”

(2) Treatment on retirement from office

In case the Eligible Director retires from the position of director, operating officer, executive officer who is not serving as director, auditor, employee, advisor, senior advisor of the Company or any of its subsidiaries, or in an equivalent position thereto before the Restricted Period expires, the Company shall acquire such Allotted Shares by rights without contribution, unless there is a reason the Board of Directors of the Company deems justifiable such as term expiration and death.

(3) Lifting of the restriction

Notwithstanding the provision in (1) above, the Company shall lift the Restriction on all of the Allotted Shares upon expiration of the Restricted Period, on the condition that any of the Eligible Directors has remained in the position of director, operating officer, executive officer who is not serving as director, auditor, employee, advisor, senior advisor of the Company or any of its subsidiaries, or in an equivalent position thereto throughout the Restricted Period. In case, however, the Eligible Director retired from any of the positions defined in (2) above before expiration of the Restricted Period for a reason the Board of Directors deems justifiable, the Company shall make reasonable adjustments to the number of the Allotted Shares and the schedule to lift the Restriction as necessary.

(4) Treatment during reorganization, etc.

Notwithstanding the provision in (1) above, if a merger agreement under which the Company will become a non-surviving company, a share exchange agreement based upon which the Company will become a wholly-owned subsidiary, a stock transfer plan or other matters relating to organizational restructuring are approved in a General Shareholders Meeting of the Company during the Restricted Period (or approved by the Board of Directors of the Company in case that approval of the General Shareholders Meeting is not required), the Company may lift the Restriction by resolution of the Board of Directors of the Company prior to the date on which the organizational restricting becomes effective, in view of the period from the date of commencement of the Restricted Period through the date of approval on the organizational restricting. In the event specified above, the Company shall acquire by rights without contribution the Allotted Shares on which the Restriction has not been lifted as of the time immediately after the Restriction was lifted.

(5) Other matters to be determined by the Board of Directors

In addition to the above, the method for expressing intentions and giving notification in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.