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(Stock Exchange Code 6768)
June 10, 2019

To Shareholders with Voting Rights:

Masahiro Asada
President
TAMURA CORPORATION
1-19-43, Higashi-Oizumi,
Nerima-ku, Tokyo, Japan

**NOTICE OF
THE 96TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 96th Annual General Meeting of Shareholders of TAMURA CORPORATION (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposals via the following instructions, and exercise your voting rights by the end of the Company's business hours (5:20 p.m.) on Tuesday, June 25, 2019, Japan time.

1. Date and Time: Wednesday, June 26, 2019 at 10:00 a.m. Japan time (reception begins at 9:00 a.m.)

2. Place: 3F Fuji, HOTEL METROPOLITAN
1-6-1, Nishi-Ikebukuro, Toshima-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 96th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 96th Fiscal Year (April 1, 2018 - March 31, 2019)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Eight (8) Directors
Proposal 4: Election of One (1) Audit & Supervisory Board Member
Proposal 5: Issuance of Stock Acquisition Rights as Stock Compensation-type Stock Options

The "Notes" to the "Consolidated Financial Statements" and the "Non-consolidated Financial Statements" mentioned in this document are available on the Company's Internet website and are not included in this document. As a result, the Consolidated Financial Statements and the Non-consolidated Financial Statements contained in this document are a subset of the Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor during preparation of their respective Audit Reports.

Should the Business Report, Consolidated Financial Statements, Non-consolidated Financial Statements, or Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company's Internet website.

The Company's Internet website: <https://www.tamura-ss.co.jp/jp/finance/index.html>

Instructions on Exercising Voting Rights

For Those Attending the General Meeting of Shareholders

Date and time of the Meeting: Wednesday, June 26, 2019, at 10:00 a.m.

Venue: 3F Fuji, HOTEL METROPOLITAN

When attending the meeting, please bring this notice and submit the enclosed Voting Rights Exercise Form at the reception desk.

*If attending the General Meeting of Shareholders, there is no need to complete the procedures for exercising voting rights by mail (Voting Rights Exercise Form) or by the Internet.

For Those Exercising Voting Rights in Writing

Deadline for exercising voting rights: Tuesday, June 25, 2019, 5:20 p.m.

Please indicate whether you approve or disapprove the proposals on the enclosed Voting Rights Exercise Form, and return by mail.

Due to circumstances surrounding tabulation of voting rights exercise results, the Company appreciates your early exercise.

For Those Exercising Voting Rights via the Internet

Deadline for exercising voting rights: Tuesday, June 25, 2019, 5:20 p.m.

Access the Voting Rights Exercise Website: <https://www.web54.net>

Procedures for Exercising Voting Rights via the Internet

Exercise of your voting rights via the Internet is possible only by accessing the Voting Rights Exercise Website that is designated by the Company, from a computer, smartphone, or mobile phone.

If you have any questions, please contact our help desk.

Access the Voting Rights Exercise Website: <https://www.web54.net>

Enter the “Login ID” and “Password” indicated on the Voting Rights Exercise Form and then enter your vote for each proposal according to the instructions on the screen.

- To exercise voting rights via proxy, you may designate one (1) other shareholder with voting rights to act as your proxy and attend the meeting. However, please understand that the proxy must submit documentation proving power of attorney.
- Only the last vote arriving at the Company shall be accepted as the valid vote. In the event that a voting right is exercised both via the Internet, etc. and in writing by the Voting Rights Exercise Form on the same day, the vote cast through the Internet, etc., shall be accepted as the valid vote.
- In the event that voting rights are exercised multiple times via the Internet, only the final vote submitted shall be considered valid.
- In addition, in the event that voting rights are exercised multiple times via computer, smartphone, or mobile phone, only the final vote submitted shall be considered valid.
- The costs incurred when accessing the voting rights exercise website, such as Internet access fees and telephone charges, shall be borne by shareholders. Also, fees required to use mobile phones, such as packet transmission fees, shall be borne by shareholders.
- Access may be unavailable in certain operating environments including the use of a firewall when accessing the Internet, the use of antivirus software or the use of a proxy server.
- To exercise your voting rights on mobile phones, please use i-mode*, EZweb*, or Yahoo!* Keitai services. For security reasons, you cannot vote by a mobile phone which is incompatible with TLS encrypted transmission or transmission of phone ID information.

*“i-mode” “EZweb”, and “Yahoo!” are trademarks or registered trademarks of NTT DoCoMo Inc., KDDI Corporation and Yahoo! Inc. respectively.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Matters concerning year-end dividends

The Company considers the return of profits to shareholders the most important management task, and strives to maintain and enhance the level of dividends, while focusing on enhancing its financial position by expanding business earnings and securing internal reserves for the purpose of increasing corporate value through medium- to long-term business plans.

Concerning year-end dividends, based on comprehensive consideration of future business trends and the financial standing, etc., the Company proposes a year-end dividend of 5 yen per share. Combined with the interim dividend of 5 yen, the annual dividend will be 10 yen.

(1) Type of dividend property:

Cash

(2) Matters related to and the aggregate amount of the dividend property to be allotted to shareholders:

5 yen per share of the Company's ordinary stock

Total amount of dividends: 410,213,785 yen.

(3) Effective date of dividends of surplus:

June 27, 2019

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for proposal

In order to ensure flexible operation of the Board of Directors in accordance with the Company's management structure, the Company proposes the following amendments to the current Articles of Incorporation.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Convener and Chairperson of Meetings of the Board of Directors) Article 23 (Meetings of the Board of Directors) Meetings of the board of directors shall be convened by the president of the board of directors, who shall also act as their chairperson. Should the president of the board of directors be unable to fulfill this function, another director, selected according to an order of precedence established in advance by the board of directors, shall take the president's place.</p> <p style="text-align: center;">(Omitted)</p>	<p>(Convener and Chairperson of Meetings of the Board of Directors) Article 23 (Meetings of the Board of Directors) Meetings of the board of directors <u>shall be convened by the president of the board of directors or a director as determined by the board of directors.</u> <u>Chairperson of the meetings of the board of directors shall be a director as determined by the board of directors.</u></p> <p style="text-align: center;">(Omitted)</p>

Proposal 3: Election of Eight (8) Directors

The term of office of all nine (9) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed by decreasing one (1) Director in order to streamline the management structure.

The candidates for Director are as follows:

(Note) Attendance at meetings of the Board of Directors for Mr. Akira Kubota and Ms. Haruko Shibumura refers to the meetings held after they assumed their respective positions on June 27, 2018.

No.	Name	Present position and responsibilities in the Company	Attendance at meetings of the Board of Directors
1	Naoki Tamura (Reappointment)	Chairperson Chief Supervisor of Overall Corporate Management In charge of CSR, Company-wide Quality Promotion and Internal Audit General Manager of CSR Promotion Division	100% (17 out of 17 times)
2	Masahiro Asada (Reappointment)	President Controller of Electronic Chemicals/FA Systems-related Business General Manager of Electronic Chemicals & FA System Business Sector	100% (17 out of 17 times)
3	Yusaku Hashiguchi (Reappointment)	Director/Vice President Controller of Electronic Components-related Business Controller of Business Sectors at Head Office In charge of Corporate Management and Information Security General Manager of Corporate Management Division	100% (17 out of 17 times)
4	Takeo Minomiya (Reappointment) (Outside) (Independent Director)	Outside Director	94% (16 out of 17 times)
5	Akira Kubota (Reappointment) (Outside) (Independent Director)	Outside Director	100% (13 out of 13 times)
6	Haruko Shibumura (Reappointment) (Outside) (Independent Director)	Outside Director	100% (13 out of 13 times)
7	Norihiko Nanjo (Reappointment)	Director/Senior Executive Officer General Manager of Electronic Components Business Sector	100% (17 out of 17 times)
8	Shoichi Saito (Reappointment)	Director/Senior Executive Officer Deputy General Manager of Electronic Chemicals & FA System Business Sector General Manager of Factory Automation Business Unit	100% (17 out of 17 times)

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Naoki Tamura (February 11, 1958) [Reappointment] Attendance at meetings of the Board of Directors: 100% (17 out of 17 times)	<p>August 1987 Joined the Company</p> <p>June 1991 Director</p> <p>June 1997 Managing Director</p> <p>June 1999 President</p> <p>July 2012 General Manager of CSR Promotion Division (current position)</p> <p>June 2016 Controller of Electronic Chemicals/FA Systems-related Business and General Manager of Electronic Chemicals & FA System Business Sector</p> <p>April 2019 Chairperson (current position)</p> <p>Chief Supervisor of Overall Corporate Management and in charge of CSR, Company-wide Quality Promotion and Internal Audit (current position)</p> <p>Reason for nomination as a candidate for Director Since his appointment as President in 1999, Mr. Naoki Tamura has driven the Group with assertive leadership. In addition, as Chairperson since April 2019, he has significantly contributed to the development of the Group by supervising overall management with his abundant experience and broad-ranging insight. Going forward, for realizing the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, we request his continued election as a Director of the Company.</p>	1,064,411
2	Masahiro Asada (June 19, 1959) [Reappointment] Attendance at meetings of the Board of Directors: 100% (17 out of 17 times)	<p>April 1982 Joined the Company</p> <p>April 2003 Director, TAMURA EUROPE LIMITED</p> <p>April 2005 Senior Executive Officer</p> <p>June 2007 Director/Senior Executive Officer</p> <p>June 2009 Director/Vice President, General Manager of Electronic Components Business Administration Sector</p> <p>June 2016 Director/Executive Vice President</p> <p>October 2018 Chairperson, KOHA CO., LTD.</p> <p>April 2019 President, the Company (current position)</p> <p>Controller of Electronic Chemicals/FA Systems-related Business and General Manager of Electronic Chemicals & FA System Business Sector (current position)</p> <p>Reason for nomination as a candidate for Director As Director/Executive Vice President since 2016, Mr. Masahiro Asada has taken responsibility for the management of the Group. In addition, he has taken responsibility for the execution of overall corporate management as President since April 2019 and has been in charge of the globally-operating Electronic Chemicals & FA Systems-related Business Sector. We expect to use his years of experience in the Electronic Components-related Business Sector and broad-ranging insight into business management for the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, and therefore request his continued election as a Director of the Company.</p>	16,411

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yusaku Hashiguchi (September 16, 1962) [Reappointment] Attendance at meetings of the Board of Directors: 100% (17 out of 17 times)	<p>April 1986 Joined the Company</p> <p>June 2009 Senior Executive Officer, Deputy General Manager of Electronic Components Business Administration Sector (in charge of Business in China)</p> <p>April 2011 President, TAMURA CORPORATION OF HONG KONG LIMITED (current position)</p> <p>October 2011 President, TAMURA CORPORATION OF CHINA LIMITED (current position)</p> <p>June 2014 General Manager of Corporate Management Division and in charge of Corporate Management and Information Security, the Company (current position)</p> <p>June 2015 Director/Senior Executive Officer</p> <p>August 2015 President, TAMURA CORPORATION SINGAPORE PTE. LTD. (current position)</p> <p>April 2018 Controller of Business Sectors at Head Office, the Company (current position)</p> <p>June 2018 Director/Vice President (current position)</p> <p>April 2019 Director, KOHA CO., LTD. (current position) Controller of Electronic Components-related Business, the Company (current position)</p> <p>Reason for nomination as a candidate for Director Mr. Yusaku Hashiguchi has taken responsibility for the business administration of the Group as a whole as Director/Vice President since 2018. In addition, since April 2019, he has been in charge of the globally-operating Electronic Components-related Business Sector. We expect to use his broad-ranging insight and abundant experience not only concerning business management in Japan and overseas but also concerning technology for the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, and therefore request his continued election as a Director of the Company.</p>	16,619
4	Takeo Minomiya (January 18, 1944) [Reappointment] [Outside] [Independent Director] Attendance at meetings of the Board of Directors: 94% (16 out of 17 times)	<p>April 1962 Joined Sony Corporation</p> <p>June 2001 Senior Managing Corporate Executive Officer</p> <p>June 2001 Deputy President, Sony EMCS Corporation</p> <p>June 2007 Director, the Company (current position)</p> <p>June 2011 Outside Director, ShibaSoku Co., Ltd. (current position)</p> <p>December 2012 President and Representative Director, Houtoku Energy Co., Ltd. (current position)</p> <p>April 2015 Outside Director, Paloma Co., Ltd. (current position)</p> <p>Reason for nomination as a candidate for Outside Director Mr. Takeo Minomiya has engaged in corporate management for many years as a manager in multiple companies including companies which operate on a global scale. His abundant experience and broad-ranging insight has also contributed significantly to the sustainable growth and the medium- to long-term enhancement of corporate value of the Group. Going forward, we expect to continue receiving his useful and unreserved opinions and guidance from an objective and broad perspective, and therefore request his continued election as a Director of the Company.</p>	61,831

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
5	<p>Akira Kubota (September 9, 1953)</p> <p>[Reappointment] [Outside] [Independent Director]</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1978 Joined Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>September 2005 Director-General of Research and Statistics Department, Economic and Industrial Policy Bureau</p> <p>July 2006 Joined Olympus Corporation</p> <p>June 2009 Executive Officer, Division Manager, Microtechnology R&D Division, Corporate R&D Center</p> <p>April 2014 Executive Managing Officer, Group President, Corporate R&D Center</p> <p>April 2016 Executive Managing Officer, Unit Head, Medical Affairs & CSR Office</p> <p>May 2017 Executive Director of NIPPON ELECTRIC CONTROL EQUIPMENT INDUSTRIES ASSOCIATION (current position)</p> <p>June 2018 Director, the Company (current position)</p> <p>Reason for nomination as a candidate for Outside Director Mr. Akira Kubota has been engaged in organization management as an officer of an operating company, in addition to extensive experience at an administrative organ. His abundant experience and broad-ranging insight has also contributed significantly to the sustainable growth and the medium- to long-term enhancement of corporate value of the Group. Going forward, we expect to continue receiving his useful and unreserved opinions and guidance, and therefore request his continued election as a Director of the Company.</p>	449
6	<p>Haruko Shibumura (December 6, 1964)</p> <p>[Reappointment] [Outside] [Independent Director]</p> <p>Attendance at meetings of the Board of Directors: 100% (13 out of 13 times)</p>	<p>April 1992 The 46th Legal Apprentice of the Supreme Court</p> <p>April 1994 Registered at the Daini Tokyo Bar Association</p> <p>April 1994 Law Offices of Homma & Komatsu (currently Homma & Partners)</p> <p>April 1999 Partner Lawyer (current position)</p> <p>April 2009 Practicing-attorney-professor for civil advocacy of the Legal Training and Research Institute, the Supreme Court</p> <p>June 2015 Outside Auditor, NICHIREKI CO., LTD. (current position)</p> <p>June 2018 Director, the Company (current position)</p> <p>Reason for nomination as a candidate for Outside Director Ms. Haruko Shibumura has been acting as an Attorney at Law for many years and has served as outside officer of another company. Her abundant experience and broad-ranging insight has also contributed significantly to addressing various matters surrounding corporate management, including corporate governance and compliance. Going forward, we expect to continue receiving her useful and unreserved opinions and guidance from a perspective of a legal expert, and therefore request her continued election as a Director of the Company.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Norihiko Nanjo (February 11, 1965) [Reappointment] Attendance at meetings of the Board of Directors: 100% (17 out of 17 times)	<p>April 1988 Joined the Company</p> <p>June 2008 Senior Executive Officer, General Manager of AVIO & Industrial Device Business Unit</p> <p>June 2009 Director/Senior Executive Officer (current position), Deputy General Manager of Electronic Components Business Administration Sector</p> <p>April 2010 Deputy General Manager of Electronic Components Business Sector, the Company</p> <p>October 2011 Director, TAMURA CORPORATION OF CHINA LIMITED (current position)</p> <p>September 2017 Director, KOHA CO., LTD.</p> <p>October 2017 Director, TAMURA ELECTRONICS (HUI ZHOU) CO., LTD.</p> <p>April 2019 General Manager of Electronic Components Business Sector (current position)</p> <p>Director, TAMURA EUROPE LIMITED (current position)</p> <p>Reason for nomination as a candidate for Director Since joining the Company, Mr. Norihiko Nanjo has engaged in the globally-operating Electronic Components-related Business Sector, accurately grasping the changes in the environment surrounding the business, and contributed to expanding the business. Since April 2019, as General Manager of Electronic Components Business Sector, he is driving business with his abundant experience and broad-ranging insight. For the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, we request his continued election as a Director of the Company.</p>	23,761
8	Shoichi Saito (December 20, 1964) [Reappointment] Attendance at meetings of the Board of Directors: 100% (17 out of 17 times)	<p>April 1988 Joined Tamura Kaken Co., Ltd.</p> <p>April 2005 Executive Officer, General Manager, Overseas Support Division</p> <p>June 2007 Director/Executive Officer, General Manager, Corporate Management Division</p> <p>April 2010 Senior Executive Officer, General Manager, Circuit Equipment Business Unit, Electronic Chemicals Sector, the Company</p> <p>June 2013 Director/Senior Executive Officer (current position)</p> <p>June 2015 Deputy General Manager of Electronic Chemicals & FA System Business Sector and General Manager of Factory Automation Business Unit (current position)</p> <p>August 2015 Director, TAMURA CORPORATION SINGAPORE PTE. LTD. (current position)</p> <p>Reason for nomination as a candidate for Director Since joining the Company, Mr. Shoichi Saito has engaged in the globally-operating Electronic Chemicals & FA Systems-related Business Sector, being in charge of broad-ranging fields related to the mounting process, covering electronic chemical materials to the soldering device, and contributed to expanding the business. We expect to use his broad-ranging insight and abundant experience not only concerning business management but also concerning technology for the sustainable growth and the medium- to long-term enhancement of corporate value of the Group, and therefore request his continued election as a Director of the Company.</p>	20,679

(Notes)

1. There are no special interests between the candidates and the Company.
2. Of the candidates for Director, Messrs. Takeo Minomiya and Akira Kubota and Ms. Haruko Shibumura are candidates for Outside Director. Furthermore, Mr. Takeo Minomiya's term of office as Outside Director of the Company will be twelve (12) years at the close of this General Meeting, and Mr. Akira Kubota and Ms. Haruko Shibumura's terms of office as Outside Director of the Company will be one (1) year, respectively, at the close of this General Meeting.
3. Messrs. Takeo Minomiya and Akira Kubota and Ms. Haruko Shibumura have been submitted as Independent Directors/Auditors pursuant to the regulations of the Tokyo Stock Exchange, and if they are reelected as proposed, they are planned to continue as such Independent Directors/Auditors.
4. The Company has concluded a liability limitation agreement with Messrs. Takeo Minomiya and Akira Kubota and Ms. Haruko Shibumura, and if they are reelected, the Company plans to continue with these agreements. A summary of these liability limitation agreements is as follows.
 - If an Outside Director is negligent in duties and becomes liable to the Company for damages, the liability for

damages shall be the minimum amount as stipulated by Article 425, Paragraph 1 of the Companies Act.

- The above liability limit for damages shall be accepted only in the case where the execution of duties which caused the liability was conducted by the Outside Director in good faith and without gross negligence.
5. Candidates for Director consist of seven (7) male candidates and one (1) female candidate (female ratio of 12.5%).

Proposal 4: Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Atsuji Toda will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Audit & Supervisory Board Member is proposed.

The Audit & Supervisory Board has provided its approval to this proposal.

The candidate for Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
<p>Atsuji Toda (January 19, 1955)</p> <p>[Reappointment] [Outside] [Independent Auditor]</p> <p>Attendance at meetings of the Board of Directors: 88% (15 out of 17 times)</p> <p>Attendance at meetings of the Audit & Supervisory Board: 100% (4 out of 4 times)</p>	<p>October 1979 Joined Showa Audit Corporation</p> <p>October 1980 Joined Shinko Audit Corporation</p> <p>October 1984 Head of Toda Certified Public Accountant Office (current position)</p> <p>March 2000 Outside Auditor, Kurumayaramen Co., Ltd. (current position)</p> <p>June 2015 Audit & Supervisory Board Member, the Company (current position)</p> <p>January 2019 Partner, TIS Tax Accountant Corporation (current position)</p> <p>Reason for nomination as a candidate for Outside Audit & Supervisory Board Member Mr. Atsuji Toda has broad-ranging knowledge concerning finance, accounting and taxation as a certified public accountant. He has audited the execution of duties of Directors from an objective and fair standpoint as Outside Audit & Supervisory Board Member of the Company. Going forward, with his abundant experience and insight, we judged that he will be able to further enhance the Company's management structure, and therefore request his continued election as an Audit & Supervisory Board Member of the Company.</p>	<p>5,627</p>

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Atsuji Toda is a candidate for Outside Audit & Supervisory Board Member. Furthermore, Mr. Atsuji Toda's term of office as Outside Audit & Supervisory Board Member of the Company will be four (4) years at the close of this General Meeting.
3. Mr. Atsuji Toda has been submitted as an Independent Director/Auditor pursuant to the regulations of the Tokyo Stock Exchange, and if he is reelected as proposed, he is planned to continue as such Independent Director/Auditor.
4. The Company has concluded a liability limitation agreement with Mr. Atsuji Toda, and if he is reelected, the Company plans to continue with this agreement. A summary of this liability limitation agreement is as follows.
 - If an Audit & Supervisory Board Member is negligent in duties and becomes liable to the Company for damages, the liability for damages shall be the minimum amount as stipulated by Article 425, Paragraph 1 of the Companies Act.
 - The above liability limit for damages shall be accepted only in the case where the execution of duties which caused the liability was conducted by the Audit & Supervisory Board Member in good faith and without gross negligence.

(Reference)

1. Policies and procedures for selection of candidates for Director and Audit & Supervisory Board Member

(1) Candidates for Director

By introducing the Executive Officer System and separating execution and supervision, the Company creates an appropriate scope of personnel to enable functioning of the Board of Directors.

In consideration of the business content, scale, and management environment, etc., of the Company, personnel with knowledge, experience, and capacity to contribute to enabling functionality of the Board of Directors are selected as candidates for Director upon consideration of the overall balance and diversity of the Board of Directors.

Additionally, the Company selects two or more Outside Directors, seeks personnel in wide and varied fields, and works to have candidates that satisfy the standards of independence defined by the Tokyo Stock Exchange and the Company.

Candidates are recommended in the Nomination and Remuneration Advisory Committee based on the Director Nomination Standards, deliberation is carefully made in the Board of Directors, and determination is made.

(2) Candidates for Audit & Supervisory Board Member

In consideration of the business content, scale, management environment, and audit structure, etc., personnel that can audit the business execution conditions of Directors from a fair and objective standpoint, have capacity to contribute to improvement of the health and transparency of management, and have a wealth of knowledge and experience regarding corporate management and business operations are selected as candidates for Audit & Supervisory Board Member.

Additionally, the Company selects a majority of Outside Audit & Supervisory Board Members, seeks personnel in wide and varied fields, and works to have candidates that satisfy the standards of independence defined by the Tokyo Stock Exchange and the Company.

Candidates are recommended in the Nomination and Remuneration Advisory Committee based on the Audit & Supervisory Board Member Nomination Standards, deliberation is carefully made in the Board of Directors and upon resolution, a proposal is submitted to the Audit & Supervisory Board, and determination is made upon receiving approval.

2. Standards of independence for Outside Officers

To establish a corporate governance structure that can enable management with high transparency and strong management supervision functions and aim to improve corporate value, standards for determining independence of Outside Officers of the Company are defined as follows.

Additionally, Outside Officers shall maintain the below standards of independence after appointment, and if changes are deemed to have occurred, evaluation shall be made in the Board of Directors.

The standard of independence shall be that none of the following items applies.

- 1) The person is or was within the past 10 years a business executor of the Company or a subsidiary of the Company (hereinafter the "Group").
- 2) The person was a major shareholder that held an investment stake of 5% or more in the Company or a business executor (Note) thereof within any of the past five fiscal years.
- 3) The person was a transaction partner of which the amount of transactions was over 1% of consolidated net sales of the Company or said transaction partner within the past three fiscal years or a business executor thereof.
- 4) The person was a major lender of the Company or a business executor thereof within the past three fiscal years.
- 5) The person received donations in excess of 10 million yen per annum from the Group or was affiliated with an organization, etc., that received said donations within the past three fiscal years.
- 6) The person received remuneration in excess of 10 million yen per annum from the Group aside from executive remuneration within the past three fiscal years.
- 7) The person is a spouse or relative within the second degree of a person to which 1) to 6) above applies.

(Note) A business executor refers to Executive Directors and Executive Officers.

End

Proposal 5: Issuance of Stock Acquisition Rights as Stock Compensation-type Stock Options

1. Reason for issuing stock acquisition rights as stock options

The Company implemented an executive officer system in June 2005 as part of structural reforms for its officer system, significantly reassessing the compensation system for Directors, and terminated its previous officer retirement benefits system. As a result, by placing Directors (excluding Outside Directors; the same applies hereinafter) and Executive Officers in a position not only to share the benefits of higher stock prices but also the risks of lower stock prices with shareholders, the Company intends to provide added motivation and morale for improving the stock price and increasing corporate value, and proposes the following.

The Company proposes the issuance of gratis stock acquisition rights to Directors and Executive Officers of the Company, as described in “Summary of issuance of stock acquisition rights” below, that are exercisable from the day following retirement, and are stock compensation-type stock options with a paid-in amount of 1 yen per share for exercise of each stock acquisition right.

Furthermore, the Company also plans to allot gratis stock acquisition rights as stock compensation-type stock options to Directors and Executive Officers in the future, on the condition that approval is gained from a General Meeting of Shareholders of the Company for each fiscal year in which the Directors and Executive Officers are in office.

2. Summary of issuance of stock acquisition rights

(1) Persons subject to allotment of stock acquisition rights, number of persons, and number of stock acquisition rights to be allotted

Directors of the Company (excluding Outside Directors)	5 persons	214 stock acquisition rights
Executive Officers of the Company	10 persons	199 stock acquisition rights

(2) Class and number of shares to be allocated upon exercise of the stock acquisition rights

The upper limit will be 41,300 shares of ordinary stock of the Company.

The number of shares to be allocated upon exercise of each stock acquisition right (hereinafter the “number of shares granted”) shall be 100 shares. However, in the event that the Company conducts a stock split or reverse stock split of its ordinary stock on or after the date of issue (hereinafter the “issue date”), the number of shares granted shall be adjusted based on the following formula (fractions of less than one share shall be rounded down), and the total number of shares allocated by the stock acquisition rights shall be the post-adjustment number of shares granted multiplied by the number of unexercised or unretired stock acquisition rights at the given time.

$$\text{Post-adjustment number of shares granted} = \text{Pre-adjustment number of shares granted} \times \text{Ratio of split or reverse split}$$

In addition to the above, in the event the Company conducts a capital reduction, a merger, or a company split on or after the issue date, or other equivalent circumstances whereby an adjustment to the number of shares granted is necessary, the Company may appropriately adjust the number of shares granted, within reason, taking into consideration the conditions such as the capital reduction, merger, or company split, and the total number of shares allocated by the stock acquisition rights shall be the post-adjustment number of shares granted multiplied by the number of unexercised or unretired stock acquisition rights at the given time.

(3) Total number of stock acquisition rights

413 stock acquisition rights

(4) Paid-in amount for stock acquisition rights

There will be no paid-in cash requirement in exchange for the stock acquisition rights offering.

(5) Value of Assets to be Contributed Upon the Exercise of Stock Acquisition Rights

The value of assets contributed upon the exercise of each stock acquisition right shall be 1 yen for every share that may be issued upon the exercise of the stock acquisition rights, multiplied by the number of shares granted.

Furthermore, if the Company conducts a stock split or reverse stock split after the issue date for the stock acquisition rights, the paid-in amount shall be adjusted based on the following formula, and fractions of less than 1 yen shall be rounded up.

$$\text{Post-adjustment paid-in amount} = \text{Pre-adjustment paid-in amount} \times \frac{1}{\text{Ratio of split or reverse split}}$$

(6) Period of exercising rights for stock acquisition rights

From July 1, 2019 to June 30, 2049.

(7) Exercise conditions for stock acquisition rights

- (i) Directors and Executive Officers may exercise stock acquisition rights only within ten (10) days of the day following retirement.
- (ii) Each stock acquisition right may not be exercised in part.

(8) Increase in capital and capital reserve in the case of issuance of shares through the exercise of stock acquisition rights

- (i) When shares are issued through the exercise of stock acquisition rights, the amount of capital increase shall be one-half of the maximum limit for increases in capital calculated in accordance with Article 17, Paragraph 1 of the Company Accounting Ordinance, and fractions of less than 1 yen shall be rounded up.
- (ii) When shares are issued through the exercise of stock acquisition rights, the amount of capital reserve to be added shall be determined by subtracting the amount of capital increase as stipulated in (i) above from the maximum limit for increases in capital indicated in (i) above.

(9) Matters concerning the acquisition of stock acquisition rights

- (i) In the event the Company's General Meeting of Shareholders approves (or resolutions by its Board of Directors where the resolution of the General Meeting of Shareholders is not necessary) a proposal for a merger agreement in which the Company is the extinct company, proposal for an absorption-type merger agreement in which the Company is split or is planned to be newly spun off, or a resolution for a stock exchange agreement or stock transfer plan in which the Company becomes a wholly-owned subsidiary, the Company is entitled to acquire all existing stock acquisition rights gratis on a date separately determined by the Board of Directors of the Company.
- (ii) The Company may, at any time, acquire gratis unexercised stock acquisition rights held by the Company.

(10) Limits on transferability of stock acquisition rights

Transfer of stock acquisition rights shall require the approval of the Board of Directors of the Company.

(11) Treatment of stock acquisition rights during a reorganization

If the Company is subject to a merger (limited to a case where the Company ceases to exist after to the merger), merger by absorption and spin-off, demerger, stock exchange or stock transfer (hereinafter "Reorganization"), it shall, pursuant to the provisions below, deliver new stock acquisition rights covering shares in the Reorganized Company as indicated in Article 236, Paragraph 1, Items 8a through e of the Companies Act for the respective cases (hereinafter "Reorganized Company"), to the holder of the Company's existing stock acquisition rights (hereinafter "Existing Stock Acquisition Rights") on date the Reorganization becomes effective. In this case, the Existing Stock Acquisition Rights will cease to exist and the Reorganized Company will issue new stock acquisition rights. However, this shall be limited to the case whereby the delivery of new stock acquisition rights for the Reorganized Company is stipulated in the merger agreement, absorption-type merger agreement, spin-off agreement, stock exchange agreement, or stock transfer plans in accordance with the conditions below.

- (i) Number of new stock acquisition rights of the Reorganized Company to be provided
The same number as the number of existing stock acquisition rights that remain in the hands of the holders of stock acquisition rights shall be provided.
- (ii) Class of shares of the Reorganized Company underlying the new stock acquisition rights
The class of shares underlying the new stock acquisition rights shall be the Reorganized Company's ordinary stock.
- (iii) Number of shares of the Reorganized Company underlying the new stock acquisition rights
To be determined in accordance with (2) above upon consideration of such factors as the conditions of the Reorganization.
- (iv) Total amount to be invested upon exercise of new stock acquisition rights
The total amount to be invested upon exercise of the new stock acquisition rights allotted

shall be, after consideration of factors such as the Reorganization, the post-adjustment paid in amount obtained from adjusting the exercise price as stated in (5) above, multiplied by the number of shares of the Reorganized Company to be granted due to the exercise of new stock acquisition rights as stipulated in (iii) above.

(v) Exercise period for new stock acquisition rights

Between the first day of the period that that stock acquisition rights can be exercised as stated in (6) above and the effective date of the Reorganization, whichever is later, until the final day of the period that stock acquisition rights can be exercised as stated in (6) above.

(vi) Increase in capital and capital reserve in case of issuance of shares through exercise of the new stock acquisition rights

Determined in accordance with (8) above.

(vii) Restrictions on acquisition of stock acquisition rights via transfer

Acquisition of stock acquisition rights via transfer shall require resolution by the Board of Directors of the Reorganized Company (if the Reorganized Company does not implement a Board of Directors, a "Director").

(viii) Reasons for acquisition and conditions for stock acquisition rights

Determined in accordance with (9) above.

(12) Allotment date for stock acquisition rights

July 1, 2019

(13) Treatment of share certificates for stock acquisition rights

Share certificates for stock acquisition rights shall be issued only upon request by a holder of stock acquisition rights.

End