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Securities Code: 7976

March 7, 2018

To our shareholders:

Eiichiro Suhara
President and Representative Director
Mitsubishi Pencil Co., Ltd.
1-28-1, Ohi, Shinagawa-ku, Tokyo

Notice of the 143rd Annual General Meeting of Shareholders

You are cordially invited to attend the 143rd Annual General Meeting of Shareholders of Mitsubishi Pencil Co., Ltd. (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:10 p.m. on Wednesday, March 28, 2018 (JST).

- 1. Date and Time:** Thursday, March 29, 2018 at 10:00 a.m. (The venue opens at 9:00 a.m.)
- 2. Venue:** Event Hall, 7F, Shinagawa General Culture Community Center (Curian)
5-18-1, Higashiohi, Shinagawa-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. Business Report and Consolidated Financial Statements for the 143rd fiscal year (from January 1, 2017 to December 31, 2017), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. Non-consolidated Financial Statements for the 143rd fiscal year (from January 1, 2017 to December 31, 2017)

Matters to be resolved:

- | | |
|-----------------------|-------------------------------------------------------------------------------------|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Twelve (12) Directors |
| Proposal No. 3 | Election of Two (2) Audit & Supervisory Board Members |
| Proposal No. 4 | Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members |

- Of the documents to be provided at the time of this notice, the Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are posted on our website below in accordance with relevant laws and regulations and the Company’s Articles of Incorporation, and are not stated in this notice. The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Financial Auditors include Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements posted on our website, as well as the documents stated in the attached documents of this notice.

Company’s website: <https://www.mpuni.co.jp/ir/index.html>

- If there are any amendments made to the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and Reference Documents for the General Meeting of Shareholders, we will post them on our website as noted above.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

1. Year-end dividends

The Company has given consideration to the business performance of the fiscal year and future business development, and it proposes to pay year-end dividends for the 143rd fiscal year as follows:

(1) Type of dividend property

Cash

(2) Allotment of dividend property and the total amount

14 JPY per common share of the Company

In this event, the total dividends will be 838,803,742 JPY.

(Note) The Company conducted a share split at a ratio of two (2) to one (1) common share with July 1, 2017 as effective date. The dividend per share for the fiscal year, calculated on a post-share-split basis and including the interim dividend of 11 JPY, will be 25 JPY, which represents a 5 JPY increase from the previous fiscal year.

(3) Effective date of dividends of surplus

March 30, 2018

2. Other appropriation of surplus

The Company proposes the following appropriation of surplus as for the retained earnings in order to strengthen the management foundation in preparation for aggressive business development in the future:

(1) Item of surplus to be decreased and amount of decrease

Retained earnings brought forward: 2,000,000,000 JPY

(2) Item of surplus to be increased and amount of increase

General reserve: 2,000,000,000 JPY

Proposal No. 2 Election of Twelve (12) Directors

The terms of office of all thirteen (13) Directors will expire at the conclusion of this meeting. Therefore, the Company proposes the election of twelve (12) Directors, decreasing the number of Directors by one (1) to ensure swift and efficient decision making and business processes. The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
1	Eiichiro Suhara (July 19, 1948) <u>Reelection</u>	<p>Aug. 1974 Joined the Company Mar. 1980 Director Mar. 1982 Managing Director Mar. 1985 Director and Vice President Mar. 1987 President and Representative Director (current position) June 2015 Outside Director of Eisai Co., Ltd. (current position)</p> <p>[Important concurrent positions] President and Representative Director of Yamagata Mitsubishi Pencil Precision Co., Ltd. Chairman of Mitsubishi Pencil Vietnam Co., Ltd. Outside Director of Eisai Co., Ltd.</p>	274,650 shares
<p>[Reasons for nomination as a candidate for Director] Eiichiro Suhara assumed office as President and Representative Director of the Company in 1987. Since then, he has been leading the Company's business with strong leadership over all officers and employees by leveraging his wealth of experience and wide breadth of knowledge and insight, and playing an important role in determining important matters concerning the Company and in supervising business execution; therefore, the Company proposes his reelection as Director.</p>			
2	Tetsuro Suhara (November 9, 1951) <u>Reelection</u>	<p>Mar. 1991 Joined the Company Apr. 1991 General Manager, assistant to Managing Director in charge of Production April 1992 General Manager, assistant to Director in charge of Sales Mar. 1993 Director in charge of Product Planning Mar. 1995 Managing Director in charge of Product Planning Apr. 1995 Managing Director and Group Executive of Marketing Group Apr. 1998 Managing Director in charge of Environmental Promotion Apr. 2000 Managing Director in charge of Domestic Business and Environmental Promotion Apr. 2003 Managing Director in charge of Financial Affairs, International Business, Public Relations and Affiliated Companies Mar. 2005 Managing Director in charge of Financial Affairs, Product Development, Public Relations, and Affiliated Companies Jan. 2008 Senior Managing Director Mar. 2012 Director and Vice President (current position)</p> <p>[Important concurrent positions] President and Representative Director of Uni Industry Co., Ltd.</p>	129,112 shares
<p>[Reasons for nomination as a candidate for Director] Tetsuro Suhara assumed office as Director of the Company in 1993. He has wide experience and knowledge of major divisions of the Company, including production, product planning and sales, as well as superior management capabilities. We consider him suitable for decision making at the Board of Directors and supervising business execution; therefore, the Company proposes his reelection as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned	
3	Hiroshi Yokoishi (April 17, 1959) <u>Reelection</u>	Oct. 1985	Joined the Company	11,800 shares
		Apr. 1998	General Manager of International Business Department	
Mar. 2001	Director and General Manager of International Business Department			
Apr. 2005	Director and General Manager of International Operations Department			
Mar. 2017	Managing Director and General Manager of International Operations Department (current position)			
<p>[Reasons for nomination as a candidate for Director] Hiroshi Yokoishi has been devoting efforts to cultivate new sales channels by leading our International Operations Department with his abundant management experience for a long time. As we aim to further strengthen our international business, we consider that his wide-ranging insight will be essential, and he has played an important role in the decision making at the Board of Directors of the Company; therefore, the Company proposes his reelection as Director.</p>				
4	Nobuyuki Nagasawa (April 3, 1957) <u>Reelection</u>	Apr. 1980	Joined the Company	19,900 shares
		Apr. 2001	General Manager, assistant to International Business Department	
Apr. 2003	General Manager of Financial Resources and Accounting Department			
Mar. 2006	Director and General Manager of Financial Resources and Accounting Department			
Jan. 2008	Director in charge of Financial Affairs, Legal Affairs and Information System			
Apr. 2010	Director in charge of Financial Affairs, Legal Affairs, Information System, and Internal Control			
Mar. 2016	Director in charge of Corporate Planning and Information System			
Mar. 2017	Managing Director in charge of Human Resources, Corporate Planning and Information System (current position)			
<p>[Reasons for nomination as a candidate for Director] Nobuyuki Nagasawa has comprehensive experience with managerial divisions, including accounting, finance, legal affairs, IT system, and corporate planning. Additionally, he has experience in the international business division and has extensive knowledge and multifaceted viewpoint. Therefore, we consider him capable of being responsible for important decision making for the management of the Company and supervising business execution; therefore, the Company proposes his reelection as Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
5	Shigehiko Suhara (February 11, 1979) <u>Reelection</u>	Apr. 2005 Joined the Company Apr. 2010 General Factory Manager of Gunma Factory Apr. 2012 General Manager of Sales Planning Department Mar. 2013 Director in charge of Corporate Planning Nov. 2015 Director in charge of Corporate Planning and General Manager of International Operations Planning Department Mar. 2016 Director in charge of Product Development and New Business Development Mar. 2017 Managing Director in charge of Writing Business, New Business Development, Product Development and Quality Assurance (current position)	46,440 shares
[Reasons for nomination as a candidate for Director] Shigehiko Suhara has served as General Factory Manager of Gunma Plant and General Manager of Domestic and International Sales Planning, and has been in charge of Corporate Planning, Product Development, and New Business Development. In addition to his diverse experience and knowledge, he also possesses superior management execution capabilities and leadership. He has played an important role in important decision making at the Board of Directors of the Company and in supervising business execution; therefore, the Company proposes his reelection as Director.			
6	Akira Fukai (January 3, 1959) <u>Reelection</u>	Apr. 1981 Joined the Company Apr. 2005 General Manager of Production Engineering Department Apr. 2008 General Manager of Production Control Department and General Factory Manager of Yokohama Factory Mar. 2009 Director, General Manager of Production Control Department and General Factory Manager of Yokohama Factory Apr. 2010 Director and General Manager of Production Control Department Mar. 2011 Director in charge of Production Jan. 2012 Director in charge of Production and General Factory Manager of Yokohama Factory (current position)	6,800 shares
[Reasons for nomination as a candidate for Director] Akira Fukai has extensive knowledge and experience in the production division, and leads the production site with his excellent communication skills. He plays an important role in decision making for the management of the Company; therefore, the Company proposes his reelection as Director.			
7	Kazuhiisa Kirita (November 13, 1958) <u>Reelection</u>	Apr. 1981 Joined the Company Apr. 2003 General Manager of Product Development Department Apr. 2007 General Manager of Gunma Research and Development Center Apr. 2011 General Manager of Product Development Department Mar. 2012 Director and General Manager of Product Development Department Mar. 2016 Director in charge of Technologies, Patent Administrations and Cosmetics (current position)	5,800 shares
[Reasons for nomination as a candidate for Director] Kazuhiisa Kirita has been deeply engaged in product development for two (2) different divisions: product development and R&D. He has devoted his efforts to making better products and possesses abundant knowledge and experience. His knowledge has been reflected at meetings of the Board of Directors of the Company, and he is a person who can manage important decision making; therefore, the Company proposes his reelection as Director.			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned	
8	Hitoshi Suzuki (June 7, 1958) <u>Reelection</u>	Apr. 1983 Apr. 2005 Mar. 2013	Joined the Company General Manager of Yokohama Research and Development Center Director and General Manager of Yokohama Research and Development Center (current position)	9,200 shares
		[Reasons for nomination as a candidate for Director] Based on extensive knowledge and management experience in research and development, Hitoshi Suzuki has worked extensively to manage the R&D division, spared no effort regarding the development of innovative technologies and engaged in the development of products rooted in what customers require. With this experience and knowledge, he plays an important role in the decision making for the Company; therefore, the Company proposes his reelection as Director.		
9	Naoto Hasegawa (September 29, 1960) <u>Reelection</u>	Apr. 1984 Apr. 2008 Mar. 2016 Mar. 2017	Joined the Company General Manager of Financial Resources and Accounting Department Director in charge of Legal Affairs and General Manager of Financial Resources and Accounting Department Director in charge of Financial Affairs and Legal Affairs (current position)	9,400 shares
		[Reasons for nomination as a candidate for Director] Naoto Hasegawa has a wealth of knowledge and experience concerning finance, accounting and legal affairs. He has played an important role in important decision making for the management of the Company and in supervising business execution, such as examination of capital policy and efforts aimed at bolstering governance system; therefore, the Company proposes his reelection as Director.		
10	Nobuo Yamamura (August 24, 1962) <u>Reelection</u>	Apr. 1985 Apr. 2007 July 2011 July 2013 Apr. 2015 Mar. 2017	Joined the Company General Manager of Product Development Department General Director of Mitsubishi Pencil Vietnam Co., Ltd. Managing Director of Mitsubishi Pencil Tokyo Sales Co., Ltd. General Manager of Sales Planning Department of the Company Director and General Manager of Domestic Sales Department (current position)	4,600 shares
		[Reasons for nomination as a candidate for Director] Nobuo Yamamura has served the Company through important positions at product development, domestic sales, and major domestic and overseas subsidiaries, and he has management experience in both fields of manufacturing and sales. He continues to utilize his cross-cutting knowledge and experience in seeking out new markets, as well as to manage important decision making for the Company; therefore, the Company proposes his reelection as Director.		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Important concurrent positions)	Number of the Company's shares owned
11	Toshihide Yoshimura (February 12, 1949) Reelection Outside Independent Officer	<p>Apr. 1971 Joined Mitsubishi Estate Co., Ltd.</p> <p>June 2002 Director and General Manager of Yokohama Branch of Mitsubishi Estate Co., Ltd.</p> <p>June 2003 Executive Officer and General Manager of Yokohama Branch of Mitsubishi Estate Co., Ltd.</p> <p>June 2005 Executive Officer of Mitsubishi Estate Co., Ltd.</p> <p>June 2005 President and Director of Aqua City Co., Ltd.</p> <p>June 2006 President and Representative Director of Chelsea Japan Co., Ltd.</p> <p>Apr. 2009 Senior Adviser of Mitsubishi Estate Co., Ltd.</p> <p>June 2012 Councilor of the Research Institute for High-Life Foundation (current position)</p> <p>Mar. 2015 Outside Director of the Company (current position)</p>	-
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Based on a wealth of experience and knowledge as a corporate manager, Toshihide Yoshimura has provided considerable advice and suggestions that have contributed to ensuring appropriate decision-making procedures and to enhancing governance system including crisis management from his position independent of the Company's management team. Therefore, the Company proposes his reelection as Outside Director. His term of office as Outside Director will be three (3) years at the conclusion of this General Meeting of Shareholders.</p>			
12	Kenichiro Senoh (January 1, 1954) Reelection Outside Independent Officer	<p>Apr. 1976 Joined Fuji Photo Film Co., Ltd. (currently FUJIFILM Corporation)</p> <p>Dec. 1999 Representative Director and Vice President of Keio Academic Enterprise Co., Ltd.</p> <p>Apr. 2001 Professor of Graduate School of Keio University Media and Government</p> <p>Apr. 2004 President of The Industry-Academia Collaboration Initiative Nonprofit Organization (current position)</p> <p>June 2012 Independent Outside Director of Teijin Limited (current position) Member of the Advisory Board of Teijin Limited (current position)</p> <p>Mar. 2017 Outside Director of the Company (current position)</p> <p>[Important concurrent positions]</p> <p>President of The Industry-Academia Collaboration Initiative Nonprofit Organization</p> <p>Independent Outside Director of Teijin Limited</p> <p>Visiting Professor of Hitotsubashi University Graduate School of Commerce and Management (MBA)</p> <p>Director of Intellectual Property Association of Japan</p>	-
<p>[Reasons for nomination as a candidate for Outside Director]</p> <p>Based on his diverse experience and knowledge of practical research that connects the both fields of technology and business, Kenichiro Senoh has actively made comments that have contributed to enhancing governance system from an objective, multi-pronged perspective. Therefore, the Company proposes his reelection as Outside Director. His term of office as Outside Director will be one (1) year at the conclusion of this General Meeting of Shareholders.</p>			

- (Notes)
1. Eiichiro Suhara concurrently serves as President and Representative Director of Yamagata Mitsubishi Pencil Precision Co., Ltd. The Company purchases its specified products from this company and is also leasing real estate to this company.
 2. Eiichiro Suhara concurrently serves as Chairman of Mitsubishi Pencil Vietnam Co., Ltd. The Company purchases its specified products from this company.
 3. Eiichiro Suhara concurrently serves as an Outside Director of Eisai Co., Ltd. There is no steady business relationship between the Company and this company.

4. Tetsuro Suhara concurrently serves as President and Representative Director of Uni Industry Co., Ltd. The Company purchases its specified products from this company and is also renting real estate from this company.
5. There is no special interest between each candidate for Director other than those stated in 1. to 4. and the Company.
6. Toshihide Yoshimura and Kenichiro Senoh are candidates for Outside Director.
7. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into limited liability agreements with Toshihide Yoshimura and Kenichiro Senoh to limit their liability for damages under Article 423, paragraph 1 of the Companies Act, on the conditions that the requirements stipulated by laws and regulations are met. If their reelections are approved, the Company will continue the above-mentioned limited liability agreements with them. The maximum amount of liability for damages under these agreements is the minimum liability amount provided for under laws and regulations.
8. The Company has designated Toshihide Yoshimura and Kenichiro Senoh as independent officers under the rule of the Tokyo Stock Exchange and has notified the Exchange thereof. The Company plans to continue to designate them as independent officers.
9. Toshihide Yoshimura and Kenichiro Senoh, who are candidates for Outside Directors, satisfy the “Independence Criteria for Outside Officers” stipulated by the Company on page 11.

Proposal No. 3 Election of Two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Fumitoshi Nakamura and Toshio Aoi will expire at the conclusion of this meeting. Therefore, the Company proposes the election of two (2) Audit & Supervisory Board Members. The consent of the Audit & Supervisory Board has been obtained for this proposal. The candidates for Audit & Supervisory Board Members are as follows.

Candidate No.	Name (Date of birth)	Career summary and position in the Company (Important concurrent positions)	Number of the Company's shares owned
1	Jun Tomaru (May 15, 1954) <u>New election</u>	<p>Apr. 1978 Joined the Company</p> <p>Apr. 2001 General Manager of Business Support Center</p> <p>Apr. 2003 General Manager of Sales Planning Office</p> <p>July 2009 President and Representative Director of Mitsubishi Pencil Tokyo Sales Co., Ltd.</p> <p>Apr. 2010 Senior General Manager of the Company</p> <p>Mar. 2012 Director</p> <p>July 2013 Director in charge of Human Resources and General Affairs</p> <p>Mar. 2014 Managing Director in charge of Human Resources and General Affairs, Compliance and Corporate Pension System</p> <p>Mar. 2017 Senior Managing Director in charge of Corporate Administration and Compliance (current position)</p>	8,000 shares
<p>[Reasons for nomination as a candidate for Audit & Supervisory Board Member]</p> <p>In addition to a wealth of experience and knowledge from working in numerous divisions, including sales, human resources, general affairs and compliance, Jun Tomaru possesses intimate knowledge of the Company's group business based on his management experience at the Company and its subsidiaries, and we anticipate that he will play an important role in strengthening the auditing system throughout the Company's group; therefore, the Company proposes his election as Audit & Supervisory Board Member.</p>			
2	Toshio Aoi (October 1, 1955) <u>Reelection</u> <u>Outside</u> <u>Independent Officer</u>	<p>Apr. 1978 Joined The Bank of Yokohama, Ltd.</p> <p>June 2009 Director and Managing Executive Officer in charge of Credit Department of The Bank of Yokohama, Ltd.</p> <p>Apr. 2010 Director, Managing Executive Officer, General Manager of Head Office and General Manager of Business Division Head Office in charge of Head Office Block, of The Bank of Yokohama, Ltd.</p> <p>May 2011 Director of The Bank of Yokohama, Ltd.</p> <p>June 2011 Senior Managing Director of The Yokohama Bankers' Association (current position)</p> <p>Mar. 2014 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>[Important concurrent positions]</p> <p>Senior Managing Director of The Yokohama Bankers' Association</p>	-
<p>[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member]</p> <p>Toshio Aoi has accumulated abundant experience as a corporate manager in financial institutions in addition to considerable insight in matters regarding finance and accounting. His wide-ranging knowledge has been reflected in his auditing of the Company, and he has actively provided appropriate advice and suggestions for ensuring compliance with the law. Therefore, the Company proposes his reelection as Outside Audit & Supervisory Board Member. His term of office as Outside Audit & Supervisory Board Member will be four (4) years at the conclusion of this General Meeting of Shareholders.</p>			

- (Notes)
1. There is no special interest between each candidate for Audit & Supervisory Board Member and the Company.
 2. Toshio Aoi is a candidate for Outside Audit & Supervisory Board Member.
 3. Pursuant to the provisions of Article 427, paragraph 1, of the Companies Act, the Company has entered into limited liability agreement with Outside Audit & Supervisory Board Member candidate Toshio Aoi to limit his liability for damages under Article 423, paragraph 1, of the Companies Act, on the conditions that the requirements stipulated by

laws and regulations are met. If his reelection is approved, the Company will continue the above-mentioned limited liability agreement with him. The maximum amount of liability for damages under this agreement is the minimum liability amount provided for under laws and regulations.

4. The Company has designated Outside Audit & Supervisory Board Member candidate Toshio Aoi as an independent officer under the rule of the Tokyo Stock Exchange and has notified the Exchange thereof. The Company plans to continue to designate him as an independent officer.
5. Outside Audit & Supervisory Board Member candidate Toshio Aoi satisfies the “Independence Criteria for Outside Officers” stipulated by the Company on page 11.

Reference: Concept of Independence of Outside Officers

In addition to the requirements under the Companies Act, the Company formulates its own “Independence Criteria for Outside Officers” to ensure proper corporate governance. Based on these independence criteria, the Company elects candidates for Outside Directors and Outside Audit & Supervisory Board Members. The details of the criteria are as follows.

[Independence Criteria for Outside Officers]

The Board of Directors of the Company determines that Outside Officers who do not fall under any of the criteria in the following items are independent.

1. Major shareholder
Major shareholder of the Company or its executing person. “Major shareholder” means any of those who directly or indirectly hold 10% or more of voting rights at the end of the Company’s most recent fiscal year.
 2. Major business partner
 - (1) Our principal business partner or its executing person. “Our principal business partner” means any one of the following:
 - The amount of payment from the said business partner to the Company in the most recent business year exceeds 2% of the Company’s annual consolidated net sales.
 - Business partner who is indispensable in fund procurement of the Company and whom the Company relies on to the extent that there is no substitution.
 - (2) A party who considers the Company as a major business partner or its executing person. “A party who considers the Company as a major business partner” means the following party:
 - The amount of payment from the Company to the said party in the most recent business year exceeds 2% of the said party’s annual consolidated net sales.
 3. Professional service provider
A legal expert such as an attorney at law, accounting or tax specialist such as a certified public accountant or tax accountant, consultant, corporate manager, university professor, etc. who obtains monetary or other property profit exceeding 10 million JPY per year other than executive remuneration from the Company. When such property is obtained by an organization such as a corporation or a partnership, this criterion applies to a person belonging to such organization.
 4. Donation/Grant
A person who receives donation or grant exceeding 10 million JPY per year from the Company. When such donation or grant is obtained by an organization such as a corporation or a partnership, this criterion applies to an executing person of such organization.
 5. A person who has fallen under any of the above 1. to 4. in the past three (3) years.
 6. A spouse or a relative within second degree of kinship of a Director or an employee of the Company or the Company’s subsidiary.
- * In these criteria, the term “executing person” means a person who executes business in an organization such as a corporation or a partnership regardless of its title or position name such as director, executive officer, employee, etc.

Proposal No. 4 Revision of Remuneration Amount for Directors and Audit & Supervisory Board Members

Regarding the remuneration for Directors and Audit & Supervisory Board Members of the Company, the amount up to 500 million JPY for Directors (including up to 20 million JPY per year for Outside Directors) and the amount up to 70 million JPY for Audit & Supervisory Board Members were approved at the 136th Annual General Meeting of Shareholders held on March 30, 2011 as the maximum amount of monetary remuneration per fiscal year, and they remain effective today. The Company proposes to revise the amount of monetary remuneration per fiscal year to the maximum amount of 600 million JPY for Directors (including 50 million JPY per year for Outside Directors) and the maximum amount of 100 million JPY for Audit & Supervisory Board Members, in consideration of changes to the economic situation and management environment, as well as of other various circumstances.

Moreover, as before, the Company requests that the amount of remuneration for Directors not include the employee salaries of Directors who serve concurrently as employees.

Additionally, there are currently thirteen (13) Directors (including two (2) Outside Directors) and five (5) Audit & Supervisory Board Members, but if Proposals No. 2 and No. 3 are approved and adopted in their current forms, then there will be twelve (12) Directors (including two (2) Outside Directors) and five (5) Audit & Supervisory Board Members.