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(Stock Exchange Code 6670)  
June 13, 2017

**To Shareholders with Voting Rights:**

Yuji Takashima  
Chairman  
MCJ Co., Ltd.  
6-14-53, Midori-cho, Kasukabe-shi,  
Saitama

**NOTICE OF CONVOCATION OF  
THE 19TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 19th Annual General Meeting of Shareholders of MCJ Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, then either indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us, or enter your vote on the website for the exercise of voting rights designated by the Company (<http://www.evotep.jp/>). In either case, please exercise your voting rights such that they are received no later than 6:00 p.m. Japan time on Tuesday, June 27, 2017.

The Company also participates in the platform for exercising voting rights for institutional investors operated by ICJ, Inc.

**1. Date and Time:** Wednesday, June 28, 2017 at 11:00 a.m. Japan time  
(Venue opens at 10:00 a.m.)

**2. Place:** Small hall at the Kasukabe Civic Culture Center located at  
2-8-61, Kasukabehigashi, Kasukabe-shi, Saitama, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 19th Fiscal Year (April 1, 2016 - March 31, 2017) and results of audits by the Accounting Auditor and the Board of Auditors on the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 19th Fiscal Year (April 1, 2016 - March 31, 2017)

**Proposals 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:** Election of the Accounting Auditor  
**Proposal 5:** Determination of Remuneration for Granting Restricted Stock to Directors

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue.

#### **4. Matters to be Disclosed on the Internet**

Of the matters to be included in this Notice, pursuant to laws and regulations and the provisions of Article 19 of the Company's Articles of Incorporation, Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are posted on the Company's website on the Internet and therefore are not included in the Attached Documents to this Notice.

#### **5. Information on Exercising Your Voting Rights**

If you are attending the General Meeting of Shareholders:

If you are attending the meeting, please bring the enclosed Voting Rights Exercise Form with you and submit it at the reception desk of the venue.

Attendees are kindly advised to arrive early at the venue to avoid congestion.

**Date and time of the General Meeting of Shareholders:**

**11:00 a.m. Japan time on Wednesday, June 28, 2017 (Venue opens at 10:00 a.m.)**

If you are not attending the General Meeting of Shareholders:

**Exercising your voting rights in writing:**

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to the Administrator of Shareholder Registry of the Company so that it is received by the voting rights exercise deadline.

**Voting rights exercise deadline:**

**Votes received by 6:00 p.m. Japan time on Tuesday, June 27, 2017**

**Exercising your voting rights via the Internet:**

Please access the **voting rights exercise website (<http://www.evotep.jp/>)** from your computer, smartphone or mobile phone, enter the code and password for exercising your voting rights, which are indicated on the enclosed Voting Rights Exercise Form, and register your vote for or against the proposals by following the on-screen instructions.

**Voting rights exercise deadline:**

**Votes exercised by 6:00 p.m. Japan time on Tuesday, June 27, 2017**

Any revisions to the accompanying Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-consolidated Financial Statements will be posted on the Company's website.

■ The Company's website: <http://www.mcj.jp/>

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of Surplus

Matters regarding year-end dividend:

The Company considers the enhancement of shareholder returns as one of its important management issues, and upholds the policy of performance-based dividend payment in accordance with the Company's business performance, while aiming for a dividend payout ratio of 25% or above of profit attributable to owners of parent.

In light of the Company's business performance for the 19th fiscal year and the above policy, the Company proposes a year-end dividend of ¥26 per share, indicating an increase of ¥13 per share from the ¥13 per share of the previous fiscal year, as per the following.

- (1) Type of dividend property  
Cash
- (2) Matters related to the allocation of dividend property and the total amount thereof  
¥26 per share of the Company's common stock  
Total amount: ¥1,264,410,238
- (3) Effective date of the dividends of surplus  
Thursday, June 29, 2017

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

The terms of office of all six (6) Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company proposes to increase the number of Outside Directors by one (1), in an effort to further reinforce its corporate governance system while strengthening its system for making management decisions by having various perspectives, and accordingly requests the election of seven (7) Directors.

The candidates for Directors are as follows:

No.	Name		Current Positions and Responsibilities in the Company
1	Yuji Takashima	[Reappointment]	Chairman & CEO
2	Motoyasu Yasui	[Reappointment]	President & COO
3	Takeshi Asagai	[Reappointment]	Director & Chief Administrative officer
4	Kenji Ishito	[Reappointment]	Director & CFO
5	Yoshito Arimura	[Reappointment] [Candidate for Outside Director] [Independent Director]	Director
6	Katsunori Ura	[Reappointment] [Candidate for Outside Director] [Independent Director]	Director
7	Norio Matsumura	[New appointment] [Candidate for Outside Director] [Independent Director]	-

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Yuji Takashima (April 2, 1974)  [Reappointment]  [Attendance at the Board of Directors meetings] 100%	Apr. 1993  May 1996  Aug. 1998 Sep. 2005  Mar. 2006 July 2006 Oct. 2006 June 2008 Nov. 2012 Aug. 2013  Jan. 2017  Apr. 2017	Joined Takashimaya Clothing Store Co., Ltd. (name changed to Takashima Co., Ltd. and then to Mouse Computer Japan Co., Ltd. before being acquired by MCJ Co., Ltd.) President & CEO, Takashimaya Clothing Store Co., Ltd. (name changed to Takashima Co., Ltd. and then to Mouse Computer Japan Co., Ltd. before being acquired by MCJ Co., Ltd.) President & CEO, MCJ Ltd. (currently MCJ Co., Ltd.) Director, Synnex Co., Ltd. (currently Tekwind Co., Ltd.) Director, Arosystem Co., Ltd. (currently UNIT.COM INC.) Chairman & CEO, MCJ Co., Ltd. Chairman & Director, MCJ Co., Ltd. Director, Mouse Computer Co., Ltd. Chairman & President & CEO, MCJ Co., Ltd. President & CEO, UNIT.COM INC. President & CEO, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) Director, UNIT.COM INC. (to present) Director, aprecio Co., Ltd. (to present) Chairman & CEO, MCJ Co., Ltd. (to present)	16,679,400
[Reason for nomination as candidate] Mr. Yuji Takashima, as the founder of the Company, has been playing a crucial role in the management of the Group since the establishment of the Company. Currently, as the Chairman & CEO of the Company, he has been directing and overseeing the overall management of the Group as well as realizing a medium- to long-term growth in earnings. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
2	Motoyasu Yasui (July 23, 1978)	July 2001	Joined GDH, Co., Ltd. (currently GONZO K.K.)	-
	[Reappointment]	Sep. 2002	Joined MCJ Co., Ltd.	
2	[Attendance at the Board of Directors meetings] 100%	June 2004	Manager, Finance and Accounting Department, MCJ Co., Ltd.	
		Apr. 2005	Executive Officer, Management Planning Department, MCJ Co., Ltd.	
		Aug. 2007	Manager, Industrial Growth Platform, Inc.	
		June 2008	Executive Officer, PIA Corporation	
		July 2011	Director, Industrial Growth Platform, Inc.	
		Oct. 2013	Senior Specialist, Inspection Bureau of Financial Services Agency	
		Oct. 2014	Principal, Industrial Growth Platform, Inc.	
		Mar. 2016	Executive Officer, President's Office, MCJ Co., Ltd.	
		June 2016	Director, Head of Business Development & IR, MCJ Co., Ltd.	
		Apr. 2017	President & COO, MCJ Co., Ltd. (to present)	
[Reason for nomination as candidate] Mr. Motoyasu Yasui, since his appointment as Director in June 2016, has been leveraging his extensive experience in corporate management and his knowledge of management as well as accounting and finance to promote the Group's strategic business development based on the Mid-term Management Plan. Also, as IR officer, he is proactively launching initiatives in the disclosure of information, including non-financial information, which would contribute to a better understanding of the Company and the Group. He was appointed President & COO in April 2017, and with the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				
3	Takeshi Asagai (December 21, 1966)	Apr. 1990	Joined The Kyowa Bank, Ltd. (currently Saitama Resona Bank, Limited)	590,100
	[Reappointment]	Apr. 2001	Director, MCJ Co., Ltd.	
	[Attendance at the Board of Directors meetings] 94%	Mar. 2006	President & CEO, MCJ Co., Ltd.	
		Oct. 2006	Director, Mouse Computer Co., Ltd. (to present)	
		June 2008	Director & Chief Administrative officer, MCJ Co., Ltd. (to present)	
		Aug. 2013	Director, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) (to present)	
[Reason for nomination as candidate] Mr. Takeshi Asagai, as Director & Chief Administrative officer, has been overseeing the administration divisions including general affairs, personnel affairs and legal affairs, and has been working to develop and operate an effective internal control system for the Group as well as enhancing its corporate governance framework. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
4	Kenji Ishito (April 18, 1968)  [Reappointment]  [Attendance at the Board of Directors meetings] 100%	Apr. 1991	Joined The Mitsubishi Bank, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	79,700
		Nov. 2000	Head of Management Planning Department, Parquitech Co., Ltd.	
		Dec. 2003	Assistant Manager, Management Department, Yokohama Jisho Co., Ltd.	
		Apr. 2004	Director & Head of Administrative Department, Yokohama Jisho Co., Ltd.	
		July 2005	Head of Administrative Department, Alive Community Co., Ltd. (currently, RUDEN HOLDINGS Co., Ltd.)	
		May 2006	Director & Head of Administrative Department, Alive Community Co., Ltd. (currently, RUDEN HOLDINGS Co., Ltd.)	
		June 2007	Head of Management Planning Department, MCJ Co., Ltd. Director, ADTEC Corporation	
		Aug. 2007	Executive officer, Head of Finance & Accounting Department, MCJ Co., Ltd.	
		June 2008	Director & Head of Finance & Accounting Department, MCJ Co., Ltd.	
		Oct. 2008	Director & CFO, MCJ Co., Ltd. (to present)	
		June 2011	Director, Synnex Co., Ltd. (currently Tekwind Co., Ltd.) (to present)	
		June 2012	Director, MVK Corporation (currently Aiuto Co., Ltd.) (to present)	
Aug. 2013	Director, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) (to present)			
June 2016	Director, UNIT.COM INC. (to present)			
[Reason for nomination as candidate] Mr. Kenji Ishito, as Director & CFO, has been formulating and executing finance strategies in response to the changes in the business environment surrounding the Group, and continues to make ongoing improvements to the Company's finance and accounting functions. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				
5	Yoshito Arimura (February 11, 1964)  [Reappointment] [Candidate for Outside Director] [Independent Director]  [Attendance at the Board of Directors meetings] 94%	Apr. 1997	Certified as an attorney	25,000
		July 1999	Founded Arimura Sogo Law Office (to present)	
		June 2007	Director, MCJ Co., Ltd. (to present)	
[Reason for nomination as candidate] Mr. Yoshito Arimura is extremely knowledgeable in corporate management, based on his extensive experience and high level of insight as an attorney, his experience as the legal counsel for the Company, as well as his subsequent experience serving as Outside Director of the Company. He draws on his knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that he will continue to provide beneficial advice to the Company's management, the Company requests his election as Outside Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Katsunori Ura (March 14, 1978)	Oct. 2003 Sep. 2007	Certified as an attorney, joined Blakemore & Mitsuki Auditor, SVC Securities Co., Ltd. (currently DMM.com Securities Co., Ltd.) (to present)	-
	[Reappointment] [Candidate for Outside Director] [Independent Director]	July 2011 Jan. 2012 June 2015 Mar. 2017	Outside Director, STYLE LINK Partner, Blakemore & Mitsuki (to present) Director, MCJ Co., Ltd. (to present) Outside Director, STYLE PORT Inc. (to present)	
	[Attendance at the Board of Directors meetings] 100%			
[Reason for nomination as candidate] Mr. Katsunori Ura is extremely knowledgeable in corporate management, based on his extensive experience and high level of insight as an attorney, as well as his experience serving as Outside Director of other companies. He draws on his knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that he will continue to provide beneficial advice to the Company's management, the Company requests his election as Outside Director.				
7	Norio Matsumura (January 5, 1944)	Apr. 1966 Jan. 1989	Joined NISSAN MOTOR CO., LTD. Head of Overseas Service Department, NISSAN MOTOR CO., LTD.	20,000
	[New appointment] [Candidate for Outside Director] [Independent Director]	Jan. 1992 Nov. 1993 June 1996 June 1997 June 1999 June 2005 July 2007 Aug. 2013 Apr. 2017	Director & Vice President, Nissan Europe S.A.S. President & COO, Nissan Motor Iberica, S.A. Director, NISSAN MOTOR CO., LTD. President & COO, Nissan Europe S.A.S. Director & Vice President, NISSAN MOTOR CO., LTD. President & CEO, Nissan Prince Oosaka Hanbai (currently Nissan Oosaka Hanbai) Corporate Advisor, KKR Japan (to present) Outside Director, Panasonic Healthcare Holdings Co., Ltd. (to present) President & CEO, MM Group Holdings Company, Limited (to present)	
[Reason for nomination as candidate] Mr. Norio Matsumura is extremely knowledgeable in corporate management, based on his extensive experience as corporate manager of a company engaged in global business development. With the belief that he will provide beneficial advice to the Company's management as a whole, the Company requests his election as Outside Director.				



(Notes)

1. There are no special interests between the candidates and the Company.
2. Term of office of Outside Directors of the Company
  - 1) At the conclusion of this General Meeting of Shareholders, Mr. Yoshito Arimura will have served ten years as Outside Director of the Company.
  - 2) At the conclusion of this General Meeting of Shareholders, Mr. Katsunori Ura will have served two years as Outside Director of the Company.
  - 3) Mr. Norio Matsumura is a new candidate for Outside Director.
3. Liability limitation agreement with Outside Directors

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Yoshito Arimura and Mr. Katsunori Ura to limit their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the greater of a predetermined amount of ¥300,000 or more or an amount stipulated by laws and regulations. If the reelection of Mr. Yoshito Arimura and Mr. Katsunori Ura is approved, the Company plans to continue the said agreements with them.

If Mr. Norio Matsumura is elected as Director of the Company, the Company plans to enter into a same agreement with him.
4. Independent Directors

Mr. Yoshito Arimura and Mr. Katsunori Ura are Independent Directors as stipulated by the Tokyo Stock Exchange and are registered as such at the said exchange. If their reelection is approved, the Company plans to continue their designation as Independent Directors.

If Mr. Norio Matsumura is elected as Director of the Company, he will be designated as an Independent Director as stipulated by the Tokyo Stock Exchange.

**Proposal 3: Election of One (1) Substitute Auditor**

To prepare for circumstances wherein the number of Auditors fails to meet the number prescribed by laws and regulations, the Company proposes the election of one (1) Substitute Auditor.

The effectiveness of this election may be cancelled based on the resolution of the Board of Directors, provided, however, that such cancellation is done prior to the assumption of office and with the consent of the Board of Auditors.

The Board of Auditors has given consent to this proposal.

The candidate for Substitute Auditor is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held	
Kazuyuki Togo (January 20, 1957)	Apr. 1980	Joined Chuo Audit Corporation	-
	Mar. 1983	Registered as Certified Public Accountant	
	July 1990	Joined Sanyu & Co. (Currently BDO Sanyu & Co.)	
	Sep. 2001	Senior Partner, BDO Sanyu & Co.	
	Mar. 2005	Registered as Tax Accountant	
	July 2008	Established Togo C.P.A. Office Representative, Togo C.P.A. Office (to present)	
	Jan. 2009	Founded RTB Consulting Inc. Representative Director, RTB Consulting Inc. (to present)	
	Jan. 2009	Founded SSJ Tax Accountant Corporation Senior Partner, SSJ Tax Accountant Corporation (to present)	
	June 2009	Outside Director, OOTOYA Holdings Co., Ltd.	
	June 2009	External Auditor, Kakaku.com, Inc.	
	June 2010	Outside Audit and Supervisory Committee Member, EXCEL CO., LTD.	
	June 2016	Outside Director (Audit and Supervisory Committee Member) of EXCEL CO., LTD. (to present)	

[Reason for nomination as candidate for Substitute Auditor]

Mr. Kazuyuki Togo is extremely knowledgeable in corporate management, based on his extensive expertise and experience as a certified public accountant, as well as his experience serving as director and corporate auditor at other companies. The Company believes that he will appropriately carry out his duties as Outside Auditor.

(Notes)

1. There is no special interest between the candidate and the Company.
2. Mr. Kazuyuki Togo is a candidate for Substitute Outside Auditor.
3. If Mr. Kazuyuki Togo assumes office as an Auditor, the Company, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the greater of a predetermined amount of ¥300,000 or more or an amount stipulated by laws and regulations.
4. If Mr. Kazuyuki Togo assumes office as an Auditor, he will be designated as an Independent Auditor as stipulated by the Tokyo Stock Exchange.

**Proposal 4:** Election of the Accounting Auditor

YUSEI Audit & Co. will terminate its services as the Company's Accounting Auditor upon expiry of its term of office at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of Grant Thornton Taiyo LLC as the new Accounting Auditor, based on the resolution of the Board of Auditors.

The Board of Auditors nominated Grant Thornton Taiyo LLC to serve as Accounting Auditor, having determined that the firm has in place a system to ensure the implementation of proper accounting audits and that the Company could expect to be supplied with a wide range of information, etc. from a new perspective, upon comprehensive consideration of factors such as the firm's size, quality management system, independence and professional expertise.

The candidate for Accounting Auditor is as follows.

Name	Grant Thornton Taiyo LLC	
Main office	NMF Aoyama 1-Chome Building, 8-1-22, Akasaka, Minato-ku, Tokyo	
Corporate history	Sep. 1971	Taiyo Audit Corporation founded
	June 1979	Eisho Audit Corporation founded
	Sep. 1985	Gen Audit Corporation founded
	Apr. 1991	Actus Audit Corporation founded
	Oct. 1994	Joined Grant Thornton International
	Apr. 1998	Kasumigaseki Audit Corporation founded
	Apr. 1999	Gen Audit Corporation and Actus Audit Corporation merged to become Actus Gen Audit Corporation
	July 2001	Changed the corporation name to ASG Audit Corporation ("ASG" written in Japanese characters)
	Feb. 2003	Changed the corporation name to ASG Audit Corporation ("ASG" written in English characters)
	Jan. 2006	Taiyo Audit Corporation and ASG Audit Corporation merged to become Grant Thornton Taiyo ASG
	July 2008	Converted organizational form to limited liability company to become Grant Thornton Taiyo ASG LLC
	July 2012	Merged with Eisho Audit Corporation
	Oct. 2013	Merged with Kasumigaseki Audit Corporation
	Oct. 2014	Changed the corporate name to Grant Thornton Taiyo LLC
Corporate profile (As of March 31, 2017)	Capital:	¥293 million
	Number of employees	
	Representative Partners and Partners:	53
	Specified Partners:	1
	Certified Public Accountants (CPAs):	180
	Junior CPAs, newly certified public accountants:	85
	Other professionals:	37
	Other employees:	42
	Total:	398
	Number of companies audited:	528

**Proposal 5:** Determination of Remuneration for Granting Restricted Stock to Directors

The current amount of Directors' remunerations, etc. of ¥300 million or less per year (excluding the employee salary portion for Directors who also serve as employees) was approved by the Extraordinary General Meeting of Shareholders of the Company held on October 2, 2000.

The Company, in an effort to have the Directors (excluding Outside Directors) share in the benefits and risks of fluctuating stock prices with the shareholders and further raise their incentive toward boosting of the Company's share price as well as contributing to the enhancement of corporate value, has decided to grant Directors (excluding Outside Directors) shares of common stock of the Company that are subject to a certain transfer restriction period and other provisions including the acquisition by the Company without consideration (hereinafter the "Restricted Stock") as per the following.

Accordingly, the Company, upon comprehensively taking into account various circumstances including the degree of contribution by each Director, proposes to set the total amount of monetary remuneration receivables to be paid to Directors (excluding Outside Directors) as remuneration related to the Restricted Stock at ¥100 million or less per year, which will be separate from the above mentioned remunerations, etc. to Directors.

The granting of the Restricted Stock has been determined upon comprehensively taking into account various circumstances including the degree of contribution by each Director, and the Company thus considers the plan to be reasonable.

Furthermore, there are currently four (4) Directors (excluding Outside Directors) and if Proposal No. 2 is approved, there will be four (4) Directors (excluding Outside Directors).

The upper limit of the number of shares and other specifics of the Restricted Stock to be granted to the Directors (excluding Outside Directors) of the Company

1. Granting and payment of the Restricted Stock

The Company, in accordance with the resolution of the Board of Directors of the Company, shall pay monetary remuneration receivables to the Directors (excluding Outside Directors) of the Company within the amount per year stipulated above, for granting the Restricted Stock. Each Director will be granted the Restricted Stock by means of making an in-kind contribution of all such monetary remuneration receivables.

The amount paid per share shall be determined by the Board of Directors of the Company within an amount which is not particularly advantageous to the Directors who underwrite the said Restricted Stock, based on the closing price (if no transaction is made on such day, the closing price on the transaction day immediately prior thereto) of the common stock of the Company on the Tokyo Stock Exchange on the business day immediately prior to the date of the resolution of the Board of Directors of the Company.

Furthermore, the payment of monetary remuneration receivables shall be conditional upon the conclusion of a restricted stock grant agreement expressing the consent of the Directors of the Company to the above in-kind contribution, and containing the contents stated in 3. below.

2. Total number of the Restricted Stock

The total number of the Restricted Stock of 100,000 shares to be granted to Directors (excluding Outside Directors) of the Company shall be the upper limit of the shares of the Restricted Stock to be granted each fiscal year.

However, in the event that the Company conducts a stock split (including gratis allotment of the common stock of the Company), a reverse stock split or any similar event requiring adjustment of the total number of the Restricted Stock to be granted, which becomes effective after the date of resolution of this Proposal, the total number of shares of the Restricted Stock may be adjusted in a reasonable manner.

3. Contents of the restricted stock grant agreement

When granting the Restricted Stock, in accordance with the resolution of the Board of Directors of the Company, the restricted stock grant agreement to be concluded between the Company and the Directors who will be granted the Restricted Stock, shall include the following.

(1) Details of the transfer restriction

Directors who has been granted the Restricted Stock must not transfer to a third party, create a security interest on, pledge as mortgage security, bequeath before death, bequest or otherwise dispose of said Restricted Stock during the period stipulated in advance by the Board of Directors of the Company that is between five years to ten years (hereinafter the "Transfer Restriction Period").

(2) Acquisition without consideration of the Restricted Stock

In the event that a Director who has been granted the Restricted Stock retires from all duties as Director,

Executive Officer and employee of the Company or its subsidiaries, at any point until the day before the Company's first Annual General Meeting of Shareholders following the commencement of the Transfer Restriction Period, the Company shall rightfully acquire the Restricted Stock granted to the said Director (hereinafter the "Granted Shares") without consideration, except for cases where there is any reason deemed justifiable by the Board of Directors of the Company.

Furthermore, if at the expiry of the Transfer Restriction Period, as set forth in (1) above, there are remaining Granted Shares for which the transfer restriction had not been cancelled, based on the grounds for cancelling transfer restrictions, set forth in (3) below, the Company shall rightfully acquire such shares without consideration.

(3) Cancellation of transfer restrictions

The Company shall, conditional upon the Director who has been granted the Restricted Stock continuously remaining in the office of Director until the day before the Company's first Annual General Meeting of Shareholders following the commencement of the Transfer Restriction Period, cancel the transfer restrictions of all of the Granted Shares as at the time when the Transfer Restriction Period expires.

However, in cases where a Director retires from all duties as Director, Executive Officer and employee of the Company or its subsidiaries prior to the expiry of the Transfer Restriction Period, for justifiable grounds as determined by the Board of Directors of the Company, the Company shall adjust the number of the Granted Shares for which the transfer restrictions are to be cancelled and the timing of the cancellation, as necessary, in a reasonable manner.

(4) Treatment in the event of an organizational restructuring and other changes

If matters relating to a merger agreement to make the Company a non-surviving company, or a share exchange agreement or a share transfer plan to make the Company a wholly-owned subsidiary of another party, or any other form of organizational restructuring, etc. are approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company if such organizational restructuring, etc. does not require the approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company, prior to the effective date of such organizational restructuring, etc. shall cancel, by the resolution of the Board of Directors of the Company, the transfer restrictions with regard to the reasonably determined number of the Granted Shares based on the period from the date of the beginning of the Transfer Restriction Period to the date of the approval of such organizational restructuring, etc.

In such cases, the Company shall rightfully acquire without consideration the Granted Shares for which the transfer restrictions have not been cancelled at the time immediately after the cancellation of the transfer restrictions in accordance with the above provision.