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(Securities Code 6210)  
June 7, 2018

**To Shareholders with Voting Rights:**

Kazunori Sogame  
President and Director  
Toyo Machinery & Metal Co., Ltd.  
523-1 Aza Nishinoyama, Fukusato,  
Futami-cho, Akashi-shi, Hyogo, JAPAN

**NOTICE OF  
THE 144TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially invited to attend the 144th Annual General Meeting of Shareholders of Toyo Machinery & Metal Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

**If you are unable to attend the meeting, we would like to ask you to exercise your voting rights in one of the following ways.**

**[If exercising voting rights by postal mail]**

**Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form, and return it so that it arrives by 4:30 p.m. on Thursday, June 21, 2018, Japan time.**

**[If exercising voting rights via the Internet]**

**Please use the login ID and temporary password stated on the enclosed Voting Rights Exercise Form, and access the Website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/>), and input your vote for or against the proposal in accordance with the instruction on the screen. In addition, please be sure to check the "Procedures for exercising voting rights via the Internet" (page 11) below in advance.**

**1. Date and Time:** Friday, June 22, 2018 at 10:00 a.m. Japan time

**2. Venue:** Banquet Hall "Shofuku" on the 3rd floor of Hotel Castle Plaza  
2-2 Matsunouchi, Akashi-shi, Hyogo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements for the Company's 144th Fiscal Year (April 1, 2017 - March 31, 2018)
  2. Results of audits of the Consolidated Financial Statements for the Company's 144th Fiscal Year (April 1, 2017 - March 31, 2018) by the Accounting Auditor and the Board of Corporate Auditors

**Proposals to be resolved:**

- Proposal 1:** Election of 8 Directors  
**Proposal 2:** Election of 2 Corporate Auditors  
**Proposal 3:** Election of 2 Substitute Corporate Auditors  
**Proposal 4:** Determination of Amount of Compensation, etc. and Content for Grant of Restricted Stock to Directors (Excluding Outside Directors)

**4. Other Matters related to this Notice of the Meeting**

Of the documents required to be provided with this notice, the "Notes to the Consolidated Financial

Statements” and “Notes to the Non-consolidated Financial Statements” have been posted on the Company’s website (<http://www.toyo-mm.co.jp/fia/data.html>) in accordance with laws and regulations and the Company’s Articles of Incorporation, and are therefore not included in the documents attached to this notice.

The audits by Corporate Auditors and the Accounting Auditor include items contained in the “Notes to the Consolidated Financial Statements” and “Notes to the Non-consolidated Financial Statements,” aside from the documents attached to this notice.

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- \* If you are attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception. To conserve resources, please bring this notice with you. The meeting will be held in light attire (“Cool Biz”).
  - \* Please note that any amendments to the matters to be disclosed in the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements and Reference Documents for the Annual General Meeting of Shareholders will be posted on the Company’s website (<http://www.toyo-mm.co.jp/fia/data.html>).

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

#### Proposal 1: Election of 8 Directors

The current terms of office of all 8 Directors are to expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 8 Directors is proposed.

The candidates for Directors are as follows:

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Kazunori Sogame (March 27, 1960)	<p>April 1982      Joined the Company</p> <p>April 2005      General Manager of Kita-kanto Branch</p> <p>April 2008      General Manager of East Asia Department</p> <p>April 2009      General Manager of Overseas Sales Division and General Manager of East Asia Department</p> <p>January 2010    Executive Officer, General Manager of Sales Division and General Manager of East Asia Department</p> <p>June 2011      Director, General Manager of Sales Division and General Manager of Business Strategy Division</p> <p>May 2012      Director, General Manager of Sales Division and General Manager of Business Strategy Division and General Manager of Sales Planning Department</p> <p>April 2014      Director, General Manager of Sales Division and General Manager of Business Strategy Division</p> <p>May 2014      Director, General Manager of Sales Division</p> <p>June 2014      President and Representative Director (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Kazunori Sogame has led overall management of the Group as Representative Director, and has appropriately conducted supervision of management and decision-making of important matters based on a wealth of experience and ample knowledge. As the Company has judged that he will continue to be the optimal person toward realizing improvement in corporate value as Representative Director, his election as Director is proposed.</p>	23,600
2	Mitsuru Sano (August 4, 1959)	<p>April 1982      Joined the Company</p> <p>October 2004    General Manager of Manufacturing Department</p> <p>October 2008    General Manager of Manufacturing &amp; Procurement Division and General Manager of Manufacturing Department</p> <p>April 2009      Executive Officer, General Manager of Manufacturing &amp; Procurement Division and General Manager of Manufacturing Department</p> <p>March 2010     Executive Officer, General Manager of Production Administrative Division</p> <p>June 2011      Director, General Manager of Production Administrative Division</p> <p>June 2014      Managing Director, General Manager of Production Administrative Division (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Mitsuru Sano has been involved in factory operations for many years, and has worked to establish the production system. Additionally, he has been engaged in supervision of management and determination of important matters based on a wealth of experience and advanced insight. As the Company has judged that he is a person that will contribute to improving corporate value by drawing on these experiences and insight, his re-election as Director is proposed.</p>	31,100

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yoshiaki Tabata (October 30, 1961)	<p>April 1985      Joined the Company</p> <p>April 2002      General Manager of China Department of Overseas Sales Division</p> <p>October 2003    General Manager of Asia Department of Overseas Sales Division</p> <p>June 2011       Executive Officer, Deputy General Manager of Sales Division and General Manager of South Asia Sales Department and General Manager of Europe &amp; U.S. Sales Department</p> <p>January 2013    Executive Officer, Deputy General Manager of Sales Division</p> <p>June 2014       Director, General Manager of Overseas Sales Division</p> <p>January 2015    Director, General Manager of Sales Administrative Division and General Manager of Overseas Sales Division (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Yoshiaki Tabata has contributed to sales expansion as the leader of the sales division for many years. He has been engaged in supervision of management and determination of important matters based on a wealth of overseas experience and advanced insight. As the Company has judged that he is a person that will contribute to improving corporate value by drawing on these experiences and insight, his re-election as Director is proposed.</p>	11,400
4	Kiyoshi Kunimatsu (February 15, 1960)	<p>April 1983      Joined the Company</p> <p>April 2009      General Manager of PLASTAR Design Department</p> <p>August 2009    General Manager of Procurement Department</p> <p>March 2010     General Manager of Manufacturing &amp; Procurement Division</p> <p>June 2010      Executive Officer, General Manager of Manufacturing &amp; Procurement Division</p> <p>June 2011      Director, General Manager of Manufacturing &amp; Procurement Division and General Manager of Global Procurement Office</p> <p>May 2014       Director, General Manager of Manufacturing &amp; Procurement Division (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Kiyoshi Kunimatsu has worked to improve productivity and reduce costs as the leader of the manufacturing &amp; procurement division. He has been engaged in supervision of management and determination of important matters based on a wealth of experience and advanced insight. As the Company has judged that he is a person that will contribute to improving corporate value by drawing on these experiences and insight, his re-election as Director is proposed.</p>	12,600
5	Kazumi Sunamoto (September 9, 1957)	<p>April 1981      Joined Hitachi, Ltd.</p> <p>April 2003      General Manager of General Affairs Department, Hanshin Electric, Co., Ltd. (currently Hitachi Automotive Systems Hanshin, Ltd.)</p> <p>April 2011      General Manager of General Affairs Department of the Company</p> <p>June 2011      Executive Officer, General Manager of General Affairs Department</p> <p>June 2013      Director, General Manager of Administrative Division and General Manager of General Affairs Department</p> <p>April 2016      Director, General Manager of Administrative Division (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Kazumi Sunamoto has led the administrative division and worked to strengthen corporate governance. He has been engaged in supervision of management and determination of important matters based on a wealth of experience and advanced insight. As the Company has judged that he is a person that will contribute to improving corporate value by drawing on these experiences and insight, his re-election as Director is proposed.</p>	13,800

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Katsumi Mori (June 20, 1960)	<p>April 1983      Joined the Company</p> <p>October 2008    General Manager of PLASTAR Sales Engineering Department</p> <p>August 2009    General Manager of Development Technology Department and General Manager of PLASTAR Design Department</p> <p>June 2010      Executive Officer, General Manager of Development Technology Division</p> <p>April 2013      Executive Officer, General Manager of Development Technology Division and General Manager of PLASTAR Design Department I and General Manager of Technology Management Department</p> <p>February 2014   Executive Officer, General Manager of Technology Division</p> <p>June 2014      Director, General Manager of Technology Division</p> <p>April 2015      Director, General Manager of PLASTAR Technology Division (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Katsumi Mori has worked in product and technology development operations and technological support for customers as the leader of the technology division for many years. He has been engaged in supervision of management and determination of important matters based on a wealth of experience and advanced insight. As the Company has judged that he is a person that will contribute to improving corporate value by drawing on these experiences and insight, his re-election as Director is proposed.</p>	11,600
7	Masaki Aoyama (September 29, 1953)	<p>April 1976      Joined The Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>October 1999    General Manager, Otsu Branch</p> <p>July 2001      General Manager of Loan Department, The Chuo Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)</p> <p>April 2004      Head of Finance Group, Sanyo Chemical Industries, Ltd.</p> <p>September 2005 General Manager of Casualty Insurance Department of Osaka Branch, Sanshin Shinko Co., Ltd.</p> <p>June 2007      Director and General Manager of Osaka Branch</p> <p>October 2012   Director and Executive Officer, Sansen Trust Insurance Service Co., Ltd.</p> <p>June 2015      Director of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Masaki Aoyama has actively made statements and recommendations in the Board of Directors drawing on his wealth of knowledge and experience, etc., fostered through his career at financial institutions, etc. As the Company has judged that it is optimal for him to continue to supervise management in order to improve corporate value of the Company, his re-election as Outside Director is proposed. He will have been an Outside Director for 3 years at the conclusion of this Annual General Meeting of Shareholders.</p>	0

No.	Name (Date of birth)	Career summary, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	Ken Ichihashi (September 6, 1950)	<p>April 1975      Joined Hitachi Metals, Ltd.</p> <p>June 1998      General Manager, Technology Department, Yasugi Works</p> <p>May 2003      General Manager, Yasugi Works</p> <p>April 2005      Operating Officer and President, Specialty Steel Company</p> <p>April 2007      Managing Operating Officer and President, Specialty Steel Company</p> <p>April 2009      Director, Vice President, Hitachi Metals Admet, Ltd. (currently Hitachi Metals Trading, Ltd.)</p> <p>June 2009      President, Chief Executive Officer</p> <p>June 2014      Retired from President, Chief Executive Officer</p> <p>June 2017      Director of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Ken Ichihashi has been engaged in supervision of management and determination of important matters based on a wealth of experience in craftsmanship at a manufacturing company and experience as President of a sales company. As the Company has judged that it is optimal for him to continue to supervise management in order to improve corporate value of the Company, his re-election as Outside Director is proposed. He will have been an Outside Director for 1 year at the conclusion of this Annual General Meeting of Shareholders.</p>	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. Mr. Masaki Aoyama is a candidate for Outside Director and the Company has reported him to the Tokyo Stock Exchange as an Independent Director.
3. Mr. Ken Ichihashi is a candidate for Outside Director, and the Company has reported him to the Tokyo Stock Exchange as an Independent Director. Although Hitachi Metals Admet, Ltd. (currently the Hitachi Metals Trading, Ltd.), where he previously served, holds the Company as a transaction partner, as four years have passed since he retired from his position as President, Chief Executive Officer of Hitachi Metals Admet Ltd. on June 21, 2014, the Company has judged that his past career will not influence his independence as an Outside Director.
4. The Company has entered into agreements with Mr. Masaki Aoyama and Mr. Ken Ichihashi, both as candidates for Outside Directors, to limit their liabilities for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act. If the reelection of Mr. Masaki Aoyama and Mr. Ken Ichihashi is approved, the Company plans to continue the aforementioned liability limitation agreement with both of them.

[Criteria for judgment of independence]

The Company has established the Standards for Selecting Independent Outside Directors and Corporate Auditors to ensure independence of Outside Directors and Outside Corporate Auditors.

1. A candidate is not and has never been involved in business execution of the Company and its Group companies.
2. A candidate is neither a major shareholder of the Company with 10% or more of the total voting rights, nor its important executive (Director, Executive, and Executive Officer).
3. A candidate is not an important executive of the Company's major trading partner (amount of consideration paid to the Company during transactions with the Company exceeding 2% of consolidated net sales of the Company in the most recent business year).
4. A candidate is not an executive of a person for whom the Company is a major trading partner (amount of consideration paid by the Company during transactions with the Company exceeding 2% of consolidated net sales of the said person in the most recent business year).
5. A Candidate is not an important executive of the Company's main financial institution (from which the Company is borrowing the amount exceeding 2% of its consolidated net assets in the past three years).
6. A candidate is neither an individual nor an important executive of a corporation that has received a large sum of compensation or contribution (an annual sum of ¥10 million or more, or a sum exceeding 2% of consolidated assets annually in the most recent business year) from the Company in forms other than executive compensation.
7. A candidate is not a relative (within the third degree of kinship) of an executive of the Company or its Group companies.
8. A candidate is not a person who falls under any of the items above (2 to 7) in the last three years.

**Proposal 2: Election of 2 Corporate Auditors**

The current terms of office of Corporate Auditors Ms. Yuka Shimokobe and Mr. Masaya Takahashi are to expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Corporate Auditors is proposed.

The Board of Corporate Auditors has given its prior consent to this proposal.

The candidates for Corporate Auditors are as follows.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Yuka Shimokobe (March 6, 1963)	<p>April 1996 Registered as an attorney (belonging to Osaka Bar Association) Joined Miyazaki Law Firm (currently Miyazaki Law Firm, LPC)</p> <p>April 2003 Joined Matsunami Law Firm</p> <p>June 2006 Outside Corporate Auditor of ShinMaywa Industries, Ltd. (current position)</p> <p>June 2014 Outside Corporate Auditor of the Company (current position) [Significant concurrent position] Outside Corporate Auditor of ShinMaywa Industries, Ltd.</p> <p>[Reasons for nomination as candidate for Outside Corporate Auditor] The Company has been receiving useful opinions on objective and fair audits and Board of Directors mainly from legal perspective as Ms. Yuka Shimokobe has professional knowledge on overall legal matters including corporate legal affairs based on abundant business experience as a lawyer. As the Company has judged that it is optimal for her to continue to act as Corporate Auditor from governance perspective, her re-election as Outside Corporate Auditor is proposed. She will have been an Outside Corporate Auditor for 4 years at the conclusion of this Annual General Meeting of Shareholders.</p>	0
2	Masaya Takahashi (February 28, 1979)	<p>October 2003 Joined ShinNihon Audit Firm (currently Ernst &amp; Young ShinNihon LLC)</p> <p>July 2007 Registered as certified public accountant</p> <p>February 2011 Joined Glory Total Management Co., Ltd.</p> <p>November 2012 Established Takahashi CPA Office (current position)</p> <p>April 2013 Registered as certified tax accountant (current position)</p> <p>June 2014 Outside Corporate Auditor of the Company (current position)</p> <p>[Reasons for nomination as candidate for Outside Corporate Auditor] In addition to his perspective as a professional versed in corporate accounting as certified public accountant and certified tax accountant, Mr. Masaya Takahashi has advanced insight on overall management. Thus the Company has judged it can expect useful opinions on fair audits and Board of Directors and nominated him as a candidate for Outside Corporate Auditor. He will have been an Outside Corporate Auditor for 4 years at the conclusion of this Annual General Meeting of Shareholders.</p>	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. Both Ms. Yuka Shimokobe and Mr. Masaya Takahashi are candidates for Outside Corporate Auditors and the Company has reported them to the Tokyo Stock Exchange as Independent Directors.
3. The Company has entered into agreements with Ms. Yuka Shimokobe and Mr. Masaya Takahashi, both as candidates for Outside Auditors, to limit their liabilities for damages in accordance with Article 423, Paragraph 1 of the Companies Act to the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act. If the reelection of Ms. Yuka Shimokobe and Mr. Masaya Takahashi is approved, the Company plans to continue the aforementioned liability limitation agreement with both of them.
4. The candidate Ms. Yuka Shimokobe is scheduled to retire as Outside Corporate Auditor of ShinMaywa Industries, Ltd. in June 2018.

**Proposal 3:** Election of 2 Substitute Corporate Auditors

To prepare for cases where the number of Corporate Auditors falls below statutory requirements, the election of 2 Substitute Corporate Auditors is proposed. Of the candidates for Substitute Corporate Auditors, Mr. Keisuke Hara is proposed to be nominated as a candidate for Corporate Auditor who will substitute for Corporate Auditors other than Outside Corporate Auditors, and Mr. Teruaki Ogikubo is proposed to be nominated as a candidate for Corporate Auditor who will substitute for Outside Corporate Auditors. The Board of Corporate Auditors has given its prior consent to this proposal.

The candidates for Substitute Corporate Auditors are as follows.

No.	Name (Date of birth)	Career summary, positions and significant concurrent positions	Number of shares of the Company held
1	Keisuke Hara (March 11, 1955)	<p>April 1981      Joined the Company</p> <p>April 2005      General Manager of Electricity and Software, Design Administrative Department</p> <p>October 2008   Chief Engineer of Overseas Quality Assurance Support Department</p> <p>April 2009      General Manager of Audit Office</p> <p>April 2016      Member of Audit Office (current position)</p> <p>[Reasons for nomination as candidate for Substitute Corporate Auditor] Mr. Keisuke Hara has experience as General Manager of the Audit Office for seven years, and continues to participate in audit-related operations. The Company has judged that he can appropriately perform the duties of Corporate Auditor based on his wealth of knowledge and experience in this area.</p>	4,000
2	Teruaki Ogikubo (July 22, 1977)	<p>April 2001      Joined Ichiyoshi Securities Co., Ltd.</p> <p>December 2007   Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)</p> <p>September 2011   Registered as certified public accountant</p> <p>October 2011      Mirai Consulting, Inc.</p> <p>December 2012   Registered as certified tax accountant</p> <p>January 2013      Joined GYOSEI &amp; CO. (current position)</p> <p>[Reasons for nomination as candidate for Substitute Outside Corporate Auditor] Mr. Teruaki Ogikubo has been nominated as a candidate for Substitute Outside Corporate Auditor to draw on his specialized knowledge and experience, etc., as a certified public accountant and certified tax accountant in the audit system of the Company. As he has operational experience in the aforementioned areas, the Company has judged that he can appropriately perform the duties of Outside Corporate Auditor.</p>	0

(Notes)

1. There are no special interests between each candidate and the Company.
2. Candidate for Substitute Corporate Auditor Teruaki Ogikubo is a candidate for Outside Corporate Auditor.
3. If Mr. Teruaki Ogikubo assumes the position of Corporate Auditor, the Company plans to report him to the Tokyo Stock Exchange as an Independent Director
4. If Messrs. Keisuke Hara and Teruaki Ogikubo assume the positions of Corporate Auditors, the Company plans to enter into agreements with them to limit their liabilities as Corporate Auditors to the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
5. Candidate for Substitute Corporate Auditor Teruaki Ogikubo is scheduled to resign from GYOSEI & CO. in June 2018 and set up his own business.



**Proposal 4:** Determination of Amount of Compensation, etc. and Content for Grant of Restricted Stock to Directors (Excluding Outside Directors)

With respect to the maximum amount of compensation to Directors of the Company, at the 143rd Annual General Meeting of Shareholders held on June 23, 2017, it was approved that the amount shall be within ¥200 million annually (of which, ¥20 million annually for Outside Directors, not including employee salaries and bonuses for Directors who serve concurrently as employees). However, we hereby ask for your approval on providing a new compensation to grant restricted stock to Directors of the Company (excluding Outside Directors, hereinafter referred to as “Eligible Directors”) separately from the above-mentioned compensation ceiling, in order to give them an incentive for continuing to improve our corporate value and to promote further value sharing between Eligible Directors and shareholders.

Based on this proposal, the compensation to be provided to Eligible Directors for granting restricted stock shall be a monetary claim, and the total amount shall be within ¥100 million annually, which is deemed reasonable considering the above purpose. Notwithstanding, it is assumed that the said amount of compensation shall, in principle, be paid in a lump sum to Eligible Directors in the initial year of the three business years covered by the medium-term management plan, in the amount equivalent to the consideration for the performance of duties over the three business years. For Eligible Directors who assume office in the course of the three business years covered by the medium-term management plan, it is assumed that the compensation shall be paid in a lump sum in the amount equivalent to the consideration for the performance of duties for the period from the time they assumed office until the end of the final year of the three business years covered by the medium-term management plan.

The specific timing and allocation of payments to each Eligible Director shall be determined by the Board of Directors. The number of Directors at present is 8 (including 2 Outside Directors), and will be 8 (including 2 Outside Directors) if Proposal 1 is approved.

Eligible Directors shall pay in as property contributed in kind all of the monetary compensation claim paid from the Company based on the resolution of the Board of Directors, and in return receive the issuance or disposal of common stock of the Company. The total number of shares of common stock of the Company to be issued or disposed of through this arrangement shall be within 150,000 shares annually (provided, however, that the said total number shall be adjusted to a reasonable extent as required according to the ratio of the split or the consolidation if a stock split (including the gratis allotment of the ordinary shares of the Company) or a stock consolidation of ordinary shares of the Company with an effective date on or after the date of resolution of this proposal, is executed).

The amount to be paid per share shall be the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day immediately prior to each resolution of Board of Directors (if no transactions are conducted on that day, the closing price on the most recent transaction date prior to that day). In addition, with respect to the issuance or disposal of the Company’s common stock under this arrangement, the Company and Eligible Directors shall enter into a restricted stock allotment agreement (hereinafter referred to as the “Allotment Agreement”), the outline of which shall include the following. (Common stock of the Company allotted under this Allocation Agreement hereinafter referred to as the “Stock”).

(1) Period for restriction on transfer

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of, the Stock for a period determined by the Board of Directors of the Company within a period of between 1 year and 3 years from the date of the allotment of the Stock (hereinafter referred to as the “Transfer Restriction Period”).

(2) Conditions for removal of transfer restriction

(i) Upon the expiration of the Transfer Restriction Period, the transfer restriction shall be removed

provided that Eligible Directors have been in the post of Directors of the Company continuously. However, in case of retirement due to death, expiration of his/her term of office, or other reasons the Board of Directors of the Company has deemed legitimate, the number of shares for which the restriction of transfer is removed, and the timing thereof, shall be reasonably adjusted as required.

- (ii) Performance criteria shall be established based on the return on equity (ROE) for the medium-term management plan corresponding to the Transfer Restriction Period, and transfer restrictions shall be removed from a portion of the Stock according to the degree of achievement of those criteria.

(3) Reasons for acquisition without consideration

- (i) If Eligible Directors retire from their Director posts at the Company before the expiration date of the Transfer Restriction Period, the Company shall acquire all of their Stock without consideration, except in the case of death, expiration of their terms of office, or other reasons the Board of Directors of the Company has deemed legitimate.
- (ii) In addition to (i), the Company shall acquire the Stock without consideration for which the transfer restriction has not been removed by the expiration date of the Transfer Restriction Period.
- (iii) Other reasons for acquisition without consideration shall be as set forth in the Allocation Agreement based on the resolution of the Board of Directors of the Company.

(4) Handling in the event of organizational restructuring, etc.

Notwithstanding the provisions of (1) above, if, during the Transfer Restriction Period, any merger agreement under which the Company becomes a non-surviving company, any share exchange agreement under which the Company becomes a wholly-owned subsidiary, or any stock transfer plan or other matters relating to organizational restructuring, etc. is approved at the General Meeting of Shareholders of the Company (or by the Board of Directors of the Company in the case where approval by the General Meeting of Shareholders of the Company is not required for the said organizational restructuring, etc.), the Company shall remove, by resolution of the Board of Directors, the transfer restriction on the Stock in the number to be reasonably determined taking into account the period from the commencement of the Transfer Restriction Period to the date of said approval, prior to the effective date of the organizational restructuring, etc. Further, in the case prescribed above, the Company shall duly acquire the Stock without consideration for which the transfer restriction has not been removed, immediately after the transfer restriction is removed.

(5) Other matters

Other matters concerning this Allocation Agreement shall be determined by the Board of Directors of the Company.

<Procedures for exercising voting rights via the Internet>

Please check the instructions below before exercising your voting rights via the Internet.  
If you are attending the General Meeting of Shareholders, there is no need for you to exercise your voting rights via postal mail (Voting Right Exercise Form) or via the Internet.

1. Website for exercising voting rights

- (1) Voting rights may be exercised via the Internet only on the website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/>) which may be accessed from a computer, smartphone or mobile phone (i-mode, EZweb, Yahoo! Keitai). (Please note that the website is not available from 2:00 a.m. to 5:00 a.m. daily).  
\* “i-mode,” “EZweb” and “Yahoo!” are trademarks or registered trademarks of NTT DOCOMO INC., KDDI CORPORATION and Yahoo! Inc. in the United States.
- (2) Depending on the Internet connection environment, you may not be able to exercise your voting rights through your computer or smartphone. Such environment includes the case where a firewall is used for the Internet connection, antivirus software has been installed, a proxy server is used, or TLS encrypted communication has not been designated.
- (3) When exercising voting rights using your mobile phone, please use the service of either i-mode, EZweb, or Yahoo! Keitai. For security reasons, mobile phones that are incompatible with TLS encrypted communication or transmission of mobile phone information, cannot be used.
- (4) Exercise of voting rights via the Internet will be accepted until 4:30 p.m. on Thursday, June 21, 2018, but we ask you to exercise your voting rights at your earliest convenience. Should you have any questions, please contact the help desk.

2. How to exercise your voting rights via the Internet

- (1) On the website for exercising voting rights (<https://evote.tr.mufg.jp/>), enter the “Login ID” and “Temporary Password” printed on the Voting Rights Exercise Form and follow the instructions on the screen to indicate your approval or disapproval for each proposal.
- (2) In order to prevent unauthorized access (“spoofing”) by a third party other than the shareholder and falsification of the contents of your votes, you will be requested to change your “Temporary Password” on the website for exercising voting rights.
- (3) A new “Login ID” and “Temporary Password” will be issued each time the General Meeting of Shareholders is convened.

3. Handling of voting rights exercised multiple times

- (1) Please be advised that where voting rights have been exercised in duplicate both by postal mail and via the Internet, the vote submitted via the Internet will be deemed the valid vote.
- (2) If voting rights have been exercised multiple times via the Internet, the last vote will be deemed the valid vote. Similarly, where voting rights have been exercised in duplicate from a computer, smartphone or mobile phone, the last vote will be deemed the valid vote.

4. Costs incurred for accessing the website for exercising voting rights

Costs incurred for accessing the website for exercising voting rights (Internet connection fees, etc.) shall be borne by the shareholder. Similarly, if a mobile phone is used, packet communication fees and other mobile phone usage fees shall also be borne by the shareholder.

<p>Inquiries about system, etc. Stock Transfer Agency Department (Help Desk) of Mitsubishi UFJ Trust and Banking Corporation Telephone 0120-173-027 (inquiries accepted from 9:00 to 21:00 JST, toll free)</p>
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<For institutional investors>

Nominee shareholders (including standing proxies), such as custodian trust banks, may use the voting rights electronic exercise platform operated by ICJ Inc., if application is made in advance.