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Securities Code: 8218

May 31, 2019

To our shareholders:

Yuichiro Sasage
President, CEO and COO
KOMERI CO., LTD.
4501-1, Shimizu, Minami-ku, Niigata-shi

NOTICE OF THE 58TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 58th Ordinary General Meeting of Shareholders of KOMERI CO., LTD. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than Thursday, June 20, 2019 at 6:00 p.m. (Japan Standard Time).

- 1. Date and Time:** Friday, June 21, 2019 at 10:00 a.m. (Japan Standard Time)
(Reception to begin at 9:00 a.m.)
- 2. Venue:** Large Conference Room (4th Floor), Head Office of the Company
4501-1, Shimizu, Minami-ku, Niigata-shi

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 58th Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 58th Term (from April 1, 2018 to March 31, 2019)

Items to be resolved:

- | | |
|-----------------------|--|
| Proposal No. 1 | Election of Eight (8) Directors |
| Proposal No. 2 | Election of Three (3) Audit & Supervisory Board Members |
| Proposal No. 3 | Introduction of Performance-linked Share-based Remuneration Plan for Directors |

Reference Documents for the General Meeting of Shareholders

Proposal No. 1 Election of Eight (8) Directors

All eight (8) current Directors will conclude their terms of office at the conclusion of this meeting. Accordingly, the Company proposes that eight (8) Directors be elected.

The candidates for Director are listed below.

If this item and Proposal No. 2 are approved as proposed, four (4) out of eleven (11) attending members of the Board of Directors will be Independent Outside Officers.

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Yuichiro Sasage (May 20, 1956)	Apr. 1988 Joined the Company June 1992 Director of the Company Mar. 1996 Managing Director of the Company June 1997 Executive Director of the Company June 2002 Executive Vice-President of the Company June 2003 President and COO of the Company June 2014 President, CEO and COO of the Company (present positions) [Significant concurrent positions outside the Company] President, HOKUSEI SANGYO Co., Ltd. President, LIFE KOMERI Inc. President, MOVIE TIME Co., Ltd. President, Bit-A Co., Ltd. President, KOMERI CAPITAL Co., Ltd. President, KOMERI CREATE Co., Ltd. President, KOMERI SUPPORT Co., Ltd. Chairman, KOMERI Midori Ikuseizaidan (Public Interest Incorporated Foundation) Chairman, KOMERI Disaster Management Center (Non-profit Organization)	1,800,121
[Reasons for nomination as a candidate for Director] Yuichiro Sasage, since being appointed as President in June 2003, has devoted himself to the further expansion of the home center business, including the development of "Power" store format, and in addition, has demonstrated responsibility and leadership in the expansion of the Group's business in his position as Chief Executive Officer (CEO) since June 2014; he has been appropriately supervising management in general. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.			
2	Noboru Ishizawa (January 5, 1958)	Mar. 1980 Joined the Company June 2003 Executive Officer of the Company June 2007 Director and Executive Officer of the Company June 2015 Managing Director and Managing Executive Officer Jan. 2018 Managing Director, Managing Executive Officer, and General Manager of Remodeling Department of the Company (present positions) [Significant concurrent positions outside the Company] President, KOMERI CREATE Co., Ltd. President, KOMERI SUPPORT Co., Ltd.	10,832
[Reasons for nomination as a candidate for Director] Noboru Ishizawa was appointed President of KOMERI CREATE Co., Ltd., in November 2013, and has extensive experience and knowledge in the management and operations of the construction and remodeling businesses. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Tadashi Tanabe (September 1, 1958)	Mar. 1981 Joined the Company June 2009 Executive Officer of the Company June 2012 Director and Executive Officer of the Company May 2018 Managing Director and Managing Executive Officer Sept. 2018 Managing Director, Managing Executive Officer for Store Operations, Overseas Business Operations and Compliance of the Company (present positions)	6,218
		<p>[Reasons for nomination as a candidate for Director] Tadashi Tanabe has been involved in the operations of the Merchandising Department, including purchasing/procurement and product development for many years, and has extensive knowledge and experience in operations at various store formats including "Power," "Hard & Green," "Athena," and "PRO." He also has been engaged in the affairs of the construction and remodeling businesses. He has helped boost the Group's corporate value through the use of his extensive knowledge. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.</p>	
4	Shuichi Matsuda (October 1, 1943)	Apr. 1986 Associate Professor of Waseda University System Research Institute Apr. 1991 Professor of Waseda University System Research Institute Apr. 1997 Professor of MBA Program, Waseda University Graduate School of Asia-Pacific Studies June 2000 Outside Director of the Company (present position) Apr. 2007 Professor of Technology Management, Waseda University Graduate School of Commerce Apr. 2012 Emeritus Professor of Waseda University (present position)	5,200
		<p>[Reasons for nomination as a candidate for Outside Director] Shuichi Matsuda has no direct experience in corporate management other than having served as an Outside Director; however, the Company proposes his continuous election as an Outside Director since his academic knowledge as a long-standing university professor as well as his broad perspective and extensive experience as the Outside Director of other companies are deemed sufficient to perform the role of overseeing the Company's management. He will have served as an Outside Director for nineteen years at the conclusion of this meeting.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Shuichi Matsuda and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer.</p>	

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Masao Kiuchi (July 25, 1944)	<p>Apr. 1968 Joined Seiyu Stores Ltd. (currently Seiyu GK)</p> <p>Mar. 1993 Representative Director of Ryohin Keikaku Co., Ltd.</p> <p>Aug. 1997 Director and Chairman of Ryohin Keikaku Co., Ltd. (retired in May 2005) Representative Director and Vice-President of Seiyu Co., Ltd.</p> <p>Feb. 2001 President and CEO of Seiyu Co., Ltd.</p> <p>May 2003 Director, Representative Executive Officer, and CEO of Seiyu Co., Ltd. (retired from the position of Director of Seiyu Co., Ltd., in December 2005)</p> <p>July 2007 CEO of U.P.n.P. Co., Ltd. (present position)</p> <p>June 2011 Outside Audit & Supervisory Board Member of the Company</p> <p>June 2015 Outside Director of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] CEO, U.P.n.P. Co., Ltd.</p>	–
<p>[Reasons for nomination as a candidate for Outside Director] The Company proposes that Masao Kiuchi be continuously elected as an Outside Director since he is deemed capable of contributing to the management of the Company based on his broad perspective and extensive experience as a business executive. He will have served as an Outside Director for four years at the conclusion of this meeting.</p> <p>[Matters related to independence of the candidate] Since there is no transactional relationship between Masao Kiuchi and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer.</p>			
6	Hiroshi Hayakawa (August 22, 1963)	<p>Aug. 1985 Joined the Company</p> <p>Jan. 2011 Executive Officer of the Company</p> <p>June 2012 Director and Executive Officer of the Company</p> <p>May 2018 Director, Executive Officer, General Manager of Strategic Planning Office, General Manager of Affiliate Company Administration Office, and Responsible for Public Relations of the Company (present positions)</p> <p>[Significant concurrent positions outside the Company] Managing Director, LIFE KOMERI Inc. Managing Director, MOVIE TIME Co., Ltd.</p>	8,132
<p>[Reasons for nomination as a candidate for Director] Hiroshi Hayakawa has proactively shared his opinions at Board of Directors' meetings as the Director responsible for the corporate planning department, and has appropriately supervised management. In addition, as the Director responsible for management of affiliated companies, he has enhanced the synergy of Group businesses and helped boost the Group's corporate value. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Katsushi Suzuki (June 23, 1964)	Mar. 1988 Joined the Company	2,000
		June 2012 Executive Officer of the Company	
		June 2014 Director and Executive Officer of the Company	
		May 2019 Director, Executive Officer, General Manager of New Business Promotion Office, General Manager of New Retail Business Division, and Responsible for Chain Store Operation System Innovation and Promotion Office of the Company (present positions)	
	[Reasons for nomination as a candidate for Director] Katsushi Suzuki has helped boost the Group's corporate value as the Director in charge of new business development including Internet business. He also has extensive knowledge and experience in business reorganization aimed at enhancing the efficiency of the Group's operations, and has proactively shared his opinions at Board of Directors' meetings. He was nominated to continue in the position of Director as he is deemed qualified to help drive the sustained growth of the Group's corporate value.		
8	Naoshi Hosaka (February 28, 1969)	Mar. 1994 Joined the Company	3,000
		June 2012 Executive Officer of the Company	
		June 2014 Director, Executive Officer, and General Manager of Store Planning Department of the Company (present positions)	
	[Reasons for nomination as a candidate for Director] Naoshi Hosaka has extensive knowledge and experience in store management as the person responsible for store planning. He also has been engaged in improving profits from store operations, including improving productivity at stores and evolving the standard model for each format, and has helped to boost the Group's corporate value. He was nominated to continue in the position of Director to help drive the sustained growth of the Group's corporate value.		

- Notes:
1. None of the candidates has a special interest in the Company.
 2. Shuichi Matsuda and Masao Kiuchi are candidates for Outside Director.
 3. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Shuichi Matsuda and Masao Kiuchi to limit their liabilities for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under such agreements shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the aforementioned agreement with them.
 4. Career summaries and other information for each of the above candidates are as of May 14, 2019.

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

All three (3) current Audit & Supervisory Board Members will conclude their terms of office at the conclusion of this meeting. Accordingly, the Company proposes that three (3) Audit & Supervisory Board Members be elected.

The consent of the Audit & Supervisory Board has been obtained for the submission of this proposal.

The candidates for Audit & Supervisory Board Member are listed below.

If Proposal No. 1 and this item are approved as proposed, four (4) out of eleven (11) attending members of the Board of Directors will be Independent Outside Officers.

No.	Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Shojiro Sumiyoshi (December 4, 1947)	June 2002 Joined the Company June 2002 Director of the Company June 2003 Executive Officer of the Company June 2009 Director of the Company June 2012 Standing Audit & Supervisory Board Member of the Company (present position) [Significant concurrent positions outside the Company] Audit & Supervisory Board Member, LIFE KOMERI Inc. Audit & Supervisory Board Member, HOKUSEI SANGYO Co., Ltd.	8,100
[Reasons for nomination as a candidate for Audit & Supervisory Board Member] The Company proposes that Shojiro Sumiyoshi be continuously elected as an Audit & Supervisory Board Member since he is deemed capable of making a valuable contribution to the Company's Audit & Supervisory Board activities based on his abundant knowledge and experience of the store management industry in general.			
2	Zenroku Fujita (April 12, 1948)	Apr. 1980 Registered as an attorney June 1985 Opened Fujita Law Office (to the present day) Apr. 1990 Vice-President of Niigata Bar Association June 2000 Outside Audit & Supervisory Board Member of the Company (present position) Apr. 2003 Vice-President of Niigata Bar Association Apr. 2007 President of Niigata Bar Association Apr. 2011 Vice-President of Japan Federation of Bar Associations Apr. 2015 Chairman of Kanto Federation of Bar Associations [Significant concurrent positions outside the Company] Outside Audit & Supervisory Board Member, Fukuda Road Co., Ltd Director, Niigata Credit Union	4,200
[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member] Zenroku Fujita has no direct experience in corporate management other than having served as an Outside Director. However, the Company proposes his continuous election as an Outside Audit & Supervisory Board Member since he is deemed capable of making a valuable contribution to the Company's Audit & Supervisory Board activities based on his legal expertise and experience as an attorney. He will have served as an Outside Audit & Supervisory Board Member for nineteen years at the conclusion of this meeting. [Matters related to independence of the candidate] Since there is no transactional relationship between Shuichi Matsuda and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer. In addition, although there is no advisory contract in place with the Company, he receives fees as an attorney. The annual payment received is less than ¥1 million, and there is no transaction that might affect the Company's decision-making.			

No.	Name (Date of birth)	Career summary and position (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Takeshi Takubo (March 14, 1957)	<p>Oct. 1978 Joined Price, Waterhouse & Co.</p> <p>Aug. 1984 Registered as certified public accountant</p> <p>Aug. 1984 Established Takubo Accounting Office (to the present day)</p> <p>June 2010 Outside Audit & Supervisory Board Member of the Company (present position)</p> <p>[Significant concurrent positions outside the Company] Audit & Supervisory Board Member, KOMERI CAPITAL Co., Ltd.</p>	—
	<p>[Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member]</p> <p>Takeshi Takubo has no direct experience in corporate management other than having served as an Outside Director. However, the Company proposes his continuous election as an Outside Audit & Supervisory Board Member since he is deemed capable of making a valuable contribution to the Company's Audit & Supervisory Board activities through offering valuable financial and accounting insights based on his abundant experience as a certified public accountant. He will have served as an Outside Audit & Supervisory Board Member for nine years at the conclusion of this meeting.</p> <p>[Matters related to independence of the candidate]</p> <p>Since there is no transactional relationship between Shuichi Matsuda and the Company that might affect the Company's decision-making, the Company has determined that there is no risk of conflict of interest with general shareholders. He has been designated as an Independent Officer as stipulated by the Tokyo Stock Exchange, Inc., and registered as such at the Exchange. If his reappointment is approved, he will continue to be registered as an Independent Officer.</p>		

- Notes:
1. None of the candidates has a special interest in the Company.
 2. Zenroku Fujita and Takeshi Takubo are both candidates for Outside Audit & Supervisory Board Member.
 3. Fukuda Road Co., Ltd., for which Zenroku Fujita serves as an Outside Audit & Supervisory Board Member, received a "Cease and Desist Order" from the Japan Fair Trade Commission in March 2018 for a violation of Article 3 of the Antimonopoly Act. In June 2018, it was ordered to suspend trading under the Construction Business Act. After these facts came to light, Zenroku Fujita fulfilled his responsibilities and made recommendations on the measures required to prevent a recurrence of these matters.
 4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Shojiro Sumiyoshi, Zenroku Fujita and Takeshi Takubo to limit their liabilities for damages under Article 423, paragraph 1 of the same Act. The maximum amount of liability for damages under such agreements shall be the minimum liability amount prescribed in Article 425, paragraph 1 of the Companies Act. If their reelection is approved, the Company plans to continue the aforementioned agreement with them.
 5. Career summaries and other information for each of the above candidates are as of May 14, 2019.

Proposal No. 3 Introduction of Performance-linked Share-based Remuneration Plan for Directors

1. Reasons for the proposal

The Company proposes the introduction of a performance-linked share-based remuneration plan called “Board Benefit Trust (BBT)” (the “Plan”) for Directors of the Company (except for Outside Directors; the same shall apply hereinafter for this proposal unless otherwise stated) and requests approval for this proposal.

The purpose of this proposal is to further clarify the linkage of the remuneration for Directors and the Company’s business performance and share value, and enhances their motivation to contribute to the improvement of the Company’s business performance and corporate value in the medium and long term by their sharing not only the benefit of a rise in share prices but also the risks of a decline in share prices with the Company’s shareholders. The Company deems the details of this proposal to be appropriate in light of the objectives.

This proposal is separate from the amount of Directors’ remuneration (up to ¥400 million per year, not including salary as employee) approved at the 45th Ordinary General Meeting of Shareholders held on June 29, 2006. The Company requests approval for the amount required to provide new share-based remuneration to the Directors. The details of the Plan are at the discretion of the Board of Directors within the framework outlined in 2. below.

At the 50th Ordinary General Meeting of Shareholders held on June 24, 2011, separate from the amount of remuneration of the Directors that was approved at the 45th Ordinary General Meeting of Shareholders held on June 29, 2006, approval was given that the amount of remuneration for stock acquisition rights, to be allocated as stock options to Directors of the Company should be limited to a maximum of ¥150 million per year from the day of the Ordinary General Meeting of Shareholders for each business year. The specific details of such stock acquisition rights were also approved. Subject to approval at this meeting, the remuneration limit for Directors pertaining to the aforementioned resolution shall now be abolished, and the Directors shall forfeit any unexercised stock acquisition rights granted to them as stock options, based on the granting of points through the Plan.

In addition, if Proposal No. 1 is approved, the number of Directors eligible for the Plan shall be six (6).

2. Amount of remuneration pertaining to the Plan and reference information

(1) Outline of the Plan

The Plan is a performance-linked share-based remuneration plan under which the Company’s shares are acquired through a trust using money contributed by the Company as the financial funds (hereinafter the trust that is established based on the Plan is referred to as the “Trust”), and the Directors are provided with the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (the “Company’s Shares, etc.”) through the Trust in accordance with the Share Delivery Regulations for Officers established by the Company. The Directors shall receive the Company’s Shares, etc. upon their retirement, in principle.

(2) Persons eligible for the Plan

Directors (Outside Directors and Audit & Supervisory Board Members are not covered by the Plan)

(3) Trust period

The trust period is from August 2019 (planned) until the termination of the Trust. (Regarding the trust period of the Trust, the date of termination of the Trust shall not be specified and the Trust will continue as long as the Plan is not terminated. The Plan shall terminate upon the delisting of the Company’s shares or abolition of the Share Delivery Regulations for Officers, or in certain other cases.)

(4) Value of the Trust (for remuneration purposes)

Subject to approval of this proposal, the Company will introduce the Plan for the three (3) business years from the year ending March 2020 to the year ending March 2022 (hereinafter, this three (3)-business-year period is referred to as the “Initial Period,” and this Initial Period and each three (3) consecutive business years following the Initial Period are respectively referred to as the “Applicable Period”), as well as for each Applicable Period that follows, and contribute money as defined below to the Trust as financial

funds for the Trust to acquire the Company's shares for the purpose of providing the Company's shares, etc. to the Directors.

First, the Company will contribute funds of up to ¥400 million as necessary funds for the Initial Period upon establishing the Trust (scheduled date August 2019). With the introduction of the Plan, as each Director who holds stock options shall forfeit any unexercised stock acquisition rights granted as stock options subject to the granting of points through the Plan, the contribution to the aforementioned Trust for the Initial Period is calculated in consideration of this point.

Furthermore, after the expiration of the Initial Period, in principle, the Company will make additional contributions to the Trust, of up to ¥200 million for each Applicable Period until the termination of the Plan. However, in the case of making such additional contributions, if there are the Company's shares (excluding a number of the Company's shares that have not yet been provided to Directors equivalent to points granted to them for each Applicable Period up to the immediately preceding Applicable Period) and money remaining in the Trust (such shares and money are collectively referred to as the "Remaining Shares, etc."), the total amount of the Remaining Shares, etc. (the amount for the Company's shares shall be the market value on the final day of the immediately preceding the Applicable Period) and additionally contributed money shall not exceed ¥200 million.

During the Applicable Period, including the Initial Period, the Company may make contributions to the Trust in multiple rounds until the cumulative level of contributions for the Applicable Period reaches the aforementioned maximum limit. When the Company decides to make additional contributions, it shall make a disclosure in a timely and appropriate manner.

(5) Acquisition method of the Company's shares and number of shares to be acquired

The Trust shall acquire the Company's shares through the stock market on which the Company's shares are listed or by way of subscribing to the disposition of the Company's treasury shares, using the money contributed in accordance with (4) above as the funds.

For reference, assuming the acquisition of shares at the closing price on May 13, 2019, the maximum number of shares to be acquired for the Company to provide benefits to Directors for the Initial Period using the maximum contribution amount of ¥400 million shall be 186,600 shares. The details of the acquisition of the Company's shares by the Trust shall be disclosed in a timely and appropriate manner.

(6) Calculation method of the number of the Company's Shares, etc. to be provided to Directors

For each business year, Directors shall be granted the number of points determined by taking into consideration the title, the degree of achievements in performance and other factors in accordance with the Share Delivery Regulations for Officers. Also, as stated in (4) above, along with introduction of the Plan, points shall be granted for transition to the Plan in respect of unexercised stock acquisition rights granted as stock options to Directors, and thus such points are planned to be granted immediately after the establishment of the Trust.

Each point granted to the Directors shall be converted into one common share of the Company at the time of the provision of the Company's shares, etc. as explained in (7) below (provided, however, in case where the Company's shares become the subject of a share split, allotment of share without contribution, or consolidation of shares, etc. after this proposal is approved, the accumulated number of points granted, or the conversion rate, shall be adjusted in a reasonable manner in proportion to the relevant ratio, etc.).

The number of points for Directors used as the basis for the provision of the Company's Shares, etc. described in (7) below shall be the accumulated points granted to Directors by the time of their retirement, in principle (hereinafter referred to as the "Defined Number of Points" for the points calculated in this manner).

(7) Provision of the Company's Shares, etc.

If a Director retires and fulfills the beneficiary requirements stipulated in the Share Delivery Regulations for Officers, the Director may receive the Company's shares from the Trust after his/her retirement in accordance with the Defined Number of Points as explained in (6) above, in principle, by completion of the prescribed procedures to become a beneficiary. However, if the conditions specified in the Share Delivery Regulations for Officers are satisfied, Directors may receive an amount of money equivalent to

the market value of the Company's shares for a certain percentage of points. In such circumstances, the Trust may sell the Company's shares in order to make the monetary provisions.

(8) Exercise of voting rights

The voting rights of the Company's shares within the Trust account shall not be exercised without exception in accordance with the instruction of the trust administrator. This is intended to ensure the neutrality in the Company's management in relation to the exercise of voting rights of the Company's shares within the Trust account.

(9) Handling of dividends

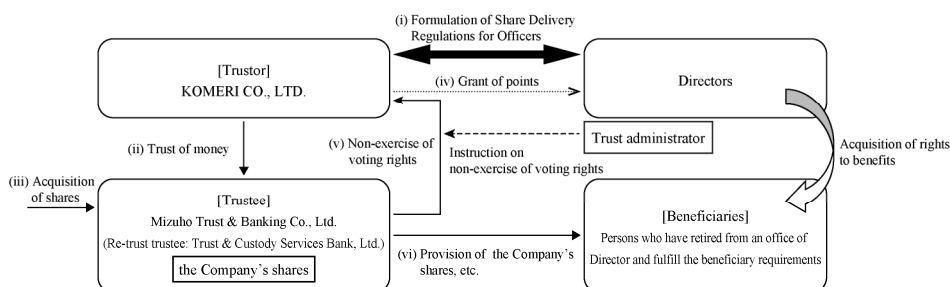
The dividends of the Company's shares within the Trust account shall be received by the Trust and mainly used for the acquisition of the Company's shares or trust fees to the trustee pertaining to the Trust. In case the Trust is terminated, dividends etc. remaining in the Trust shall be provided to the Directors then in office in proportion to the number of points that each of them holds in accordance with the Share Delivery Regulations for Officers.

(10) Handling the Termination of the Trust

The Trust shall be terminated with the occurrence of an event such as delisting of the Company's shares or abolition of the Share Delivery Regulations for Officers.

The Company's shares in the residual assets of the Trust at the time of the termination of the Trust (excluding shares to be provided to Directors as described in (7) above) shall be wholly acquired by the Company without contribution, and canceled by resolution of the Board of Directors. As for the monetary portion of the residual assets of the Trust at the time of the termination of the Trust, the amount remaining after deducting the amount to be paid to Directors according to (9) above shall be provided to the Company.

<For reference: Structure of the Plan>



- (i) The Company will formulate the Share Delivery Regulations for Officers within the scope of the framework approved according to this proposal.
- (ii) The Company will entrust the money within the limit of the approval of this proposal.
- (iii) The money entrusted as described in (ii) will be used by the Trust as funds to acquire the Company's shares through the stock market on which the Company's shares are listed or by way of subscribing to the disposition of the Company's treasury shares.
- (iv) The Company will grant points to Directors based on the Share Delivery Regulations for Officers.
- (v) In accordance with the instruction of the trust administrator independent of the Company, the Trust shall not exercise the voting rights for the Company's shares within the Trust account.
- (vi) The Trust will provide the persons who have retired from an office of Director and fulfill the beneficiary requirements stipulated in the Share Delivery Regulations for Officers (such persons hereinafter referred to as the "Beneficiaries") with a number of the Company's shares corresponding to the number of points that have been granted to the Beneficiaries. However, if an incumbent Director fulfills the requirements stipulated in the Share Delivery Regulations for Officers, the Trust will provide him/her with an amount of money equivalent to the market value of the Company's shares for a certain percentage of points.