

[Translation: For reference only]

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

Sanwa Holdings Corporation

(Stock Code: 5929)

June 6th, 2016

1-1, Nishi-Shinjuku 2-Chome,
Shinjuku-ku, Tokyo, Japan

Toshitaka Takayama
Representative Director
Chairman and CEO

Convocation Notice of The 81st Ordinary General Meeting of Shareholders

To Our Shareholders;

We hereby would like to appreciate your constant and deep consideration to Sanwa Holdings Corporation (the “Company”).

The 81st Ordinary General Meeting of Shareholders of the Company will be held as described below and you are cordially invited to attend the Meeting.

If you cannot attend the Meeting, you may exercise your voting rights either in writing or via electronic media (including Internet). We ask that you please exercise your voting rights no later than 5:15 p.m. on June 27, 2016 (Monday) after carefully reading the “Reference Materials for Shareholders’ Meeting” shown below.

Recitals

1. Date and Time: Tuesday, June 28th, 2016 at 10:00 a.m.
(Reception begins at 9:00 a.m.)

2. Place: **NS Sky-Conference Room 1, Shinjuku NS Building, 30th floor**
4-1, Nishi-Shinjuku 2-Chome, Shinjuku-ku, Tokyo

3. Agenda of the Meeting:

Matters to be Reported:

1. Report on the Business Report, the Consolidated Financial Statements, and the Audit Reports of the Accounting Auditor and the Board of Corporate Auditors on the Consolidated Financial Statements, for the 81st Term (from April 1, 2015 to March 31, 2016).
2. Report on the Non-Consolidated Financial Statements for the 81st Term (from April 1, 2015 to March 31, 2016).

Matter to be Resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Partial Amendment of the Articles of Incorporation
- Proposal 3: Election of Eight Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 4: Election of Three Directors Serving as Audit and Supervisory Committee Members
- Proposal 5: Election of One Director Serving as Substitute Audit and Supervisory Committee Member
- Proposal 6: Determination of Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
- Proposal 7: Determination of Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members

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- Upon attending the Meeting, please present the enclosed Form for Exercise of Voting Rights to the receptionist. Additionally, to conserve resources, please bring this “Notice” and “81st Report” with you.
 - When the need arises to amend “Reference Materials for Shareholders’ Meeting,” such amendments will be announced on the Company’s website at <http://www.sanwa-hldgs.co.jp/> on Internet.

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How to Exercise Voting Rights

[Exercise of voting rights in writing]

You are kindly asked to send us via return mail the enclosed Form for Exercise of Voting Rights after indicating your approval or disapproval of the Proposals to arrive no later than 5:15 p.m. on June 27, 2016 (Monday).

[Exercise of voting rights via electronic media (including Internet)]

You are kindly asked to exercise your voting rights no later than 5:15 p.m. on June 27, 2016 (Monday) in accordance with the instructions contained in the “Guide to Exercising Your Voting Rights via Electronic Media (including Internet)” shown on page 37.

Reference Materials for Shareholders' Meeting

Proposals and Reference Materials

Proposal 1: Appropriation of Surplus

It is proposed that surplus to be appropriated as follows.

Matters related to term-end dividends

It is the Company's basic policy to provide dividend payments related to consolidated performance and to keep stable payout ratio in order to further pursue corporate management for increasing the corporate value. Concretely, dividend payments of the profit attributable to owners of parent for the term are aimed to be 35% as payout ratio.

Furthermore, the Company welcomed the 60th anniversary of its founding on April 10 of this year, so in order to thank the shareholders for their support, the term-end dividend for the 81st fiscal term is proposed to be ¥13 per share, with a 60th anniversary commemorative dividend of ¥3 added to the ordinary dividend of ¥10 per share, as detailed below.

- (1) Type of dividend assets
Cash
- (2) Items relating to the allocation of dividend assets to shareholders and its total amount
¥13 per share of common stock Total ¥2,973,776,637
(¥23 per annum adding paid interim dividend ¥10 per share)
- (3) Effective date of payment of dividend from surplus
June 29, 2016

Proposal 2: Partial Amendment of the Articles of Incorporation

1. Reasons for the proposal

- (1) In order to strengthen the supervisory functions for the Board of Directors and further reinforce corporate governance as well as speed up the decision process for management, the Company has decided to transition to a company with Audit and Supervisory Committee. In accordance with the transition to a company with Audit and Supervisory Committee, the Company proposes to newly establish provisions relating to Directors Serving as Audit and Supervisory Committee Members and the Audit and Supervisory Committee, delete provisions relating to Corporate Auditors and the Board of Auditors and newly establish provisions relating to the delegation of authority to Directors with the purpose of rapid decision-making in management and change the term of office for Directors.
- (2) Due to the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), the scope of Directors who can conclude limited liability agreements has expanded, the Company proposes to amend certain provisions to enable the Company to conclude limited liability agreements with Directors who do not perform business executions as well. Please note that the Company has obtained prior consent of all Corporate Auditors with regard to the submission of this Proposal to this General Meeting of Shareholders.
- (3) In order to ensure flexible capital and dividends policies, revisions shall be made so that the appropriation of surplus can be performed by the resolution of the Board of Directors.
- (4) In order to keep the business objectives in line with the current situation of operation activity, further clarify business contents, and gain the ability to respond to business developments moving forward, business objectives shall be added and updated.
- (5) The Company will make other necessary changes, such as partial revisions of words and phrasing, and changing sections by adding or deleting them.

2. Contents of the amendment

Contents of the amendment are as follows. (shown on the next page)

Partial revisions of the Articles of Incorporation in this Proposal shall become effective at the conclusion of this Ordinary General Meeting of Shareholders.

(The amended parts are underlined)

| Current Articles of Incorporation | Proposed Amendment |
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| <p style="text-align: center;">Section I: General Provisions</p> <p>(Business Name) Article 1 The name of the Company shall be Sanwa Holdings Kabushiki Kaisha, and shall be expressed as Sanwa Holdings Corporation in the English language.</p> <p>(Objectives) Article 2 The Objectives of the Company are <u>to conduct the following business, as well as</u> to control and manage business activities of the companies <u>or foreign companies</u> which conduct following <u>or similar type of</u> business, through holding their entire or partial shares.</p> <ol style="list-style-type: none"> 1. Production, <u>installation</u>, sales and export/import of various shutter, door, sash, storm door, partition, <u>construction metal</u>, interior or exterior products, utensil, <u>fixtures</u>, ornaments, <u>air conditioning system</u>, <u>elevator for carry, cleaner and device or system for recycling industrial waste</u>. 2. Production, <u>processing</u>, sales and export/import of <u>residence and construction materials for building</u>. 3. Production, <u>installation</u>, sales and export/import of <u>emergency facility</u>. <p style="text-align: center;"><new addition></p> <ol style="list-style-type: none"> 4. Design, management, contract and construction of building. 5. <u>Production, installation, sales and control of electrical facilities and anti-burglar system</u>. 6. Renovation, reconstruction and reformation of housing. 7. Production, sales and export/import of care goods and device. 8. Maintenance service to each of aforesaid paragraph. | <p style="text-align: center;">Section I: General Provisions</p> <p>(Business Name) Article 1 The name of the Company shall be Sanwa Holdings Kabushiki Kaisha, and shall be expressed as Sanwa Holdings Corporation in the English language.</p> <p>(Objectives) Article 2 The Objectives of the Company are to control and manage business activities of the companies <u>(including foreign companies)</u> which conduct following business, through holding their entire or partial shares.</p> <ol style="list-style-type: none"> 1. Production, sales and export/import of various shutter, door, sash, storm door, partition, interior or exterior products, utensil, ornaments, <u>and other construction joinery or hardware</u>. 2. Production, sales and export/import of <u>construction materials for residence and commercial building</u>. 3. Production, sales and export/import of <u>disaster prevention equipment, security equipment, electrical equipment, firefighting equipment, hoisting equipment, air conditioning equipment, and plumbing and sanitary equipment</u>. 4. <u>Production, sales, and export/import of cleaning devices, environment conservation devices, disposal of industrial waste, domestic waste and similar waste material, and devices and apparatuses relating to recycling</u>. <p style="text-align: right;"><moved to 8.></p><p style="text-align: right;">< integrated into 3.></p><p style="text-align: right;">< moved to 9.></p> 5. Production, sales and export/import of care goods and device. 6. <u>Design, construction/installation, supervision, and contracts for each type of structure, in addition to maintenance services of products, equipment, and devices listed in the aforesaid paragraph</u>. |

| Current Articles of Incorporation | Proposed Amendment |
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| <p><u>9.</u> Acceptance of testing consignment of fire proof, insulation, airtightness of any products related to each of aforesaid paragraph.</p> <p style="text-align: center;"><moved from 4.></p> <p style="text-align: center;">< moved from 6.></p> <p><u>10.</u> Management, maintenance and cleaning of building and its related facilities.</p> <p style="text-align: center;">< moved from 20.></p> <p><u>11.</u> Total security business.</p> <p><u>12.</u> Total leasing business.</p> <p><u>13.</u> Operation of home-center.</p> <p><u>14.</u> Agency of liability insurance and sales promotion of life insurance.</p> <p><u>15.</u> Development, sales of computer software & IT system and sales of computer and its related device.</p> <p style="text-align: center;"><new addition></p> <p><u>16.</u> Sales, management, rent and agent for real estate.</p> <p><u>17.</u> Sales, possession and investment of securities.</p> <p><u>18.</u> Loan and debt guarantee.</p> <p><u>19.</u> Freight business.</p> <p style="text-align: center;"><new addition></p> <p><u>20.</u> Power generation; supply, sales and purchase of electricity; and production, installation and sales of power generating equipment.</p> <p><u>21.</u> Any business relating to any of aforesaid paragraph.</p> <p style="text-align: center;"><new addition></p> | <p><u>7.</u> Acceptance of testing consignment of fire proof, insulation, airtightness of any products, <u>facilities, and devices, etc.</u> related to each of aforesaid paragraph.</p> <p><u>8.</u> Design, management, contract and construction/installation of buildings, <u>woodwork construction, rooftop construction, tile, brick, and block construction, steel structure construction, metal plate construction, interior finish construction, joinery construction, and fire equipment construction.</u></p> <p><u>9.</u> Renovation, reconstruction and reformation of housing and commercial building.</p> <p><u>10.</u> Management, maintenance and cleaning of building and its related facilities.</p> <p><u>11.</u> Power generation; supply, sales and purchase of electricity; and production, installation and sales of power generating equipment.</p> <p><u>12.</u> Total security business.</p> <p><u>13.</u> Total leasing business.</p> <p><u>14.</u> Operation of home-center.</p> <p><u>15.</u> Agency of liability insurance and sales promotion of life insurance.</p> <p><u>16.</u> Development, sales of computer software & IT system and sales of computer and its related device.</p> <p><u>17.</u> <u>The acquisition, management, lending, and sale of intellectual property rights such as industrial property rights and copyrights.</u></p> <p><u>18.</u> Sales, management, rent and agent for real estate.</p> <p><u>19.</u> Sales, possession and investment of securities.</p> <p><u>20.</u> Loan and debt guarantee.</p> <p><u>21.</u> Freight business.</p> <p><u>22.</u> <u>Contracting and customs for warehousing and handling cargo.</u></p> <p><u>23.</u> <u>Mail -order business that uses the internet.</u></p> <p><u>24.</u> <u>Labor dispatch services</u></p> <p><u>25.</u> <u>Planning, creation, operation, and management of homepages.</u></p> <p><u>26.</u> <u>Service business related to vehicles.</u></p> <p><u>27.</u> <u>Consulting business related to general management.</u></p> <p style="text-align: center;">< moved to 11.></p> <p><u>28.</u> Any business relating to any of aforesaid paragraph.</p> <p><u>(2) The Company may operate the businesses listed in each of the above items.</u></p> |

| Current Articles of Incorporation | Proposed Amendment |
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| <p>(Head Office Location) Article 3 <text omitted></p> <p>(Bodies) Article 4 Apart from the General Meeting of Shareholders and Directors, the Company shall have the following bodies:</p> <ol style="list-style-type: none"> 1. The Board of Directors 2. <u>Corporate Auditors</u> 3. <u>The Board of Corporate Auditors</u> 4. Accounting Auditor <p>(Methods of Public Notice) Article 5 <text omitted></p> <p style="text-align: center;">Section II: Shares</p> <p>(Total Number of Authorized Shares) Article 6 The Company's total number of authorized shares shall be set at 550 million shares.</p> <p><u>(Acquisition of Treasury Shares)</u> <u>Article 7</u> <u>The Company is able to acquire treasury shares by the resolution of the Board of Directors, in accordance with the provisions of Article 165, Paragraph 2 of the Companies Act.</u></p> <p>(Number of Share Units) Article 8 <text omitted></p> <p>(Shareholder Rights for Fractional Shares) Article 9 Shareholders of the Company's fractional shares cannot exercise rights aside from those listed below:</p> <ol style="list-style-type: none"> 1. Rights listed in Article 189, Paragraph 2 of the Companies Act 2. <text omitted> 3. Rights to receive distribution of subscription shares or subscription share acquisition rights 4. Rights to request adding to holdings of fractional shares, as stipulated in Article 10 of these Articles of Incorporation. | <p>(Head Office Location) Article 3 <same as present></p> <p>(Bodies) Article 4 Apart from the General Meeting of Shareholders and Directors, the Company shall have the following bodies:</p> <ol style="list-style-type: none"> 1. The Board of Directors 2. <u>Audit and Supervisory Committee</u> <deleted> 3. Accounting Auditor <p>(Methods of Public Notice) Article 5 <same as present></p> <p style="text-align: center;">Section II: Shares</p> <p>(Total Number of Authorized Shares) Article 6 The Company's total number of authorized shares shall be set at 550 million shares.</p> <p style="text-align: center;"><deleted></p> <p>(Number of Share Units) Article 7 <same as present></p> <p>(Rights Regarding Fractional Shares) Article 8 Shareholders of the Company cannot exercise rights other than those rights listed below <u>with regard to the fractional shares in their possession</u>:</p> <ol style="list-style-type: none"> 1. Rights listed in <u>each item</u> of Article 189, Paragraph 2 of the Companies Act. 2. <same as present > 3. Rights to receive distribution of subscription shares or subscription share acquisition rights, <u>corresponding to the number of shares possessed by the shareholder</u>. 4. Rights to request adding to holdings of fractional |

| Current Articles of Incorporation | Proposed Amendment |
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| <p>(Adding to Holdings <u>Request of Fractional Shares</u>) Article <u>10</u></p> <p>(1) Shareholders in possession of fractional shares of the Company may request to sell back (<u>hereinafter Add to Holdings</u>) a number of shares that corresponds to the number of fractional shares.</p> <p>(2) <u>The period available to request an Add to Holdings and the method of requesting shall be determined based on the Share Handling Regulations, which are stipulated by the Board of Directors.</u></p> <p>(Shareholder Registry Administrator) Article <u>11</u></p> <p>(1) The Company shall establish a shareholder registry administrator <u>to the shares</u>.</p> <p>(2) The shareholder registry administrator and his place of business shall be <u>appointed</u> by the resolution of the Board of Directors, and shall report this fact.</p> <p>(3) The shareholder registry and the share acquisition right registry of the Company <u>shall be located at the place of business of the shareholder registry administrator, and the Company shall not handle work related to share acquisition rights, including the registration, recording, subtracting from holdings or adding to holdings of fractional shares in the shareholder registry or share acquisition right registry, deferring such work to the shareholder registry administrator.</u></p> <p>(Procedures and Fees Regarding Shares) Article <u>12</u></p> <p>Handling and fees regarding <u>registration, recording, subtracting from holdings, adding to holdings, etc., in the shareholder registry and share acquisition right registry</u> shall be stipulated in the Share Handling Regulations of the Board of Directors, in addition to <u>stipulations</u> of laws and regulations or the Articles of Incorporation.</p> <p style="text-align: center;"><new addition></p> | <p>shares, as stipulated in Article <u>9</u> of these Articles of Incorporation.</p> <p>(Adding to Holdings of Fractional Shares) Article <u>9</u></p> <p>Shareholders in possession of fractional shares of the Company may request to sell back to <u>the Company</u> a number of shares that corresponds to the number of fractional shares <u>in their possession, as stipulated by the Share Handling Regulations.</u></p> <p style="text-align: center;"><deleted></p> <p>(Shareholder Registry Administrator) Article <u>10</u></p> <p>(1) The Company shall establish a shareholder registry administrator.</p> <p>(2) The shareholder registry administrator and his place of business shall be <u>stipulated</u> by the resolution of the Board of Directors, and shall report this fact.</p> <p>(3) <u>Work regarding the creation and preparation of the Company's shareholder registry and share acquisition right registry, in addition to other operations for the shareholder registry and share acquisition right registry, shall be entrusted to the shareholder registry administrator, and shall not be handled by the Company.</u></p> <p>(Share Handling Regulations) Article <u>11</u></p> <p>Handling and fees regarding the <u>exercise of rights, shares, and share acquisition rights of the Company's shareholders</u> shall depend on the Share Handling Rights stipulated <u>by</u> the Board of Directors, in addition to the laws and regulations, and these Articles of Incorporation.</p> <p>(Decision-making Body of Gratis Allotment of Share Acquisition Rights) Article <u>12</u></p> <p><u>With regard to items concerning the gratis allotment of share acquisition rights, in addition to determinations by</u></p> |

| Current Articles of Incorporation | Proposed Amendment |
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| <p>(Record Date)</p> <p><u>Article 13</u></p> <p>(1) <u>With the final shareholder registered or recorded in the shareholder registry on March 31 of each year, the Company shall set the shareholders who should exercise their rights in the General Meeting of Shareholders concerning the fiscal year in question.</u></p> <p>(2) <u>In the event that those aside from the ones in the previous item are necessary, by the resolution of the Board of Directors, a notification shall be sent in advance, and the shareholders who are able to exercise their rights shall be stipulated with the shareholders who are registered or recorded as of a certain date.</u></p> <p>Section III: General Meetings of Shareholders</p> <p>(Decision-making Body of Gratis Allotment of Share Acquisition Rights)</p> <p><u>Article 14</u></p> <p><u>With regard to the items concerning the gratis allotment of share acquisition rights, in addition to determinations by the resolution of the Board of Directors, the Company may also reach determination by the resolutions of the General Meeting of Shareholders, or by the resolution of the Board of Directors based on a mandate by the resolution of the General Meeting of Shareholders.</u></p> <p>(<u>Ordinary General Meetings of Shareholders and Extraordinary General Meetings of Shareholders</u>)</p> <p><u>Article 15</u></p> <p>Ordinary General Meetings of Shareholders shall be convened in June of each year, and Extraordinary General Meetings of Shareholders shall be convened as needed.</p> <p><new addition></p> | <p><u>resolutions of the Board of Directors, the Company may also reach determination by resolutions of the General Meeting of Shareholders or a resolution of the Board of Directors based on a mandate from a resolution of the General Meeting of Shareholders.</u></p> <p><deleted></p> <p><deleted></p> <p>Section III: General Meetings of Shareholders</p> <p><deleted></p> <p>(<u>Convocations of the General Meeting of Shareholders</u>)</p> <p><u>Article 13</u></p> <p>Ordinary General Meetings of Shareholders <u>of the Company</u> shall be convened in June of each year, and Extraordinary General Meetings of Shareholders shall be convened as needed.</p> <p>(<u>Record Date of the Ordinary General Meeting of Shareholders</u>)</p> <p><u>Article 14</u></p> <p><u>The record date of voting rights of the Ordinary General</u></p> |

| Current Articles of Incorporation | Proposed Amendment |
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| <p>(Chairman of General Meeting of Shareholders)</p> <p>Article <u>16</u></p> <p>Unless otherwise provided by laws and regulations, a general meeting of shareholders of the Company shall be convened by the Director previously appointed <u>by</u> the Board of Directors <u>in accordance with the resolution by the Board of Directors</u>.</p> <p>If <u>said</u> Director is prevented from so acting, one of the other Directors shall take his/her place in the order previously fixed <u>by</u> the Board of Directors.</p> | <p><u>Meeting of Shareholders of the Company shall be March 31 of each year.</u></p> <p>(<u>Convocator and</u> Chairman of General Meeting of Shareholders)</p> <p>Article <u>15</u></p> <p>(1) Unless otherwise provided by laws and regulations, a general meeting of shareholders of the Company shall be convened <u>and chaired</u> by the Director <u>previously appointed by</u> the Board of Directors.</p> <p>(2) Should <u>the</u> Director <u>in the previous item</u> have an accident, one of the other Directors shall take his/her place in the order previously fixed <u>by</u> the Board of Directors.</p> |
| <p><u>(Chairman of General Meeting of Shareholders)</u></p> <p>Article <u>17</u></p> <p><u>The Director previously appointed by the Board of Directors shall chair a general meeting of shareholders.</u></p> <p><u>If said Director is prevented from so acting, one of the other Directors shall take his/her place in the order previously fixed by the Board of Directors.</u></p> | <p><deleted></p> <p><deleted></p> |
| <p>(Internet Exposition and Consent Provision in the General Meeting of Shareholder Reference Documents, etc.)</p> <p>Article <u>18</u> <text omitted></p> | <p>(Internet Exposition and Consent Provision in the General Meeting of Shareholder Reference Documents, etc.)</p> <p>Article <u>16</u> <same as present></p> |
| <p>(Resolutions of the General Meeting of Shareholders)</p> <p>Article <u>19</u></p> <p>(1) Resolutions of the General Meeting of Shareholders shall be conducted through a majority of the voting rights of shareholders who are able to attend in person and exercise their voting rights, <u>in addition to cases stipulated separately</u> by laws and regulations, and these Articles of Incorporation.</p> <p>(2) <u>Regardless of the regulations in the preceding item</u>, resolutions of the General Meeting of Shareholders, as stipulated in Article 309, Paragraph 2 of the Companies Act, may be conducted if shareholders in possession of more than one third (1/3) of the voting rights of the shareholders who are able to exercise their voting rights are present, and more than two thirds (2/3) of the voting rights are exercised.</p> | <p>(Resolutions of the General Meeting of Shareholders)</p> <p>Article <u>17</u></p> <p>(1) Resolutions of the General Meeting of Shareholders shall be conducted <u>with</u> a majority of the voting rights of shareholders who are able to attend in person and exercise their voting rights, <u>unless otherwise provided</u> by laws and regulations, and these Articles of Incorporation.</p> <p>(2) Resolutions of the General Meeting of Shareholders, as <u>stipulated in</u> Article 309, Paragraph 2 of the Companies Act, may be conducted if shareholders in possession of more than one third (1/3) of the voting rights of shareholders who are able to exercise their voting rights are present, and more than two thirds (2/3) of the voting rights are exercised.</p> |

| Current Articles of Incorporation | Proposed Amendment |
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| <p>(Voting by Proxy) Article <u>20</u> A shareholder may appoint one (1) other shareholder who possesses voting rights of the Company as a proxy, and have him exercise his voting rights. <u>However, a written statement proving proxy voting must be submitted to the Company.</u> <new addition></p> | <p>(Voting by Proxy) Article <u>18</u> (1) A shareholder may appoint one (1) other shareholder who possesses voting rights of the Company as a proxy, and have him exercise his voting rights. (2) <u>The shareholder or the proxy must submit written proof of proxy voting to the Company at each General Meeting of Shareholders.</u></p> |
| <p>Section IV: Directors and Board of Directors</p> | <p>Section IV: Directors and Board of Directors</p> |
| <p>(Number <u>and Election</u> of Directors) Article <u>21</u> (1) The Company shall have no more than eleven (11) Directors <u>established, and they shall be elected in the General Meeting of Shareholders.</u> <new addition> (2) <u>Voting for the election of Directors requires the attendance of shareholders in possession of more than one third (1/3) of the voting rights of shareholders who can exercise their voting rights, and shall be conducted with the majority of said voting rights.</u> (3) <u>Voting for Directors shall not depend on cumulative voting.</u> <new addition> <new addition> <new addition> <new addition> <new addition></p> | <p>(Number of Directors) Article <u>19</u> (1) The Company shall have no more than <u>seventeen (17)</u> Directors. (2) <u>Of the Directors in the previous item, there shall be no more than five (5) Directors serving as Audit and Supervisory Committee Members.</u> <deleted> <deleted></p> |
| | <p>(Election Methods of Directors) Article <u>20</u> (1) <u>Directors shall be separated between Directors Serving as Audit and Supervisory Committee Members and other Directors, and they shall be elected in the General Meeting of Shareholders.</u> (2) <u>Voting for the election of Directors shall be conducted when shareholders in possession of more than one third (1/3) of the voting rights of shareholders who are able to exercise their voting rights are present, and with the majority of said voting rights.</u> (3) <u>Voting for Directors shall not depend on cumulative voting.</u> (4) <u>The effective period of resolutions relating to the election of a substitute Director serving as Audit and</u></p> |

| Current Articles of Incorporation | Proposed Amendment |
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| <p>(Term of Office) Article <u>22</u></p> <p>(1) The term of office of Directors shall be until the conclusion of the General Meeting of Shareholders relating to the final fiscal year that ends within <u>two (2)</u> years after election.</p> <p>(2) <u>The term of office of Directors who were elected due to an increase in members or as substitutes shall be the same as the remaining terms of office of the other Directors in office.</u> <new addition></p> <p><new addition></p> | <p><u>Supervisory Committee Member, as stipulated in Article 329, Paragraph 3 of the Companies Act, shall be until the beginning of the General Meeting of Shareholders relating to the final fiscal year that ends within two (2) years after the resolution in question.</u></p> <p>(Term of Office) Article <u>21</u></p> <p>(1) The term of office of Directors (<u>excluding Directors serving as Audit and Supervisory Committee Members</u>) shall be until the conclusion of the General Meeting of Shareholders relating to the final fiscal year that ends within <u>one (1) year</u> after election.</p> <p style="text-align: center;"><deleted></p> <p>(2) <u>The term of office of Directors serving as Audit and Supervisory Committee Members shall be until the conclusion of the General Meeting of Shareholders relating to the final fiscal year that ends within two (2) years after election.</u></p> <p>(3) <u>The term of office of a Director serving as Audit and Supervisory Committee Member elected as a substitute for a Director serving as Audit and Supervisory Committee Member leaving office before the end of his/her term shall expire at the time the term of office of the Director serving as Audit and Supervisory Committee Member who left his office expires.</u></p> |
| <p>(Representative Directors and Directors with Titles) Article <u>23</u></p> <p>(1) Representative Directors shall be elected by the resolution of the Board of Directors.</p> <p>(2) One Chairman and one President may be elected from among the Directors by the resolution of the Board of Directors.</p> | <p>(Representative Directors and Directors with Titles) Article <u>22</u></p> <p>(1) Representative Directors shall be elected <u>from among the Directors (excluding Directors serving as Audit and Supervisory Committee Members)</u> by the resolution of the Board of Directors.</p> <p>(2) One Chairman and one President may be elected from among the directors (<u>excluding Directors serving as Audit and Supervisory Committee Members</u>) by the resolution of the Board of Directors.</p> |

| Current Articles of Incorporation | Proposed Amendment |
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| <p>(Convocation of Meetings of the Board of Directors)</p> <p>Article <u>24</u></p> <p>(1) Unless otherwise provided by laws and regulations, the Director previously appointed <u>by</u> the Board of Directors shall convene and chair a meeting of the Board of Directors.</p> <p style="padding-left: 40px;">If <u>said</u> Director is prevented from so acting, one of the other Directors shall take his/her place in the order previously fixed by the Board of Directors.</p> <p>(2) <u>Notice of convocation of a meeting of the Board of Directors shall be sent to each Director and Corporate Auditor at least three days prior to the meeting. Provided, however, that in the event of emergency, such period may be shortened.</u></p> <p style="text-align: center;"><new addition></p> <p style="text-align: center;"><new addition></p> <p>(3) <u>Items regarding the Board of Directors Meetings depend on stipulations in the Board of Directors Meeting Regulations, unless otherwise provided by laws and regulations or this Articles of Incorporation.</u></p> <p style="text-align: center;"><new addition></p> | <p>(<u>Convocator and Chairman</u> of Meetings of the Board of Directors)</p> <p>Article <u>23</u></p> <p>(1) Unless otherwise provided by laws and regulations, the Director <u>previously</u> appointed <u>by</u> the Board of Directors shall convene and chair a meeting of the Board of Directors.</p> <p>(2) If <u>the Director in the preceding item</u> is prevented from so acting, one of the other Directors shall take his/her place in the order previously fixed by the Board of Directors.</p> <p style="text-align: center;"><deleted></p> <p><u>(Notice of Convocation of Meetings of the Board of Directors)</u></p> <p>Article <u>24</u></p> <p>(1) <u>Notice of convocation of a meeting of the Board of Directors shall be sent to each Director at least three days prior to the meeting. Provided, however, that in the event of emergency, such period may be shortened.</u></p> <p>(2) <u>When all members of the Board of Directors are in agreement, a meeting of the Board of Directors may be held without the procedure of convocation.</u></p> <p style="text-align: center;"><deleted></p> <p><u>(Delegation of Determination of Important Business Execution)</u></p> <p>Article <u>25</u></p> <p><u>The Company, pursuant to the provisions of Article 399, Paragraph 13-6 of the Companies Act, may delegate the decisions of important business execution (excluding each number listed in item 5 of the same Act), either in whole or in part, to the Directors, by the resolution by the Board of Directors.</u></p> |
| <p>(Resolutions of the Board of Directors)</p> <p>Article <u>25</u></p> <p>(1) Resolutions of a Board of Directors meeting shall be</p> | <p>(<u>Resolution Methods</u> of the Board of Directors)</p> <p>Article <u>26</u></p> <p>(1) Resolutions of a Board of Directors meeting shall be</p> |

| Current Articles of Incorporation | Proposed Amendment |
|---|---|
| <p>conducted <u>by</u> the majority of <u>Directors in attendance</u>, given that a majority of Directors are in attendance.</p> <p>(2) In the event that <u>all of the Directors have agreed either in writing or through electric registration on a resolution item of the Board of Directors</u>, the Company shall treat it as though there were <u>a resolution in a Board of Directors meeting that passed the resolution item in question</u>. However, <u>this shall not necessarily be the case if a Corporate Auditor has raised an objection</u>.</p> <p style="text-align: center;"><new addition></p> <p>(Compensation, etc., for Directors) Article <u>26</u></p> <p>Compensation, <u>bonuses</u>, and other financial benefits of Directors received from the Company as consideration for their execution of duties (hereinafter referred to as “Compensation, etc.”) shall be determined by the General Meeting of Shareholders.</p> <p>(Limited Liability Agreements with <u>Outside</u> Directors) Article <u>27</u></p> <p>The Company may conclude an agreement with Outside Directors, as stipulated by Article 427, Paragraph 1 of the Companies Act, that limits the amount stipulated by laws and regulations with <u>regard to liability for said Outside Directors in Article 423, Paragraph 1 of the same Act</u>.</p> <p>(Advisors) Article <u>28</u></p> <p>Through a resolution of the Board of Directors, <u>several</u> advisors may be established.</p> | <p>conducted with a majority of Directors in attendance, given that a majority of the Directors who are entitled to participate in resolutions are in attendance.</p> <p>(2) If the <u>requirements in Article 370 of the Companies Act are fulfilled</u>, the Company shall treat it as the equivalent of a resolution by the Board of Directors.</p> <p><u>(Regulations of the Board of Directors)</u> Article <u>27</u></p> <p><u>Matters concerning the Board of Directors shall depend on the Regulations of the Board of Directors, stipulated in a Board of Directors meeting, in addition to the laws and regulations, and this Articles of Incorporation.</u></p> <p>(Compensation, etc., for Directors) Article <u>28</u></p> <p>Compensation and other financial benefits of Directors received from the Company as consideration for their execution of Duties (hereinafter referred to as “Compensation, etc.”) shall be determined by the resolution of the General Meeting of Shareholders, <u>and distinction shall be made between Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <p>(Limited Liability Agreements with Directors) Article <u>29</u></p> <p>The Company may, pursuant to Article 427, Paragraph 1 of the Companies Act, conclude agreements with Directors <u>(excluding Directors who perform business execution) to limit their liability for damages caused by negligence of their duties. However, the maximum amount of liability under said agreement shall be the amount as stipulated by laws and regulations.</u></p> <p>(Advisors) Article <u>30</u></p> <p><u>The Board of Directors</u> may, by its resolution, establish advisors.</p> |

| Current Articles of Incorporation | Proposed Amendment |
|---|---|
| <p style="text-align: center;">Section V: <u>Corporate Auditors, Board of Corporate Auditors and Accounting Auditors</u></p> <p>(Number and Election of Corporate Auditors) <u>Article 29</u> (1) <u>The Company shall establish no more than five (5) Corporate Auditors, who shall be elected by the General Meeting of Shareholders.</u> (2) <u>Election resolutions for Corporate Auditors requires attendance of shareholders in possession of more than one third (1/3) of the voting rights of shareholders who are able to exercise voting rights, and are conducted with the majority of said voting rights.</u></p> <p>(Term of Office of Corporate Auditors) <u>Article 30</u> (1) <u>The term of office of Corporate Auditors shall be until the conclusion of the Ordinary General Meeting of Shareholders relating to the final fiscal year that ends within four (4) years after election.</u> (2) <u>The term of office of Corporate Auditors elected as substitutes shall be the same as the remaining term of office of the Corporate Auditor who resigned.</u></p> <p>(Standing Corporate Auditors) <u>Article 31</u> The <u>Board of Corporate Auditors</u> may, by its resolution, elect standing <u>Corporate Auditors</u>.</p> <p>(Convocation of Meetings of the <u>Board of Corporate Auditors</u>) <u>Article 32</u> (1) <u>Notice of convocation of a meeting of the Board of Corporate Auditors shall be sent to each Corporate Auditor at least three (3) days prior to the meeting. Provided, however, that in the event of emergency, such period may be shortened.</u> (2) <u>Matters concerning the Board of Corporate Auditors shall depend on stipulations in the Corporate Auditor Regulations, unless otherwise provided by laws and regulations, or in this Articles of Incorporation.</u> <p style="text-align: center;"><new addition></p> </p> | <p style="text-align: center;">Section V: <u>Audit and Supervisory Committee</u></p> <p style="text-align: center;"><deleted></p> <p style="text-align: center;"><deleted></p> <p style="text-align: center;"><deleted></p> <p style="text-align: center;"><deleted></p> <p>(Standing Audit and Supervisory Committee Members) <u>Article 31</u> The <u>Audit and Supervisory Committee</u> may, by its resolution, elect standing <u>Audit and Supervisory Committee Members</u>.</p> <p>(Notice of Convocation of Meetings of the <u>Audit and Supervisory Committee</u>) <u>Article 32</u> (1) <u>Notice of convocation of a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member at least three (3) days prior to the meeting. Provided, however, in the event that urgency is required, such period may be shortened.</u> <p style="text-align: center;"><deleted></p> (2) <u>If all Audit and Supervisory Committee Members are in agreement, an Audit and Supervisory Committee meeting may be held without the procedures of convocation.</u></p> |

| Current Articles of Incorporation | Proposed Amendment |
|---|---|
| <p>(Resolutions of the <u>Board of Corporate Auditors</u>) Article 33 Resolutions of <u>Board of Corporate Auditors meetings</u> are conducted by the majority of the <u>Corporate Auditors</u>, <u>unless otherwise provided by laws and regulations.</u></p> <p style="text-align: center;"><new addition></p> | <p>(<u>Resolution Methods</u> of the <u>Audit and Supervisory Committee</u>) Article 33 Resolutions of <u>Audit and Supervisory Committee</u> are conducted when a majority of <u>the Audit and Supervisory Committee Members that can be involved in resolutions are in attendance</u>, <u>with</u> a majority of those present.</p> <p>(<u>Audit and Supervisory Committee Regulations</u>) <u>Article 34</u> <u>Matters concerning the Audit and Supervisory Committee depend on the Audit and Supervisory Committee Regulations, stipulated by the Audit and Supervisory Committee Meetings, in addition to the laws and regulations, and this Articles of Incorporation.</u></p> |
| <p>(<u>Compensation, etc., for Corporate Auditors</u>) <u>Article 34</u> <u>Compensation, etc., for Corporate Auditors is determined by the General Meeting of Shareholders.</u></p> | <p style="text-align: center;"><deleted></p> |
| <p>(<u>Limited Liability Agreements for Outside Corporate Auditors</u>) <u>Article 35</u> <u>The Company may conclude an agreement with Outside Directors, as stipulated by Article 427, Paragraph 1 of the Companies Act, that limits the amount stipulated by laws and regulations with regard to liability for said Outside Directors in Article 423, Paragraph 1 of the same Act.</u></p> <p style="text-align: center;"><new addition></p> | <p style="text-align: center;"><deleted></p> <p style="text-align: center;"><u>Section VI: Accounting Auditors</u></p> |
| <p>(Election of Accounting Auditors) Article <u>36</u> <text omitted></p> | <p>(Election of Accounting Auditors) Article <u>35</u> <same as present></p> |
| <p>(Term of Office of Accounting Auditors) Article <u>37</u> (1) <text omitted> (2) <text omitted></p> <p style="text-align: center;">Section <u>VI</u>: Accounting</p> | <p>(Term of Office of Accounting Auditors) Article <u>36</u> (1) <same as present> (2) <same as present></p> <p style="text-align: center;">Section <u>VII</u>: Accounting</p> |
| <p>(Fiscal Year) Article <u>38</u> The fiscal year of the Company shall extend from April 1 of each year to March 31 of the following year.</p> | <p>(Fiscal Year) Article <u>37</u> The fiscal year of the Company shall be <u>the year</u> extending from April 1 of each year to March 31 of the</p> |

| Current Articles of Incorporation | Proposed Amendment |
|---|---|
| <p style="text-align: center;"><new addition></p> <p><u>(Term-end Dividends, Interim Dividends, and Period of Exclusion of Cash Dividends)</u> Article 39</p> <p>(1) <u>The Company, by the resolution of the General Meeting of Shareholders, appropriates surplus (hereinafter referred to as “Term-end Dividends”) to shareholders who are registered or recorded in the shareholder register at the end of March 31 of every year, or to registered pledgees of shares.</u></p> <p>(2) <u>The Company may, by the resolution of the Board of Directors, appropriate the surplus stipulated in Article 454, Paragraph 5 of the Companies Act (hereinafter referred to as “Interim Dividends”), to shareholders who are registered or recorded in the shareholder register on September 30 of every year, or to registered pledgees of shares.</u></p> <p>(3) <u>In the event that the Term-end Dividends and Interim Dividends are not received within three (3) full years from the date on which payment commences, the Company is exempt from obligations of payment. Further, interest is not applied to Term-end Dividends and Interim Dividends.</u></p> <p style="text-align: center;"><new addition></p> <p style="text-align: center;"><new addition></p> <p style="text-align: center;"><new addition></p> <p style="text-align: center;"><new addition></p> | <p>following year.</p> <p><u>(Decision-making Body for the Appropriation of Surplus)</u> Article 38</p> <p><u>The Company may determine matters of appropriation, etc., of surplus stipulated in each item of Article 459, Paragraph 1 of the Companies Act, by the resolution of the Board of Directors, unless otherwise provided by laws and regulations.</u></p> <p><u>(Record Date for Appropriation of Surplus)</u> Article 39</p> <p>(1) <u>The record date for the Company’s term-end dividends is March 31 of every year.</u></p> <p>(2) <u>The record date for the Company’s interim dividends is September 30 of every year.</u></p> <p style="text-align: center;"><deleted></p> <p>(3) <u>In addition to the two previous items, the Company may appropriate surplus upon determining a record date.</u></p> <p><u>(Period of Exclusion of Cash Dividends)</u> Article 40</p> <p>(1) <u>In the event that dividend property consists of cash, if a full three (3) years have passed since the date that payment commenced, the Company is exempt from obligation of payment.</u></p> <p>(2) <u>There is no interest applied to the cash in the previous item.</u></p> <p style="text-align: center;"><u>Supplemental Provisions</u></p> <p><u>(Transitional Measures Regarding Limited Liability Agreements with Outside Corporate Auditors)</u></p> |

[Translation: For reference only]

| Current Articles of Incorporation | Proposed Amendment |
|-----------------------------------|---|
| | <p>1. <u>Regarding agreements that limit the liability for damages in Article 423, Paragraph 1 of the Companies Act, concerning actions of Outside Corporate Auditors (including those who were previously Outside Corporate Auditors) before the conclusion of the 81st Ordinary General Meeting of Shareholders to be held in June of 2016, the provisions then in force shall remain applicable.</u></p> |

[Translation: For reference only]

Proposal 3: Election of Eight Directors (excluding Directors serving as Audit and Supervisory Committee Members)

In the event that Proposal 2: Partial Amendment of the Articles of Incorporation is approved as presented, the Company will transition to a company with Audit and Supervisory Committee at the close of this shareholders' meeting, and all eight Directors will resign due to the expiration of their terms of office.

We therefore propose the election of eight Directors (excluding Directors serving as Audit and Supervisory Committee Members). The resolution of this proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 take effect.

The candidates of Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows:

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|---------------|--|---|-------------------------------|
| 1 | Toshitaka Takayama (April 25, 1939) (Male) | August 1963 Joined the Company April 1972 Director April 1974 General Manager of Construction Material Div. April 1974 Managing Director January 1977 Head of Construction Material Dept. April 1980 Director, Vice President May 1981 Representative Director, President August 1985 Representative Director, President, SHOWAFRONT Sales Co. (currently SHOWAFRONT Co., Ltd.) June 2000 Executive Officer, President October 2007 Representative Director, Chairman of the Board, Sanwa Shutter Corp. (present post) April 2012 CEO (present post) & COO June 2012 Representative Director, Chairman (present post), President (Representation of Other Organizations) Representative Director, Chairman of the Board, Sanwa Shutter Corp. Director, Sanwa USA Inc. Director, Overhead Door Corp. Director, Novoferm Europe Ltd. | 1,858,200 shares |

(Reasons for selecting the candidate)

As CEO of the Company, he has taken on management of the Company Group for many years with his strong leadership, and the wealth of knowledge and business experience in his performance and management, which have been driving forces, contribute to further functional enhancements of the Board of Directors. Thus, the Company continues to determine that he is qualified as a Director.

[Translation: For reference only]

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|--|---|--|-------------------------------|
| 2 | Tamotsu Minamimoto (August 23, 1944) (Male) | <p>June 1995 London Branch Manager of Sakura Bank Ltd.</p> <p>August 1997 Joined the Company</p> <p>October 1997 General Manager of Financing Div.</p> <p>April 1998 General Manager of Accounting Div.</p> <p>April 2000 General Manager of Management Div.</p> <p>June 2000 Managing Executive Officer</p> <p>June 2000 (concurrent) General Manager of Financing Div.</p> <p>December 2000 (concurrent) General Manager of Audit Div.</p> <p>April 2001 General Manager of Accounting Div.</p> <p>April 2004 General Manager of President Office</p> <p>June 2004 Director</p> <p>April 2005 Responsible for New Business Planning Div.</p> <p>October 2005 Responsible for Asia, (concurrent) President, Asian Business</p> <p>April 2006 Managing Executive Officer</p> <p>April 2006 (concurrent) Hochiki Coalition Business</p> <p>October 2007 Senior Managing Executive Officer</p> <p>October 2007 Responsible for Group Headquarter Div., (concurrent) CSR Div. and Corporate Strategy Div.</p> <p>April 2010 Executive Officer, Vice President</p> <p>April 2012 Deputy President</p> <p>June 2012 Representative Director (present post)</p> <p>June 2014 Representative Director, President (present post)</p> <p>June 2014 COO (present post)</p> <p>(Representation of Other Organizations)</p> <p>Director, Sanwa USA Inc.</p> <p>Director, Overhead Door Corp.</p> <p>Director, Novoferm Europe Ltd.</p> | 174,600 shares |
| <p>(Reasons for selecting the candidate)</p> <p>As COO of the Company, he has contributed to the Company's performance and his experience, which has put together a structure for business growth up to this point, contributes to further functional enhancements of the Board of Directors. Thus, the Company continues to determine that he is qualified as a Director.</p> | | | |

[Translation: For reference only]

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|--|---|---|-------------------------------|
| 3 | Kazuhiko Kinoshita (September 18,1947) (Male) | <p>September 1972 Joined the Company</p> <p>April 1995 Project Leader of Hanshin-Area Reconstruction PJ</p> <p>April 1996 General Manager of West Region Residential Material Business Div., Residential Material Headquarters</p> <p>April 1999 General Manager of Kyushu District, West Region Business Headquarters</p> <p>April 2000 General Manager of Heavy Shutter & OSD Div., West Japan Company</p> <p>April 2001 General Manager of Marketing Div., West Japan Company</p> <p>April 2003 Executive Officer</p> <p>April 2003 President of Reform Company</p> <p>April 2006 President and Representative Director of Sanwa Tajima Corporation</p> <p>October 2007 Senior Executive Officer</p> <p>July 2009 Executive Vice President of Sanwa Shutter Corporation</p> <p>April 2010 Representative Director President, Sanwa Shutter Corporation</p> <p>April 2014 Executive Vice President (present post)</p> <p>April 2014 Domestic Business Unit (present post)</p> <p>April 2014 Vice Chairman of Sanwa Shutter Corporation</p> <p>June 2014 Director (present post)</p> <p>April 2016 Representative Director, Vice Chairman, Sanwa Shutter Corporation (present post)</p> <p>(Representation of Other Organizations)</p> <p>Representative Director, Vice Chairman, Sanwa Shutter Corporation</p> | 25,900 shares |
| <p>(Reasons for selecting the candidate)</p> <p>As Vice President he has undertaken management of the domestic group, and based on the fact that he possesses a high level of knowledge from his performance in being the driving force in the Domestic Business Unit with his strong leadership and his wide range of experience in the operations business, the Company continues to determine that he is qualified as a Director.</p> | | | |

[Translation: For reference only]

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|---|--|---|-------------------------------|
| 4 | Yasushi Takayama (February 3, 1971) (Male) | <p>October 2006 Joined the Company</p> <p>April 2008 General Manager of TCR Div.</p> <p>April 2009 General Manager of Structural Reform Div.</p> <p>April 2010 Director, Senior Executive Officer of Sanwa Shutter Corp.</p> <p>April 2010 Responsible for Group Function of Sanwa Shutter Corp.</p> <p>April 2011 Senior Executive Officer</p> <p>April 2011 Assistant Director of Overseas Business</p> <p>April 2012 Senior Managing Executive Officer</p> <p>April 2012 Responsible for Corporate Planning (present post)</p> <p>June 2012 Director (present post)</p> <p>April 2016 Executive Officer, Vice President (present post)</p> <p>April 2016 Deputy President (Important concurrent position) Director, Sanwa USA Inc. Director, Overhead Door Corp. Director, Novoferm Europe Ltd.</p> | 82,095 shares |
| <p>(Reasons for selecting the candidate)</p> <p>As Vice President, Deputy President, and the manager for Corporate Planning, he is engaged with managerial decision-making for the Company Group as a whole, coming from a global perspective, and his abilities, knowledge, and experience contribute to further functional enhancements of the Board of Directors. Thus, the Company continues to determine that he is qualified as a Director.</p> | | | |
| 5 | Hiroatsu Fujisawa (March 4, 1953) (Male) | <p>April 2003 President and CEO, Marubeni-Itochu Steel America Inc.</p> <p>April 2009 Representative Director and President, DRESSER JAPAN, LTD.</p> <p>November 2012 Joined the Company</p> <p>April 2013 Senior Executive Officer (present post)</p> <p>April 2013 Responsible for Strategic Re-Engineering Unit</p> <p>June 2014 Director (present post)</p> <p>April 2015 Responsible for Europe Business Unit</p> <p>April 2016 Responsible for Europe and Americas Business Unit (present post) (Important concurrent position) Director, Overhead Door Corp. Director, Novoferm Europe Ltd.</p> | 15,000 shares |
| <p>(Reasons for selecting the candidate)</p> <p>He has mastered his managerial duties as Director since 2014, and contributes to performance. Starting this year, he has become the manager of the Europe Business Unit, and he is expected to supervise management from a global perspective, while displaying his ability and knowledge in vital decision-making. Thus, the Company continues to determine that he is qualified as a Director.</p> | | | |

[Translation: For reference only]

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|---|--|---|-------------------------------|
| 6 | Wadami Tanimoto (March 5, 1950) (Male) | <p>October 2001 General Manager of Business Planning Dept., Yorozu, Corp.</p> <p>December 2001 Joined the Company</p> <p>April 2003 Executive Adviser, Sanwa USA Inc.</p> <p>April 2004 Executive Officer</p> <p>October 2005 Responsible for Overhead Door Corp.</p> <p>April 2006 Managing Executive Officer</p> <p>June 2006 Director (present post)</p> <p>October 2007 Assistant Director of Overseas Business (concurrent) Responsible for Novoform</p> <p>April 2011 Responsible for Overseas Business Unit</p> <p>April 2012 Senior Managing Executive Officer</p> <p>April 2014 Responsible for Europe Business Unit</p> <p>April 2015 Responsible for Strategic Re-Engineering Unit</p> <p>April 2016 Managing Executive Officer (present post)</p> <p>April 2016 Responsible for Global Strategy Unit (present post)</p> | 71,000 shares |
| <p>(Reasons for selecting the candidate)</p> <p>As a Director since 2006, he has managed the Overseas Business Unit, Europe Business Unit, and Global Strategy Unit, contributing to performance. He supervises management from a global perspective, and has the ability, knowledge, and experience for vital decision-making, so the Company continues to determine that he is qualified as a Director.</p> | | | |
| 7 | Masahiro Fukuda (June 14, 1955) (Male) | <p>October 2003 General Manager of Gotanda Corporate Sales Div. 2, Sumitomo Mitsui Banking Corporation</p> <p>September 2005 Joined the Company</p> <p>September 2005 General Manager</p> <p>January 2006 Executive Adviser, Sanwa USA Inc.</p> <p>October 2007 Executive Officer</p> <p>October 2007 Responsible for Overhead Door Corporation</p> <p>April 2008 Senior Executive Officer (present post)</p> <p>April 2011 Responsible for Americas Business</p> <p>April 2012 Assistant Director of Overseas Business</p> <p>June 2012 Director (present post)</p> <p>April 2014 Director of Americas Business Unit</p> <p>April 2016 Subleader of Corporate Planning (present post) (concurrent) General Manager of Corporate Social Responsibility Promotion Dept. (present post)</p> | 64,600 shares |
| <p>(Reasons for selecting the candidate)</p> <p>As a Director since 2012, he has engaged in management of the Overseas Business Unit and Europe Business Unit, and is contributing to performance. From this term, as Subleader of Corporate Planning, he is expected to display his to carry out vital decision-making from a global perspective. Thus, the Company continues to determine that he is qualified as a Director.</p> | | | |

[Translation: For reference only]

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|---|---|--|-------------------------------|
| [Outside] 8 | Makoto Yasuda (November 7, 1937) (Male) | <p>May 1977 Director and Executive Vice President of Private Investment Company for Asia (PICA) S.A.</p> <p>May 1987 Representative Chairman of Elders and Yasuda</p> <p>May 2001 Director, Li & Fung Ltd.</p> <p>June 2006 Director, Azbil Corporation</p> <p>June 2007 Kanematsu Textile Corporation</p> <p>September 2008 President, Yasuda Makoto & Co., Ltd. (present post)</p> <p>June 2014 Director, the Company (present post)</p> <p>June 2015 Outside Auditor, SECOM CO., LTD. (present post)</p> <p>(Representation of Other Organizations) President, Yasuda Makoto & Co., Ltd. Outside Corporate Auditor, SECOM CO., LTD.</p> | 2,000 shares |
| (Reasons for selecting the candidate) He has a wealth of results from many years as manager in a global corporation as well as experience in engaging in corporate management as an Outside Director. His high level of knowledge based on this experience contributes to further functional enhancements of the Board of Directors, so the Company continues to determine that he is qualified as a Director. | | | |

Notes:

1. The candidate marked with [Outside] is a candidate for Outside Director (excluding Director serving as Audit and Supervisory Committee Member).
2. None of the candidates for the Directors has any special conflict of interest with the Company.
3. Mr. Makoto Yasuda is currently our Outside Director and his two-year term as Outside Director will expire at the close of this shareholders' meeting.
4. Mr. Makoto Yasuda is a candidate for Outside Director. We will submit to Tokyo Stock Exchange, Inc. an Independent Director List which states his name as an independent director. Mr. Makoto Yasuda receives compensation as a member of the Independent Committee for the Takeover Defense of the Company. The compensation as a committee member is less than ¥1 million per annum and he fulfills the Independence Criteria below for the Company's Outside Directors, in addition to fulfilling the criteria for the Tokyo Stock Exchange.
5. The Company Group has no business relationship with the companies where Mr. Makoto Yasuda concurrently serves and the Company has determined that he has no special conflict of interest with ordinary shareholders.
6. In order to invite skillful persons as for Outside Director for aiming enhancement of corporate governance of the Company, the Company has entered into an agreement with Mr. Makoto Yasuda that the liability amount related to Paragraph 1 in Article 423 of the Companies Act shall be limited within the amount of provision by law, in accordance with Paragraph 1 in Article 427 of the same law and Article 27 of the current Articles of Incorporation of the Company. In case of his reelection, the Company will obtain approval from the Board of Directors and enter into an identical limited liability agreement with Mr. Makoto Yasuda.

[Translation: For reference only]

Proposal 4: Election of Three Directors Serving as Audit and Supervisory Committee Members

Under the condition that Proposal 2: Partial Amendment of the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with Audit and Supervisory Committee at the close of this shareholders' meeting.

We therefore propose the election of three Directors serving as Audit and Supervisory Committee Members.

The resolution of this proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 take effect.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows:

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|--|---|--|-------------------------------|
| *1 | Teiko Zaima (May 14, 1952) (Male) | March 1975 Joined the Company April 2004 General Manager of Accounting Div. October 2007 General Manager of Accounting Div. of Sanwa Shutter Corporation April 2010 Executive Officer April 2012 Senior Executive Officer April 2015 Standing Advisor of the Company June 2015 Corporate Auditor (present post) (Representation of Other Organizations) Part-time Corporate Auditor of Sanwa Shutter Corporation Part-time Corporate Auditor of SHOWAFRONT Co., Ltd. | 21,691 shares |
| (Reasons for selecting the candidate) Mr. Teiko Zaima has been engaged in accounting and finance business for many years, and possesses a wide range of knowledge about the Company Group's business. He is expected to display his knowledge regarding finance and accounting based on his experience, and thus the Company has determined that he is qualified as a Director Serving as Audit and Supervisory Committee Member. | | | |

[Translation: For reference only]

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|--|---|--|-------------------------------|
| [Outside] *2 | Tsunekatsu Yonezawa (August 4, 1948) (Male) | <p>April 1971 Joined ITOCHU Corporation</p> <p>April 1996 General Manager of Thin Plate Department I</p> <p>April 1999 General Manager of Oceania (Stationed in Sydney) (concurrent) President of ITOCHU Australia Ltd.</p> <p>June 2001 Executive Officer</p> <p>October 2001 Member of the Board, Iron & Steel Div.-I of Marubeni-Itochu Steel Inc.</p> <p>April 2004 Vice President, Member of the Board</p> <p>April 2005 President and CEO, Member of the Board</p> <p>April 2009 Chairman, Member of the Board</p> <p>April 2012 Advisory Board Member</p> <p>April 2013 Director (Assistant to President) of ITOCHU Corporation</p> <p>June 2015 Corporate Auditor, the Company (present post)</p> | 0 shares |
| <p>(Reasons for selecting the candidate)</p> <p>Mr. Tsunekatsu Yonezawa has engaged in corporate management for many years as a company executive, and based on his possessing global experience in management and economics in addition to a high level of knowledge, the Company thinks that he will lead precisely with regard to overall management from his independent position. Thus, the Company has determined that he is qualified as an Outside Director serving as Audit and Supervisory Committee Member.</p> | | | |

[Translation: For reference only]

| Candidate No. | Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held |
|---|--|---|-------------------------------|
| [Outside] *3 | Akira Gokita (September 20, 1947) (Male) | <p>April 1978 Assumed the office of Public Prosecutor, Tokyo District Public Prosecutors Office (Criminal Affairs Division and Trial Division)</p> <p>March 1979 Mito District Public Prosecutors Office</p> <p>March 1982 Tokyo District Public Prosecutors Office (Criminal Affairs Division and Special Investigation Division)</p> <p>March 1985 Osaka District Public Prosecutors Office (Special Investigation Division)</p> <p>March 1987 Tokyo District Public Prosecutors Office (Special Investigation Division)</p> <p>March 1988 Retired from Public Prosecutor</p> <p>April 1988 Registered as an Attorney</p> <p>May 1994 Representative of Gokita and Mitsuura Law Office (present post)</p> <p>June 2010 Outside Director of Ichiyoshi Securities Co., Ltd. (present post)</p> <p>(Representation of Other Organizations)</p> <p>Representative of Gokita and Mitsuura Law Office</p> <p>Outside Director of Ichiyoshi Securities Co., Ltd.</p> | 0 shares |
| <p>(Reasons for selecting the candidate)</p> <p>Mr. Akira Gokita has many years of experience as a public prosecutor and a lawyer, and he will utilize his wealth of experience as a legal specialist and his high level of knowledge for the Company's management. Thus, the Company requests his election as Outside Director Serving as Audit and Supervisory Committee Member.</p> <p>Furthermore, he has also engaged in corporate management as Outside Director of Ichiyoshi Securities Co., Ltd. (nominating committee, compensation committee, auditing committee), so the Company has determined that he can execute his duties appropriately as an Outside Director Serving as Audit and Supervisory Committee Member.</p> | | | |

Notes:

- Those marked with an asterisk (*) are new candidates and those marked with [Outside] are candidates for Outside Directors serving as Audit and Supervisory Committee Members.
 - The candidates for Director serving as Audit and Supervisory Committee Member have no special conflict of interest with the Company.
 - Mr. Tsunekatsu Yonezawa, a candidate for Director serving as Audit and Supervisory Committee Member, is currently our Outside Auditor and his one-year term as Outside Auditor will expire at the close of this shareholders' meeting.
 - Mr. Tsunekatsu Yonezawa, a candidate for Director serving as Audit and Supervisory Committee Member, is a candidate for Outside Director. We have submitted to Tokyo Stock Exchange, Inc. an Independent Director List which states his name as an independent auditor.
- Mr. Tsunekatsu Yonezawa is a former employee of Marubeni-Itochu Steel Inc., with which the Company Group has purchasing transactions for the Company Group's raw materials and sales transactions for the Company Group's products, as the transaction volume between Marubeni-Itochu Steel Inc. and the Company Group in the respective consolidated net sales of Marubeni-Itochu Steel Inc. and the Company Group for the past three business years has been less than 2%, he fulfills the Independence Criteria below for Outside Directors of the Company Group and the criteria for the Tokyo Stock Exchange as well, so the Company has determined that he has

no special conflict of interest with ordinary shareholders.

5. Mr. Akira Gokita, a candidate for Director serving as Audit and Supervisory Committee Member, is a candidate for Outside Director and also Representative of Gokita and Mitsuura Law Office. Until last year, the Company had completed a legal advisor agreement with him, but the contract was canceled in December, 2015. For the Company's independence criteria for Outside Directors, when the person is a specialist in law, etc., Company policy is that the amount paid for compensation, etc., is less than ¥10 million, but at the time the monthly amount in the legal advisor agreement with Mr. Akira Gokita was ¥100 thousand, (there was no other compensation, etc., aside from the legal advisor agreement), and furthermore, as the transaction volume between Gokita and Mitsuura Law Office and the Company Group in the consolidated net sales of Gokita and Mitsuura Law Office for the past three business years has been less than 2%, he fulfills the Company's Independence Criteria below for Outside Directors and the criteria of the Tokyo Stock Exchange, so the Company has determined that he has no special conflict of interest with ordinary shareholders.
6. In order to invite skillful persons as for Outside Auditors for aiming enhancement of corporate governance of the Company, article 35 of our current Articles of Incorporation provides that the Company can enter into a limited liability agreement with Outside Auditor. Hence, the Company has entered into an agreement with Mr. Tsunekatsu Yonezawa that the liability amount related to Paragraph 1 in Article 423 of Companies Act shall be limited within the amount of provision by law. In case of his election, he is planned to become a non-executive Director, so with the condition that Proposal 2 is approved, the Company will obtain approval from the Board of Directors and the Company will enter into an identical limited liability agreement with him, according to Paragraph 1 in Article 427 of Companies Act and Article 29 of our Articles of Incorporation after amendment.
7. In case Messrs. Teiko Zaima and Akira Gokita, candidates for Director serving as Audit and Supervisory Committee Member, are elected with the condition that Proposal 2 is approved, the Company will obtain approval from the Board of Directors and the Company will enter into limited liability agreements with them that the liability amount related to Paragraph 1 in Article 423 of Companies Act shall be limited within the amount of provision by law, according to Paragraph 1 in Article 427 of the same law and Article 29 of our Articles of Incorporation after amendment.

[Translation: For reference only]

Proposal 5: Election of One Director Serving as Substitute Audit and Supervisory Committee Member

Under the condition that Proposal 2: Partial Amendment of the Articles of Incorporation is approved as presented, the Company will transition to a company with Audit and Supervisory Committee at the close of this shareholders' meeting.

We therefore, in preparation for the event that the number of Directors Serving as Audit and Supervisory Committee Members falls below the limit stipulated in laws and regulations, propose the election of one Director serving as substitute Audit and Supervisory Committee Member.

The resolution of this proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 take effect.

The candidate for Director serving as substitute Audit and Supervisory Committee Member is as follows:

| Name (Date of Birth) | Personal History, Positions, Role at the Company, (Representation of Other Organizations) | Number of Company Shares Held | |
|--|---|----------------------------------|--|
| Makoto Yasuda (November 7, 1937) (Male) | May 1977 | 2,000 shares | |
| | | | Director and Executive Vice President of Private Investment Company for Asia (PICA) S.A. |
| | May 1987 | | Representative Chairman of Elders and Yasuda |
| | May 2001 | | Director, Li & Fung Ltd. |
| | June 2006 | | Director, Azbil Corporation |
| | June 2007 | | Kanematsu Textile Corporation |
| | September 2008 | | President, Yasuda Makoto & Co., Ltd. (present post) |
| | June 2014 | | Director, the Company (present post) |
| | June 2015 | | Outside Auditor, SECOM CO., LTD. (present post) |
| | (Representation of Other Organizations) President, Yasuda Makoto & Co., Ltd. Outside Auditor, SECOM CO., LTD. | | |
| (Reasons for selecting the candidate) | | | |
| He has a wealth of experience and knowledge in global corporate management as an Outside Director and Outside Corporate Auditor, which he is expected to use to provide appropriate advice from the standpoint of legality and validity in decision-making in the Company's Board of Directors. Thus, the Company has determined that he is qualified as a substitute Director Serving as an Audit and Supervisory Committee Member. | | | |

Notes:

1. Mr. Makoto Yasuda, a candidate for Director serving as Audit and Supervisory Committee Member, is a candidates for Director serving as substitute Audit and Supervisory Committee Member.
2. Mr. Makoto Yasuda has no special conflict of interest with the Company.
3. Mr. Makoto Yasuda, a candidate for Director serving as Audit and Supervisory Committee Member, is currently our Outside Director and his two-year term as Outside Director will expire at the close of this shareholders' meeting.
4. Under the condition that that Proposal 3: Election of Eight Directors (Excluding Directors Serving as Audit and Supervisory Committee Members) is approved as presented, the Company will submit to Tokyo Stock Exchange, Inc. an Independent Director List which states his name as an independent director. In the event that he becomes Director Serving as Audit and Supervisory Committee

[Translation: For reference only]

Member, he is planned to continue to be an independent Director.

Mr. Makoto Yasuda receives compensation as a member of the Independent Committee for the Takeover Defense of the Company. The compensation as a committee member is less than ¥1 million per annum and he fulfills the Company's Independence Criteria for Outside Director below, and also fulfills the criteria of the Tokyo Stock Exchange.

5. The Company Group has no business relationship with the companies where Mr. Makoto Yasuda concurrently serves and the Company has determined that he has no special conflict of interest with ordinary shareholders.
6. In order to invite skillful persons as for Outside Director for aiming enhancement of corporate governance of the Company, the Company has entered into an agreement with Mr. Makoto Yasuda that the liability amount related to Paragraph 1 in Article 423 of the Companies Act shall be limited within the amount of provision by law, in accordance with Paragraph 1 in Article 427 of the same law and Article 27 of the current Articles of Incorporation of the Company. In case of his election, the Company will obtain approval from the Board of Directors and enter into an identical limited liability agreement with Mr. Makoto Yasuda.

[Translation: For reference only]

With regards to the candidates for Outside Director in Proposal 3, Proposal 4, and Proposal 5, they meet the requirements stipulated in the Company's "Independence Criteria for Outside Directors" below.

Independence Criteria for Outside Directors

Sanwa Holdings Corporation (hereinafter referred to as the "Company") stipulates the independence criteria for Outside Officers (Outside Directors and Outside Corporate Auditors) as follows, and in the event that an Outside Director does not fall under any of the following items, the Outside Director possesses independence from the Company, and it is determined that no conflict of interest with general shareholders will arise.

- 1) A party who is or was executive director, corporate officer, or other staff member or employee (referred to collectively below as "Business Executive") in the Company Group (*1).
- 2) A party who holds the Company Group to be a major trading partner (*2), or a Business Executive thereof.
- 3) A party who is a major transaction partner (*3) of the Company Group, or a Business Executive thereof.
- 4) A consultant, certified public accountant, or legal specialist who is receiving large amounts of money or other assets (*4), excluding Director compensation, from the Company Group (In the case that the party receiving said assets is an organization such as a corporation or association, then persons who belong to the organization in question).
- 5) Persons belonging to an auditing firm that conducts legal audits of the Company Group.
- 6) Parties who receive donations or grants (*5) that exceed a certain amount from the Company Group (in the event that the party receiving the donations or grants in question is an organization such as a corporation or association, a Business Executive in the organization in question).
- 7) A major financial institution (*6) that is a lender of the Company Group, or a Business Executive in its parent company or subsidiary.
- 8) A major shareholder (*7) of the Company Group, or in the event that said major shareholder is a corporation, a Business Executive at the corporation in question.
- 9) Persons who have fallen under items 2) through 8) above within the past three years.
- 10) Close relations, etc., (*9) of persons falling under 1) through 9) above (restricted to parties in an important position (*8))
- 11) Even in the event that a person falls under 1) through 10) above, in light of the person's character, acumen, etc., with regard to persons who have been determined to have independence, it is possible that they will become an independent officer of the Company if, at the time of Outside Director election, the reasons for which are explained and revealed.

*1 The Company Group refers to the Company and associated companies (subsidiaries and affiliate companies).

*2 Major transaction partners of the Company refer to a transaction partner group that provides products or services to the Company Group (refers to direct transaction partners, their parent companies and subsidiaries, and corporate groups that consist of the subsidiaries of the parent companies in question. The same applies below), and the average transaction amount for the past three fiscal years exceeds 2% of the group in question's annual consolidated net sales.

*3 A major transaction partner of the Company Group refers to a transaction partner group that is provided products or services by the Company Group, and where the average transaction value of the past three fiscal years exceeds 2% of the Company Group's annual consolidated net sales.

*4 A large amount of money or other assets refers to an amount of money or benefit from other assets that exceeds ¥10 million per annum in the past business year, excluding officer compensation.

*5 Donations or grants that exceed a certain amount refer to donations or grants that exceed ¥10 million per annum on average for the past three business years, or 2% of the other party's gross

[Translation: For reference only]

- income for the most recent business year, whichever is greater.
- *6 A major financial institution refers to a financial institution in which the total amount lent at the end of the most recent business year exceeds 2% of the Company's consolidated assets.
 - *7 A major shareholder refers to a shareholder that possesses a ratio of 10% or more of voting rights (includes both direct possession and indirect possession).
 - *8 A party in an important position refers to a director (excluding outside directors), executive officer, corporate officer, or employees that are high-level executives of general manager level or above, as well as persons belonging to auditing firms or accounting firms, including certified public accountants, persons belonging to legal firms, including lawyers, persons who belong to corporations such as foundations, incorporated associations, educational corporations, including administrators such as councilors, administration officers, and auditor-secretaries, and persons that could objectively and reasonably be judged to hold equivalent important positions.
 - *9 Close relation refers to a spouse and relatives within two degrees of kinship.

Proposal 6: Determination of Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

The remuneration for directors of the Company was approved by the 79th Ordinary General Meeting of Shareholders held on June 26, 2014 to be set at a total of ¥630 million or less per annum, including basic compensation of ¥450 million or less per annum (including the portion for outside directors of within ¥40 million per annum) with the performance-based variable compensation (bonus) within ¥180 million per annum. However, under the condition that Proposal 2: Partial Amendment of the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with Audit and Supervisory Committee.

In that regard, taking into account the economic conditions and various factors such as environmental change of outside directors as well as in order for the remuneration for directors to function as a healthy incentive for continuous growth, we propose to abolish the current framework of remuneration for Directors and newly set the remuneration amount for Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members) to be within ¥680 million, including basic compensation within ¥400 million and the performance-based variable compensation, which is an incentive that contributes to improved performance, within ¥280 million per annum. Please note for outside directors that we will take into account conditions at other companies and provide only basic remuneration.

In addition, the amount of the stock-compensation-type stock options with an upper limit of ¥60 million, of which granting was approved by the 73rd Ordinary General Meeting of Shareholders held on June 24, 2008 will also be abolished, and with the objective of further enhancing directors' will toward increasing corporate value of the Company by having them share experiencing not only the benefits of rising stock prices but also the risk of falling stock value with the shareholders, as a separate category of remuneration from those above, we would like to distribute stock acquisition rights as stock-based reward stock options with an upper limit of ¥60 million every year to Directors (excluding Outside Directors and Directors serving as Audit and Supervisory Committee Members). The stock acquisition rights as the stock-based remuneration stock options allow for the acquisition of stock acquisition rights by distributing remuneration of the same amount of the amount paid to directors who receive the allocation of the stock acquisition rights, and having the billed credit of the rewards in question and the amount paid of the stock acquisition rights cancel each other out. The amount paid of the stock acquisition rights corresponds to the amount of the fair value of the stock acquisition rights, so favorable issuance will not occur. (see page 36 for details)

Meanwhile, the remuneration amounts for Directors (excluding Directors serving as Audit and Supervisory Committee Members) shall not include the portion of pay for employees of the Directors who concurrently serve as regular employees, as in the past. If Proposal 3 is approved as originally proposed at this shareholders' meeting, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) will be eight (including one outside director).

[Translation: For reference only]

The resolution of this proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 take effect.

[Translation: For reference only]

Proposal 7: Determination of Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members

Under the condition that Proposal 2: Partial Amendment of the Articles of Incorporation is approved as originally proposed, the Company will transition to a company with Audit and Supervisory Committee.

Consequently, upon taking into consideration the duties and responsibilities of Audit and Supervisory Committee Members, we propose the basic compensation for Directors serving as Audit and Supervisory Committee Members to be within ¥100 million per annum. If Proposal 4 is approved as originally proposed at this shareholders' meeting, the number of directors serving as Audit and Supervisory Committee Members will be three.

The resolution of this proposal shall become effective under the condition that the amendments to the Articles of Incorporation in Proposal 2 take effect.

Stock Option Details

Contents of the stock acquisition rights issued as stock-based compensation stock options

1. Maximum amount of the total issue price amount of stock acquisition rights
The retirement benefit system for officers will be abolished, and the maximum annual amount shall be set at ¥60 million upon taking into consideration other various factors. Stock acquisition rights shall be issued as per 2. below, within the range of this monetary amount.
2. Specific contents of the issued stock acquisition rights
 - (1) Total number of stock acquisition rights
To obtain the total number of stock acquisition rights issued within one year of the date on which the Ordinary General Meeting of Shareholders of the Company is held for each fiscal year, based on a resolution by the Company's Board of Directors, the total amount of the issue price of the stock acquisition rights within the range determined in 1. above shall be stipulated, and the number gained (values less than an integer will be rounded down) when dividing this by the fair value for 1 stock acquisition right that is calculated based on the Black-Scholes model from the closing price of the regular transactions of the Company's stock on the Tokyo Stock Exchange on the day of allotment of the stock acquisition rights shall be set as a maximum value.
 - (2) Types of stock to be the target of the share acquisition rights
Common stock of the Company.
 - (3) Total number of stock acquisition rights
The target number of shares (hereinafter referred to as "Distributed Share Number") per stock acquisition right is 100 shares. However, in the event that the Company conducts a stock split, a gratis allotment of shares, or a reverse stock split, or that other adjustments to the Distributed Share Number are appropriate, the Company may adjust them within a reasonable range.
 - (4) Value of assets capitalized when exercising stock acquisition rights
The paid amount for 1 share of stock that can be received by exercising a stock acquisition right shall be ¥1, and the value of assets capitalized when exercising each stock acquisition right shall be this multiplied by the Distributed Share Number.
 - (5) Period that the stock acquisition right can be exercised
Within 30 years from the day after the date of allocation of the stock acquisition rights. However, if the final day of the exercise period falls on a holiday of the Company, the preceding business day shall be the final day.
 - (6) Limitations on the obtaining of stock acquisition rights through transfer
The obtaining of stock acquisition rights through transfer requires the approval of a director of the Company.
 - (7) Requirements for exercising stock acquisition rights
 - 1) The person with stock acquisition rights may exercise the stock acquisition rights, limited to the time period between the day after resigning as Director of the Company to the day that 10 days have passed.
 - 2) In the event that the person with stock acquisition rights dies, his/her legal successor may exercise the stock acquisition rights, limited to the time period between the day after the person with stock acquisition rights has died and the day that 3 months have passed on.
 - (8) Other contents, etc., of the stock acquisition rights (including other matters in (1) through (7) above)
Subscription requirements for stock acquisition rights shall be determined in the Company's Board of Directors Meeting.

Guide to Exercising Your Voting Rights via Electronic Media (including Internet)

Please read the following items before exercising your voting rights via the Internet.

If attending the meeting, neither exercising your voting rights by mail (Voting Rights Exercise Form) or via the Internet is necessary.

1. Website for exercising voting rights

- (1) The exercise of voting rights via the Internet is only possible by accessing the Company's website dedicated for the purpose of exercising voting rights (<http://www.evote.jp/>) via a personal computer, smartphone or mobile phone (i-mode, EZweb and Yahoo! Keitai; please note that this service is unavailable every day between 2:00 a.m. and 5:00 a.m.).

Note: i-mode, EZweb and Yahoo! Keitai are trademarks or registered trademarks of NTT DoCoMo, Inc., KDDI CORPORATION and Yahoo! Inc. [U.S.], respectively.

- (2) Depending on their Internet user environments, shareholders using personal computers or smartphones may not be able to exercise their voting rights via this dedicated voting site due to Internet firewalls, antivirus software, proxy servers, etc.
- (3) To exercise voting rights on a mobile phone, i-mode, EZweb or Yahoo! Keitai service capability is necessary. Even if shareholders have access to one of the above services, some may not be able to use the service if their mobile phone models are incapable of sending information or encrypted TLS communication for security purposes.
- (4) Votes will be accepted via the Internet by 5:15 p.m., Monday, June 27, 2016; however, you are cordially requested to exercise your voting rights earlier, and call the Help Desk (as mentioned below) with any inquiries or questions.

2. How to exercise voting rights via the Internet

- (1) When you access the website for exercising voting rights (<http://www.evote.jp/>), enter the "login ID" and "temporary password" indicated on the Voting Rights Exercise Form and then enter your vote for the proposal according to the instructions on the screen.
- (2) To prevent people other than shareholders (impostors) from illegally accessing the site and altering the content of your voting selections, we will ask shareholders who use the site to change their "temporary passwords" on the site for exercising voting rights.
- (3) You will be provided with a new "login ID" and "temporary password" each time a General Meeting of Shareholders is convened.

3. How multiple votes for the same shareholder will be handled

- (1) If we receive votes both by conventional mail and via the Internet, we will consider the Internet vote to be the valid vote.
- (2) When exercising voting rights via the Internet multiple times, we will consider the last vote received to be the valid vote. When exercising voting rights via a personal computer,

[Translation: For reference only]

smartphone and/or mobile phone, we will consider the last vote received to be the valid vote.

4. Costs arising from accessing the site for exercising voting rights

Costs arising from accessing the site for exercising voting rights (Internet connection fees, etc.) will be borne by the shareholder. When using a mobile phone, etc. to vote, there will be costs such as packet communication fees or other fees for using the mobile phone, etc., and these fees will be borne by the shareholder.

5. The “Platform for Exercising Voting Rights” for institutional investors

As an additional method for exercising your voting rights using electronic means other than the method described above, any trust management bank or other nominal shareholders (including standing proxies) may use the electronic voting platform for institutional investors operated by ICJ, Inc., a joint venture established by the Tokyo Stock Exchange, Inc. and others, subject to prior request for the use of the platform.

6. Contact information regarding the exercise of voting rights via the Internet

(1) For inquiries concerning operating procedures for personal computers

Stock Transfer Agency Division (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Telephone: 0120-173-027 (toll free)
Business hours: 9:00 a.m.—9:00 p.m.

(2) For all inquiries other than the above

Stock Transfer Agency Division
Mitsubishi UFJ Trust and Banking Corporation
Telephone: 0120-232-711 (toll free)
Business hours: 9:00 a.m.—5:00 p.m. (except on weekends and national holidays)