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Securities Code: 8032

June 6, 2017

Dear Shareholders:

Akihiko Watanabe  
Representative Director, President  
**JAPAN PULP AND PAPER COMPANY LIMITED**  
Forefront Tower,  
3-12-1 Kachidoki, Chuo-Ku, Tokyo

## NOTICE OF THE 155TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 155th Ordinary General Meeting of Shareholders of JAPAN PULP AND PAPER COMPANY LIMITED (the “Company”), which will be held as described below.

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

- 1. Date and Time:** Wednesday, June 28, 2017 at 10:00 a.m. (Japan Standard Time)  
(Reception opens at 9:00 a.m.)
- 2. Venue:** TRUST CITY CONFERENCE MARUNOUCHI,  
11F MARUNOUCHI TRUST TOWER NORTH,  
1-8-1 Marunouchi, Chiyoda-ku, Tokyo

### 3. Purposes:

#### Items to be reported:

1. Business Report and Consolidated Financial Statements for the 155th Term (from April 1, 2016 to March 31, 2017), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 155th Term (from April 1, 2016 to March 31, 2017)

#### Items to be resolved:

- Proposal 1:** Appropriation of surplus
- Proposal 2:** Consolidation of shares
- Proposal 3:** Partial amendments to the Articles of Incorporation (Changes in the total number of shares authorized to be issued and number of shares per share unit)
- Proposal 4:** Partial amendments to the Articles of Incorporation (Expansion of persons subject to conclusion of limited liability agreement)
- Proposal 5:** Election of six (6) Directors of the Board
- Proposal 6:** Determination of amount and other details of share-based remuneration, etc. to Directors of the Board

## **Exercising Your Voting Rights**

### **Voting by attending the meeting in person**

Please bring the enclosed voting form to the meeting and submit it at the reception.

Date and time: Wednesday, June 28, 2017 at 10:00 a.m. (Japan Standard Time) (Reception opens at 9:00 a.m.)

Venue: TRUST CITY CONFERENCE MARUNOUCHI,

11F MARUNOUCHI TRUST TOWER NORTH,

1-8-1 Marunouchi, Chiyoda-ku, Tokyo

When nominating a proxy to attend the meeting on your behalf, a letter of attorney, your voting form, and the voting form of the person representing you must be submitted at the reception. (The Company's Articles of Incorporation specify that a proxy must be one (1) shareholder of the Company with voting rights.)

### **Voting by postal mail**

Please indicate your approval or disapproval of each proposal on the enclosed voting form and return it by postal mail to reach us no later than the following deadline.

Deadline: Must arrive by Tuesday, June 27, 2017 at 5:00 p.m. (Japan Standard Time)

Where no indication is given either for approval or disapproval of a proposal on the voting form, it will be treated as an expression of approval.

### **Voting via the Internet**

Please access the voting website specified by the Company (<http://www.web54.net>) and enter the voting rights exercise code and password provided on the enclosed voting form. Then follow the instructions on the screen and enter your approval or disapproval by the following deadline.

Deadline: Must complete entry by Tuesday, June 27, 2017 at 5:00 p.m. (Japan Standard Time)

When voting rights are exercised both by postal mail and the Internet, the votes cast via the Internet will take precedence regardless of the date and time of arrival.

In case voting rights are exercised more than once via the Internet, the last votes cast will be regarded as valid.

## Reference Documents for the General Meeting of Shareholders

### Proposals and Reference Information

**Proposal 1:** Appropriation of surplus

The Company proposes to appropriate surplus as follows:

Matters related to year-end dividends

The Company positions the return of profit to shareholders as an important measure in management, and will strive to establish a stable and robust management base in the long term with the aim of increasing corporate value. The basic policy on dividends is to continue stable dividends, with consideration also given to trends in consolidated performance.

Based on this basic policy, the Company proposes year-end dividends at the same amount as the previous fiscal year as follows at 5 yen per share.

Accordingly, since the Company paid an interim dividend of 5 yen per share, the annual dividend for the fiscal year under review is 10 yen per share.

- (1) Type of dividend property  
Cash
- (2) Allocation of dividend property to shareholders and total amount thereof  
5 yen per common share of the Company  
Total amount of dividends: 681,799,835 yen
- (3) Effective date of distribution of dividends of surplus  
June 29, 2017

**Proposal 2:** Consolidation of shares

1. Reasons for the proposal

Japanese stock exchanges announced “Action Plan for Consolidating Trading Units” and aim at integrating trading units of common shares of all the domestic listed companies to 100 shares per unit by October 1, 2018. As one of the listed companies in Tokyo Stock Exchange, the Company respects the intent of this and has decided to change the trading unit of the shares of the Company, the number of shares per share unit, from 1,000 shares to 100 shares, and together with this, in order to maintain the price level per trading unit of the shares of the Company, the Company will conduct consolidation of shares.

2. Class of shares for consolidation and ratio

The Company proposes to consolidate 10 shares of common shares of the Company to 1 share.

If any fraction of less than one share arises as a result of share consolidation, in accordance with the provisions of the Companies Act, the Company shall sell all of the fractional shares in one bulk, and distribute the sales proceeds to shareholders who held the fractional shares in accordance with the ratio of the respective fractional shares.

3. Date when share consolidation comes into effect (effective date)

October 1, 2017

4. Total number of shares authorized to be issued as of the effective date

29,560,300 shares

5. Other notes

Consolidation of shares pertaining to this Proposal shall be subject to the fact that Proposal 3 “Partial amendments to the Articles of Incorporation (Changes in the total number of shares authorized to be issued and number of shares per share unit)” is approved and resolved in its original form. In addition, for other necessary procedural matters the Company would like to ask you to leave it up to the Board of Directors.

**Proposal 3:** Partial amendments to the Articles of Incorporation (Changes in the total number of shares authorized to be issued and number of shares per share unit)

1. Reasons for the proposal

The Company will amend Article 6 of the existing Articles of Incorporation to decrease the total number of shares authorized to be issued in accordance with the ratio of consolidation of shares, subject to the fact that Proposal 2 “Consolidation of shares” is approved and resolved in its original form, and also amend Article 8 of the existing Articles of Incorporation to change the number of shares per share unit from 1,000 shares to 100 shares. Note that for this amendment, the Company will add supplementary provisions to the effect that this amendment will come into effect as of October 1, 2017, the effective date of the share consolidation under the Proposal 2, and after the lapse of the effective date, delete the relevant supplementary provisions.

2. Details of the amendments

Details of the amendments are as follows:

(Amendments are underlined)

(The existing Articles of Incorporation)	(Proposed amendment)
<p>Article 6. (Total Number of Shares Authorized to be Issued) Total number of shares authorized to be issued shall be <u>295,603,000 shares</u>.</p> <p>Article 8. (Number of Shares per Share Unit) Number of shares per share unit of the Company shall be <u>1,000 shares</u>.</p> <p>(Newly established)</p>	<p>Article 6. (Total Number of Shares Authorized to be Issued) Total number of shares authorized to be issued shall be <u>29,560,300 shares</u>.</p> <p>Article 8. (Number of Shares per Share Unit) Number of shares per share unit of the Company shall be <u>100 shares</u>.</p> <p><u>Supplementary Provision</u> <u>Amendment to Articles 6 and 8 shall come into effect as of October 1, 2017. This Supplementary Provision shall be deleted as of the relevant date.</u></p>

**Proposal 4:** Partial amendments to the Articles of Incorporation (Expansion of persons subject to conclusion of limited liability agreement)

1. Reasons for the proposal

In order for Directors of the Board who are not Executive Directors of the Board, etc. and all of the Audit & Supervisory Board Members to fulfill their expected roles sufficiently, for both Directors of the Board who are not Executive Directors of the Board, etc. and Audit & Supervisory Board Members who are not Outside Audit & Supervisory Board Members to conclude limited liability agreements, the Company will add the required amendments to Articles 29 and 39 of the existing Articles of Incorporation. Note that for the amendment of Article 29 of the existing Articles of Incorporation, the consent of each Audit & Supervisory Board Member has been obtained.

2. Details of the amendments

Details of the amendments are as follows:

(Amendments are underlined)

(The existing Articles of Incorporation)	(Proposed amendment)
<p>Article 29. (Limited Liability Agreement with <u>Outside Directors of the Board</u>)</p> <p>The Company may conclude an agreement to limit liability for damages under Article 423, paragraph 1 of the Companies Act with <u>Outside Directors of the Board</u> in accordance with the provision of Article 427, paragraph 1 of the Companies Act. Provided that, the limit amount of liability for damages under the relevant agreement shall be the amount specified by the laws and regulations.</p> <p>Article 39. (Limited Liability Agreement with <u>Outside Audit &amp; Supervisory Board Members</u>)</p> <p>The Company may conclude an agreement to limit liability for damages under Article 423, paragraph 1 of the Companies Act with <u>Outside Audit &amp; Supervisory Board Members</u> in accordance with the provision of Article 427, paragraph 1 of the Companies Act. Provided that, the limit amount of liability for damages under the relevant agreement shall be the amount specified by the laws and regulations.</p>	<p>Article 29. (Limited Liability Agreement with <u>Directors of the Board</u>)</p> <p>The Company may conclude an agreement to limit liability for damages under Article 423, paragraph 1 of the Companies Act with <u>Directors of the Board (except for those who are Executive Directors of the Board, etc.)</u> in accordance with the provision of Article 427, paragraph 1 of the Companies Act. Provided that, the limit amount of liability for damages under the relevant agreement shall be the amount specified by the laws and regulations.</p> <p>Article 39. (Limited Liability Agreement with <u>Audit &amp; Supervisory Board Members</u>)</p> <p>The Company may conclude an agreement to limit liability for damages under Article 423, paragraph 1 of the Companies Act with <u>Audit &amp; Supervisory Board Members</u> in accordance with the provision of Article 427, paragraph 1 of the Companies Act. Provided that, the limit amount of liability for damages under the relevant agreement shall be the amount specified by the laws and regulations.</p>

**Proposal 5:** Election of six (6) Directors of the Board

The term of office of all nine (9) Directors of the Board will expire upon the conclusion of this meeting. Therefore, in order to improve the efficiency and speed of management even further, and realize more enhanced management supervising functions, the Company proposes to reduce the number of overall Directors of the Board and increase one (1) Outside Director of the Board, thus to elect six (6) Directors of the Board (including two (2) Outside Directors of the Board).

The candidates for Directors of the Board are as follows:

No.	Name		Position and responsibilities in the Company	
1	Reelection	Kenzo Noguchi	Representative Director, Chairman of the Board	
2	Reelection	Akihiko Watanabe	Representative Director, President	
3	Reelection	Tomoyuki Miyazaki	Director of the Board, Senior Executive Vice President COO	
4	Reelection	Chihiro Katsuta	Director of the Board, Senior Executive Vice President CFO	
5	Reelection	Hikaru Kobayashi	Director of the Board	[Outside Director of the Board] [Independent Officer]
6	New election	Itaru Masuda	-	[Outside Director of the Board] [Independent Officer]

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company		Number of the Company's shares owned
1	Kenzo Noguchi (May 3, 1949) [Reelection] Attendance at meetings of the Board of Directors 18/18	Apr. 1973 June 2005 June 2009 June 2010 Apr. 2017	Joined the Company Director of the Board of the Company Senior Executive Director of the Company Representative Director, President of the Company Representative Director, Chairman of the Board of the Company (present position)	57,000
	Reasons for selection as a candidate for Director of the Board Kenzo Noguchi held important posts in the global business and environment divisions over many years, and after assuming the office of the Representative Director, President of the Company in June 2010, he determined the direction of management as improvement of consolidated earning ability and conversion of business structure, and has promoted and realized improvements in the performance of the Group. With his abundant management experience and strong leadership as the Representative Director, Chairman of the Board of the Company since this April, in addition, he possesses both outstanding character and insight. We expect him to contribute as the chief executive in charge of management relevant to improvement of the corporate value of the Group overall. Accordingly, we have determined that he will continue to be a candidate for Director of the Board.			
2	Akihiko Watanabe (September 8, 1959) [Reelection] Attendance at meetings of the Board of Directors 13/13	Apr. 1982 June 2009 June 2010 Apr. 2012 Apr. 2013 Apr. 2015 Apr. 2016 June 2016 Apr. 2017	Joined the Company Corporate Officer Deputy General Manager, Global Business Division of the Company Executive Officer General Manager, Sales Promotion Division of the Company Executive Officer General Manager, International Business Division of the Company Executive Officer of the Company President of Japan Pulp & Paper (U.S.A.) Corp. Executive Vice President of the Company President of Japan Pulp & Paper (U.S.A.) Corp. Executive Vice President Global Business General Manager, International Sales Division of the Company Director of the Board, Executive Vice President Global Business General Manager, International Sales Division of the Company Representative Director President of the Company (present position)	10,000
	Reasons for selection as a candidate for Director of the Board Akihiko Watanabe held important posts in the global business division over many years and promoted strengthening and expansion of sales capabilities. After assuming the office of Director of the Board of the Company in June 2016, since this April as Representative Director, President of the Company he assumes responsibility for improving the operational performance of the Group. With his abundant knowledge in globalization of management and M&A, in addition, he possesses both outstanding character and insight. We expect him to contribute to improvement of the corporate value of the Group overall. Accordingly, and we have determined that he will continue to be a candidate for Director of the Board.			



No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
3	Tomoyuki Miyazaki (June 2, 1954) [Reelection] Attendance at meetings of the Board of Directors 18/18	<p>Apr. 1977    Joined the Company</p> <p>June 2010    Executive Officer General Manager, Kyushu Branch of the Company</p> <p>Apr. 2013    Executive Vice President General Manager, Kyushu Branch of the Company</p> <p>Apr. 2014    Executive Vice President General Manager, Newsprint &amp; Publication Paper Sales Division of the Company</p> <p>Apr. 2015    Executive Vice President Paper Sales &amp; Marketing of the Company</p> <p>June 2015    Director of the Board, Executive Vice President Paper Sales &amp; Marketing of the Company</p> <p>Apr. 2016    Director of the Board, Senior Executive Vice President Paper Sales &amp; Marketing of the Company</p> <p>Apr. 2017    Director of the Board, Senior Executive Vice President COO of the Company (present position)</p>	15,000
<p>Reasons for selection as a candidate for Director of the Board</p> <p>Tomoyuki Miyazaki held important posts in the paper and industrial materials divisions and focused on the development of branch offices over many years. He is currently supervising sales overall as Director of the Board and Senior Executive Vice President of the Company. With his abundant experience and achievements as above, in addition, he possesses both outstanding character and insight. We expect him to contribute to improvement of the corporate value of the Group overall. Accordingly, we have determined that he will continue to be a candidate for Director of the Board.</p>			
4	Chihiro Katsuta (February 15, 1959) [Reelection] Attendance at meetings of the Board of Directors 13/13	<p>Apr. 1982    Joined the Company</p> <p>June 2009    Corporate Officer Deputy General Manager, Finance &amp; Administration Division of the Company</p> <p>June 2010    Executive Officer General Manager, Management Planning Division of the Company</p> <p>Apr. 2014    Executive Vice President General Manager, Chubu Branch of the Company</p> <p>Apr. 2016    Executive Vice President Household Paper of the Company</p> <p>June 2016    Director of the Board, Executive Vice President Household Paper of the Company</p> <p>Apr. 2017    Director of the Board, Senior Executive Vice President CFO of the Company (present position)</p>	15,000
<p>Reasons for selection as a candidate for Director of the Board</p> <p>Chihiro Katsuta held important posts in the administration &amp; planning division over many years. He is currently supervising administration overall as Director of the Board, Senior Executive Vice President of the Company. He also has focused on the development of branch offices, as well as strengthening and expansion of the Company's household paper operations. With his abundant experience and achievements as above, in addition, he possesses both outstanding character and insight. We expect him to contribute to improvement of the corporate value of the Group overall. Accordingly, we have determined that he will continue to be a candidate for Director of the Board.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
5	<p>Hikaru Kobayashi (November 17, 1949) [Reelection] [Outside Director of the Board] [Independent Officer] Attendance at meetings of the Board of Directors 18/18</p>	<p>Nov. 1973      Joined the Environment Agency (name at the time)</p> <p>July 2009      Administrative Vice-Minister of the Environment at the Ministry of the Environment</p> <p>Apr. 2011      Professor of Graduate School of Media and Governance and Faculty of Environment and Information Studies, Keio University</p> <p>Apr. 2012      Visiting Researcher of The National Institute for Minamata Disease (present position)</p> <p>Mar. 2013      Obtained Ph.D. (engineering)</p> <p>June 2014      Outside Director of the Board of the Company (present position)</p> <p>Apr. 2015      Project Professor of Graduate School of Media and Governance, Keio University (present position)</p> <p>Apr. 2016      Visiting Professor of Graduate School of Arts and Sciences, The University of Tokyo (present position)</p> <p>[Significant concurrent positions outside the Company] Project Professor of Graduate School of Media and Governance, Keio University Visiting Professor of Graduate School of Arts and Sciences, The University of Tokyo</p>	2,000
<p>Reasons for selection as a candidate for Outside Director of the Board</p> <p>While Hikaru Kobayashi has never been directly involved in corporate management, he held important posts in environmental administration over many years, and he currently teaches at a number of graduate schools as a project professor and visiting professor, as Doctor of Engineering. We have determined that his extensive experience in administration, academic research, and the education field, as well as his deep insight based on this experience, will enable him to offer advice on the Company's management and provide oversight over the execution of operations from objective and professional standpoints, and that he will continue to be a candidate for Outside Director of the Board. He will have served as an Outside Director of the Board for three (3) years at the conclusion of this meeting.</p> <p>Other notes</p> <p>The Company pays advertising expenses each year to Keio University where Hikaru Kobayashi works, but it is a small amount totaling less than 1 million yen. Therefore, there is no risk of a conflict of interests arising with the Company's general shareholders, and he is scheduled to continue to be an independent officer as stipulated by Tokyo Stock Exchange if reelected.</p> <p>The Company has concluded a limited liability agreement pursuant to the provision of Article 427, paragraph 1 of the Companies Act to limit liability for damages under Article 423, paragraph 1 of the Companies Act, and the agreement will continue if he is reelected. The amount of limit of liability for damages based on the agreement shall be the amount stipulated by laws and regulations.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
6	<p style="text-align: center;">Itaru Masuda (February 9, 1952) [New election] [Outside Director of the Board] [Independent Officer]</p>	<p>Apr. 1974      Joined Mitsui Trust and Banking Company, Limited</p> <p>June 1999      Director of Mitsui Trust and Banking Company, Limited</p> <p>Apr. 2000      Executive Officer of the Chuo Mitsui Trust and Banking Company, Limited</p> <p>Feb. 2002      Senior Executive Officer of the Chuo Mitsui Trust and Banking Company, Limited</p> <p>June 2004      Managing Director of Sumitomo Mitsui Trust Holdings, Inc.</p> <p>May 2006      First Senior Executive Officer of the Chuo Mitsui Trust and Banking Company, Limited</p> <p>June 2006      Director, First Senior Executive Officer of the Chuo Mitsui Trust and Banking Company, Limited</p> <p>June 2010      Director, Deputy President of the Chuo Mitsui Trust and Banking Company, Limited</p> <p>Apr. 2012      Corporate Advisor of Sumitomo Mitsui Trust Bank, Limited</p> <p>May 2012      Outside Director of Three F Co., Ltd. (present position)</p> <p>June 2012      Outside Audit &amp; Supervisory Board Member of Keisei Electric Railway Co., Ltd.</p> <p>June 2016      Outside Corporate Auditor of Japan Steel Works, Ltd. (present position)</p> <p>May 2017      Outside Director of Fujicitio Co., Ltd. (present position)</p> <p>[Significant concurrent positions outside the Company] Outside Director of Three F Co., Ltd. Outside Corporate Auditor of Japan Steel Works, Ltd Outside Director of Fujicitio Co., Ltd.</p>	0
<p><b>Reasons for selection as a candidate for Outside Director of the Board</b></p> <p>Itaru Masuda has been engaged in corporate management at financial institutions over many years, and also has abundant experience as an outside director and outside audit &amp; supervisory board member in multiple listed companies. We have determined that his experience as referred above as well as his deep insight will enable him to offer advice on and provide oversight to the Company's management in general from neutral and objective standpoints, and that he will be a candidate for Outside Director of the Board.</p> <p><b>Other notes</b></p> <p>Itaru Masuda is from Sumitomo Mitsui Trust Bank, Limited, which has a transactional relationship with the Company and also is the shareholder of the Company; however, loans borrowed from the relevant company as of the end of March 2017 is 3.1% of the total borrowing of the Company, and the ratio of the voting rights of the relevant company in the Company is 2.6%. Therefore, there is no risk of a conflict of interests arising with the Company's general shareholders, and he is scheduled to be an independent officer as stipulated by Tokyo Stock Exchange if elected as Director of the Board.</p> <p>If Itaru Masuda is elected, the Company will conclude a limited liability agreement with him pursuant to the provision of Article 427, paragraph 1 of the Companies Act to limit liability for damages under Article 423, paragraph 1 of the Companies Act. The amount of limit of liability for damages based on the agreement shall be the amount stipulated by laws and regulations.</p>			

- Notes:
1. There are no special interests between the candidates and the Company.
  2. Candidates for Director of the Board are nominated in a meeting participated by Outside Director of the Board to formulate a personnel proposal for Director of the Board and Audit & Supervisory Board Members. Candidates are chosen from persons who make outstanding contribution to the Company and who are regarded as indispensable to the Company's advancement, and on the strength of their character and insight. Nominations are approved by resolution of the Board of Directors.
  3. Candidates for independent Outside Directors of the Board are chosen for their ability to offer advice on the Company's businesses from objective and professional standpoints, in accordance with the independence criteria established by Tokyo Stock Exchange.

**Proposal 6:** Determination of amount and other details of share-based remuneration, etc. to Directors of the Board

1. Reason for proposal and reason that this remuneration is appropriate

Remuneration for the Directors of the Board of the Company consisted of “basic remuneration,” “bonuses” and “share-based remuneration type stock option,” however, with this Proposal, the Company would like to obtain approval to stop new grant of “share-based remuneration type stock option” and introduction of a new share-based remuneration plan (the “Plan”) for Directors of the Board.

The objective of the Plan is to further clarify the interlock between remuneration for the Directors of the Board of the Company and stock value, and by Directors of the Board not only enjoying the fruits of their merits due to increase in the stock price, but also bearing stock price decline risk, and sharing interests and risks through fluctuations of the stock price with shareholders, to raise their awareness to contributing to medium-to-long term operational performance improvement and increasing corporate value, and thus the Company considers the introduction to be reasonable.

Specifically, the limit amount of remuneration for Directors of the Board of the Company was approved to be up to 350,000,000 yen per year for “basic remuneration” and “bonus,” and separately, up to 45,000,000 yen per year for “share-based remuneration type stock option” at the 149th Ordinary General Meeting of Shareholders held on June 29, 2011, and has been that amount, however, the Company requests approval for abolition of the stock option remuneration limit for Directors of the Board subject to approval of this Proposal, and then provision of share-based remuneration under this Plan newly to Directors of the Board of the Company (except for Outside Directors of the Board; the same shall apply hereinafter) who will be in office for three (3) years from fiscal year ending March 31, 2018 to fiscal year ending March 31, 2020 (the “covered period”).

The number of Directors of the Board of the Company covered under the Plan will be four (4) if Proposal 5 “Election of Six (6) Directors of the Board” is approved and resolved in its original form.

\* If this Proposal is approved and resolved in its original form, the Company plans to introduce a similar share-based remuneration system to the Executive Officers who have concluded delegation agreement with the Company.

2. Amount of remuneration, etc. and the details, according to the Plan

(1) Outline of the Plan

This Plan is a share-based remuneration plan in which a trust, set up by contribution of moneys by the Company (the “Trust”), acquires the shares of the Company, and then the number of shares of the Company corresponding to the number of points granted by the Company to each Director of the Board, based on their position and ranks, will be delivered to each Director of the Board through the Trust. In principle, Directors of the Board receive delivery of the shares of the Company when retiring as Director of the Board. For other details of the Plan please refer to [For Your Reference] below.

(2) The maximum amount of money paid by the Company

Initial trust period of the Trust shall be about three (3) years, and the Company will contribute moneys up to 270,000,000 yen during the relevant trust period as funds for acquisition of shares of the Company necessary for delivery of the shares of the Company to Directors of the Board under the Plan for remuneration for Directors of the Board who are in office during the covered period, and set up the Trust with Directors of the Board who satisfy a certain requirements as beneficiaries. The Trust will acquire the Company shares from the stock market or disposition of treasury shares by the Company with money entrusted by the Company as the source of funds.

Note: The money actually entrusted by the Company to the Trust will be an amount equal to the total of the above-stated acquisition funds for the shares of the Company, as well as the predicted amount of necessary expenses including trust fees and compensations for trust administrator.

Please note that as of the expiration of the trust period, by a resolution of the Board of Directors of the Company, the Company may continue the Plan by extending the trust period every three (3) years (including the case of extending the trust agreement in actuality by transferring the trust assets under the

Trust to another trust set up by the Company with the same objective; the same shall apply hereinafter). In such instance, as funds for additional acquisition of shares of the Company necessary for delivery of the shares of the Company to Directors of the Board under the Plan, the Company will additionally contribute moneys up to 270,000,000 yen for each extended trust period. In addition, in such cases, the Company shall extend the covered period depending on such continuation of the Plan and extension of the trust period, and within the extended trust period, the Company will continue to grant points under (3) (i) below and delivery of shares of the Company under (4) below.

However, even in the case where the grant of points does not continue as above, if there is a Director of the Board who has been granted points already and not resigned yet, the trust period of the Trust may be extended until the relevant Director of the Board resigns and delivery of the shares of the Company is complete.

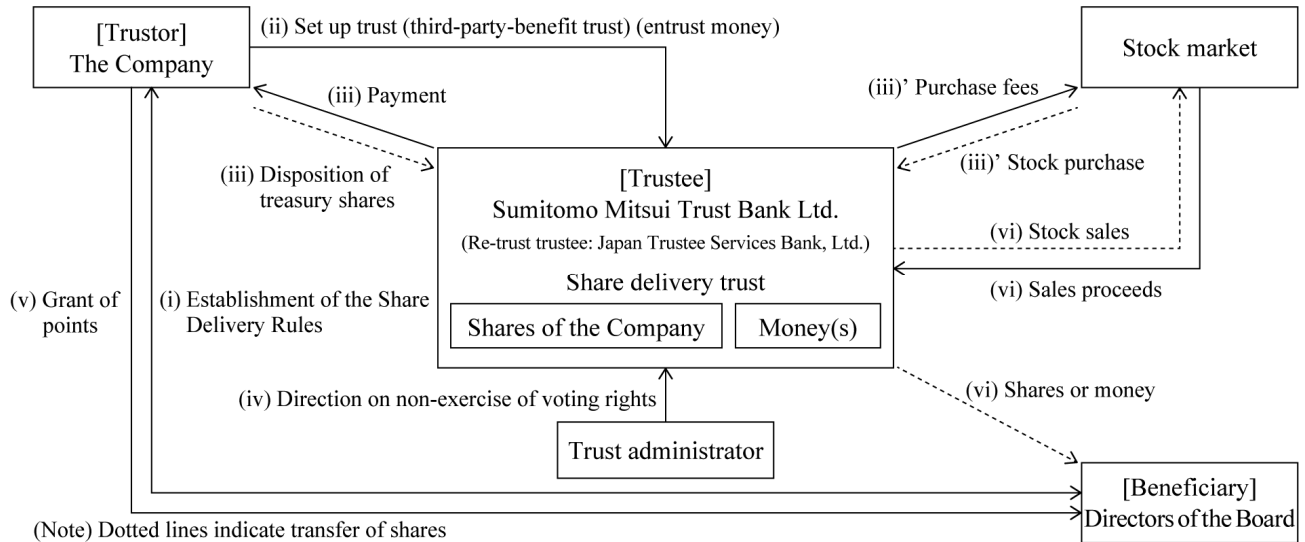
- (3) The calculation method and the maximum number of the Company shares delivered to Directors of the Board
  - (i) Method of grant of points to Directors of the Board and maximum number of points  
The Company shall, in accordance with the Share Delivery Rules provided by the Board of Directors of the Company, deliver points based on their position and ranks to each Director of the Board on the day specified in the relevant Rules during the trust period.  
However, the total number of points granted to Directors of the Board will be up to 30,000 points per fiscal year.
  - (ii) Delivery of Company shares based on the granted points  
The number of shares of the Company that are to be delivered to each Director of the Board shall be the number of points granted to the relevant Director of the Board multiplied by 10.0 (however, if it is judged reasonable to adjust the number of shares to be delivered including share split or share consolidation, etc., a reasonable adjustment will be conducted based on such split or consolidation ratio). If Proposal 2 “Consolidation of Shares” is approved and resolved in its original form, one point is planned to be 1 share of the Company by share consolidation conducted as of October 1, 2017 as the effective date.
- (4) Delivery of the Company Shares to Directors of the Board  
Delivery of the shares of the Company under (3) (ii) above to each Director of the Board shall be conducted from the Trust by each Director of the Board performing the prescribed beneficiary determination procedures when they resign from the office. However, the shares of the Company in a certain ratio shall be sold and converted within the Trust and delivered in moneys in place of the shares of the Company. In addition, in the case where shares of the Company inside the Trust is converted into money including the cases where the shares of the Company within the Trust is settled by applying for TOB, the Company may deliver the money in place of the shares of the Company.
- (5) Exercise of voting rights regarding the Company shares in the Trust  
Voting rights for the Company shares in the Trust shall not be exercised during the trust period so as to ensure the neutrality to the management.
- (6) Handling of surplus dividend of the Company shares in the Trust  
Dividend relating to the shares of the Company within the Trust shall be received by the Trust and appropriated to acquisition value of the shares of the Company and trust fees, etc. for the trustee relating to the Trust.
- (7) Handling after completion of trust  
For remaining assets of the Trust as of the expiration of the trust, shares of the Company are planned to be acquired by the Company for free and then canceled by resolution of the Board of Directors. For remaining assets of the Trust as of the expiration of the trust, the Company is planning to donate a certain amount of moneys to specified public-service promotion corporations that have no interest in the Company and in the officers of the Company, by so stipulating in the Share Delivery Rules and the Trust Agreement in advance.

(8) Other details of the Plan

Other specifics and details concerning the Plan will be determined by the Board of Directors, within the scope of this Proposal.

[For Your Reference]

Outline of the Plan



- (i) The Board of Directors of the Company will establish the Share Delivery Rules covering Directors of the Board (except for Outside Directors of the Board).
- (ii) The Company shall set up a share delivery trust (third-party-benefit trust) in which the Directors of the Board are the beneficiaries. At that time the Company shall trust money corresponding to the share acquisition funds (however, the amount shall be within the scope approved by the General Meeting of Shareholders).
- (iii) The trustee shall acquire a reasonable amount of shares of the Company expected to be delivered in one block (either by means of acquisition from the stock market or disposition of treasury shares).
- (iv) The trust administrator shall be appointed (must be independent from the Company or the officers of the Company) who protects the interests of beneficiaries covered by the Share Delivery Rules and supervises the Trustee throughout the trust period. The trust administrator shall give instructions on non-exercise of voting rights throughout the trust period as for exercising voting rights relating to the shares of the Company within the Trust.
- (v) Under the Share Delivery Rules, the Company shall give points to the Directors of the Board.
- (vi) Directors of the Board who satisfy the requirements provided in the Share Delivery Rules and Trust Agreement pertaining to the Trust may receive delivery of the shares of the Company corresponding to points already granted. In the case of falling under a certain case provided in the Share Delivery Rules and Trust Agreement in advance, some of shares of the Company that are to be delivered shall be sold on the stock market and money shall be delivered within the Trust.

Outline of the Trust

- (i) Name: share delivery trust for officers
- (ii) Trustor: the Company
- (iii) Trustee: Sumitomo Mitsui Trust Bank, Limited (Re-trust trustee: Japan Trustee Services Bank, Ltd.)
- (iv) Beneficiary: Directors of the Board who satisfy requirements for beneficiary.
- (v) Trust administrator: a third party that does not have interests in the Company and officers of the Company is planned to be elected
- (vi) Trust type: money entrusted other than money trust (third-party-benefit trust)
- (vii) Execution date of trust agreement: August 2017 (planned)
- (viii) Date when moneys are trusted: August 2017 (planned)
- (ix) Trust period: from August 2017 (planned) to September 2020 (planned)