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Stock code: 4848

March 9, 2017

Kazuki Sakamaki
President, Representative Director and CEO
Fullcast Holdings Co., Ltd.
8-9-5 Nishi-Gotanda, Shinagawa-ku, Tokyo

CONVOCATION NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE 24TH FISCAL YEAR

Dear Shareholders:

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 24th fiscal year will be held as described below. Your attendance is cordially requested.

If you are unable to attend this meeting, please exercise your voting rights by sending back the attached voting right exercise form to the company expressing your approval or disapproval of the proposals after reviewing the Reference Material for the Ordinary General Meeting of Shareholders annexed hereto. Voting rights exercised in writing must be received by no later than 6:30 p.m. on Thursday, March 23, 2017.

1. **Date and time** Friday, March 24, 2017, at 10:00 am (doors open at 9:00a.m.)
2. **Place** B1F, Houou Room, Hotel JAL City Tamachi
3-16-18 Shibaura, Minato-ku, Tokyo
3. **Agenda for the Meeting**
 - Subject for Report**
 1. Business Report and Consolidated Financial Statements and Non-Consolidated Financial Statements for the 24th Fiscal Year (January 1, 2016 to December 31, 2016)
 2. Audit Report of Consolidated Financial Statements from the Accounting Auditor and Audit & Supervisory Committee
 - Subject for Resolution**
 - 1st Proposal** Partial Changes to the Articles of Incorporation
 - 2nd Proposal** Selection of 4 Directors Excluding Directors that are Audit & Supervisory Committee Members
 - 3rd Proposal** Amount of Compensation and Details concerning Share Compensation-Type Stock Options to be Granted to Directors (excluding Directors that are Audit & Supervisory Committee Members)
 - 4th Proposal** Issuance of Share Acquisition Rights as Stock Options

4. Other

If you are unable to attend the meeting, you may have another shareholder with voting rights attend in your place as a proxy. However, please note that you will need to submit a written power of attorney validating your appointment of the individual as your proxy.

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- Please submit the enclosed voting right exercise form to the registration desk on the day of the meeting.
 - If revisions to the Reference Material for the Ordinary General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements arise, they will be published on the Company's website (<http://www.fullcastholdings.co.jp>).

REFERENCE MATERIAL FOR THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Information

First Proposal: Partial Changes to the Articles of Incorporation

The Company seeks approval for the current Articles of Incorporation to be partially changed as follows.

1. Reason for change

- 1) The Act concerning the Partial Revision of the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers enacted on September 30, 2015 eliminated the categorization of the specified worker dispatching business (reporting system) and general worker dispatching business (licensing system), making all worker dispatching businesses into licensing system. As a result, the Company will make revisions to Article 2 (Purpose) of its existing Articles of Incorporation.
- 2) The Company acquired shares of Dimension Pockets Co., Ltd. on August 10, 2016, making it a consolidated subsidiary. As a result, matters will be added to the purpose of subsidiaries as stated in the existing Article 2 (Purpose).
- 3) The Company acquired shares of F-PLAIN Corporation on January 26, 2017, making it a consolidated subsidiary. At the same time, F-PLAIN Corporation wholly owned subsidiary M's LINE Co., Ltd. too. As a result, matters will be added to the purpose of subsidiaries as stated in the existing Article 2 (Purpose).

2. Details of change

The revisions are as follows.

(Underlined text indicates changes.)

Before	After
<p>Article 2 (Purpose)</p> <p>The purpose of the Company shall be to own the shares or equity of companies engaged in the following businesses or the shares of foreign companies engaged in similar businesses to control and manage the business activities of these companies.</p> <p>1. <u>General</u> worker dispatching business; 2. <u>Specified worker dispatching business</u>; 3. <u>Management consulting business</u>; 4. <u>Information processing and provision service business</u>; 5. <u>General cargo automobile transport business</u>; 6. <u>General section cargo automobile transport business</u>;</p>	<p>Article 2 (Purpose)</p> <p>The purpose of the Company shall be to own the shares or equity of companies engaged in the following businesses or the shares of foreign companies engaged in similar businesses to control and manage the business activities of these companies.</p> <p>1. Worker dispatching business; (Deleted) 2. <u>Management consulting business</u>; 3. <u>Information processing and provision service business</u>; 4. <u>General cargo automobile transport business</u>; 5. <u>General section cargo automobile transport business</u>;</p>

<p><u>7</u>.Contracting of packaging and sorting operations within the transport business;</p> <p><u>8</u>.<u>Contracting of loading and unloading operations within the transport business</u>;</p> <p><u>9</u>.Contracting of incoming/outgoing operations and management operations within the warehousing business;</p> <p><u>10</u>.Contracting of transport of display fixtures, delivery and assembly/setup work within the display business;</p> <p><u>11</u>.Contracting of event management operations;</p> <p><u>12</u>.Contracting of assembly work for home electronics products;</p> <p><u>13</u>.Proxy service for administration concerning merchandise delivery contracts;</p> <p><u>14</u>.Contracting work for the installation of electrical equipment and telecommunications equipment;</p> <p><u>15</u>.Planning, production and agency services for advertisements;</p> <p><u>16</u>.Management of restaurants;</p> <p><u>17</u>.Building construction work;</p> <p><u>18</u>.Comprehensive security business;</p> <p><u>19</u>.Fee-based job placement business;</p> <p><u>20</u>.Development, technical provision, inspections and quality assessment operations for computer software;</p> <p><u>21</u>.Contracting of market research and various marketing research;</p> <p><u>22</u>.Financial services business;</p> <p><u>23</u>.Manufacture, sales, and import/export of merchandise incidental and related to each of the previous items;</p> <p><u>24</u>.Provision of services related to each of the previous items;</p> <p><u>25</u>.Investment in parties that engage in the operations from each of the previous items;</p> <p><u>26</u>.Planning, contracting of manufacture <u>and</u> selling of apparel products;</p> <p><u>27</u>.Contract manufacturing of paper and cardboard;</p> <p><u>28</u>.Contract manufacturing of chemical fiber;</p> <p><u>29</u>.Contract manufacturing <u>and</u> consignment sales of synthetic rubber;</p>	<p><u>6</u>.Contracting of packaging, sorting, <u>loading and unloading operations</u> within the transport business;</p> <p>(Deleted)</p> <p><u>7</u>.Contracting of incoming/outgoing operations and management operations within the warehousing business;</p> <p><u>8</u>.Contracting of transport of display fixtures, delivery and assembly/setup work within the display business;</p> <p><u>9</u>.<u>Planning, production and implementation of various events</u> and contracting of event management operations;</p> <p><u>10</u>.Contracting of assembly work for home electronics products;</p> <p><u>11</u>.Proxy service for administration concerning merchandise delivery contracts;</p> <p><u>12</u>.Contracting work for the installation of electrical equipment and telecommunications equipment;</p> <p><u>13</u>.Planning, production and agency services for advertisements;</p> <p><u>14</u>.<u>Restaurant business</u>;</p> <p><u>15</u>.Building construction work;</p> <p><u>16</u>.Comprehensive security business;</p> <p><u>17</u>.Fee-based job placement business;</p> <p><u>18</u>.Development, technical provision, inspections and quality assessment operations for computer software;</p> <p><u>19</u>.Contracting of market research and various marketing research;</p> <p><u>20</u>.Financial services business;</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p><u>21</u>.Planning, contracting of manufacture <u>and</u> selling of apparel products;</p> <p><u>22</u>.Contract manufacturing of paper and cardboard;</p> <p><u>23</u>.Contract manufacturing of chemical fiber;</p> <p><u>24</u>.Contract manufacturing <u>and</u> consignment sales of synthetic rubber;</p>
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<p><u>30.</u>Contracting manufacturing of industrial plastic products;</p> <p><u>31.</u>Contract manufacturing industrial plastic materials of automotive components and electronic components;</p> <p><u>32.</u>Contact manufacturing of machine tools</p> <p><u>33.</u>Contract manufacturing and consignment sales of automobile and automotive components;</p> <p><u>34.</u><u>Contract manufacturing and consignment sales of parts for electronic devices and telecommunications devices;</u></p> <p><u>35.</u>Contract manufacturing and assembly work and consignment sales for freezers, various vending machines, electrical devices for heaters, home electrical devices and related components of each devices;</p> <p><u>36.</u>Contract manufacturing and consignment sales of frozen foods, retort pouch foods, liquors, soft drinks, snacks and seafood;</p> <p><u>37.</u>Design, development and quality assessment operations for transport equipment and components;</p> <p><u>38.</u>Contracting of documentation, contracting of calculation, and data input using computer systems and associated administrative processing;</p> <p><u>39.</u>Design, manufacture <u>and</u> sales of computer equipment;</p> <p><u>40.</u>Design, manufacture, inspection, and maintenance for industrial transport machinery, fluid machinery, and hydraulic machinery;</p> <p><u>41.</u>Management and operations of medical facilities;</p> <p><u>42.</u>Manufacture, sales, import/export and maintenance of semiconductor manufacturing devices, semiconductor inspection devices, semiconductor devices, LCD manufacturing devices, and LCD inspection devices;</p>	<p><u>25.</u>Contracting manufacturing of industrial plastic products;</p> <p><u>26.</u>Contract manufacturing industrial plastic materials of automotive components and electronic components;</p> <p><u>27.</u>Contact manufacturing of machine tools;</p> <p><u>28.</u>Contract manufacturing and consignment sales of automobile and automotive components; (Deleted)</p> <p><u>29.</u>Contract manufacturing and assembly works and consignment sales for freezers, various vending machines, electrical devices for heaters, home electrical devices and related components of each devices;</p> <p><u>30.</u>Contract manufacturing and consignment sales of frozen foods, retort pouch foods, liquors, soft drinks, snacks and seafood;</p> <p><u>31.</u>Design, development and quality assessment operations for transport equipment and components;</p> <p><u>32.</u>Contracting of documentation, contracting of calculation, and data input using computer systems and associated administrative processing;</p> <p><u>33.</u><u>Development, design, production, manufacturing, sales, management, lease, lending, maintenance and consignment and import/export of telecommunications devices, electrical devices, computers and components and related/peripheral devices, as well as software and systems;</u></p> <p><u>34.</u>Design, manufacture, inspection, and maintenance operations for industrial transport machinery, fluid machinery, and hydraulic machinery;</p> <p><u>35.</u>Management and operations of medical facilities;</p> <p><u>36.</u>Manufacture, sales, import/export and maintenance of semiconductor manufacturing devices, semiconductor inspection devices, semiconductor devices, LCD manufacturing devices, and LCD inspection devices;</p>
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<p><u>43.</u>Purchase, sale and import/export of components and materials to be used for semiconductors and LCD manufacturing facilities;</p> <p><u>44.</u>Technical consulting concerning semiconductors;</p> <p><u>45.</u>Instruction and education for obtaining certification under international quality management standards;</p> <p><u>46.</u>Operations concerning the Internet connections;</p> <p><u>47.</u>Planning, drafting, creation and management of websites on the Internet; (New)</p> <p><u>48.</u>Education and training of computer engineers;</p> <p><u>49.</u>Installation and adjustment work for information communication equipment;</p> <p><u>50.</u><u>Manufacture and sales of electrical and information communication products;</u></p> <p><u>51.</u>Design and construction of electrical and telecommunication facilities; (New)</p> <p><u>52.</u>Purchase, sale, lease, brokerage, mediation and contract management of real estate;</p> <p><u>53.</u>Contract operation of receptionist & information services and telephone switching for buildings etc;</p> <p><u>54.</u>Consulting for human resource education and training for competency development;</p> <p><u>55.</u>Consulting for re-employment assistance</p> <p><u>56.</u>Contracting of administrative processing, accounting operations, computer processing and other business processing for various industries;</p> <p><u>57.</u>Various proxy services;</p> <p><u>58.</u>Operations concerning personnel and labor management and welfare programs;</p> <p><u>59.</u>Telemarketing operations;</p> <p><u>60.</u>Operation of Call center and education of operators;</p> <p><u>61.</u><u>Sales and brokerage of used pachinko and pachisuro machines;</u></p>	<p><u>37.</u>Purchase, sale and import/export of components and materials to be used for semiconductors and LCD manufacturing facilities;</p> <p><u>38.</u>Technical consulting concerning semiconductors;</p> <p><u>39.</u>Instruction and education for obtaining certification under international quality management standards;</p> <p><u>40.</u>Operations concerning the Internet connections;</p> <p><u>41.</u>Planning, drafting, creation and management of websites on the Internet;</p> <p><u>42.</u><u>Operations related to information provision and online sales of various merchandise using the Internet;</u></p> <p><u>43.</u>Education and training of computer engineers;</p> <p><u>44.</u>Installation and adjustment work for information communication equipment; (Deleted)</p> <p><u>45.</u>Design and construction of electrical and telecommunication facilities;</p> <p><u>46.</u><u>Consulting the electronics and telecommunications business, as well as sales, leasing and maintenance of incidental facilities;</u></p> <p><u>47.</u><u>Consulting.</u> Purchase, sale, lease, brokerage, mediation and contract management of real estate;</p> <p><u>48.</u>Contract operation of receptionist & information services and telephone switching for buildings etc;</p> <p><u>49.</u>Consulting for human resource education and training for competency development;</p> <p><u>50.</u>Consulting for re-employment assistance;</p> <p><u>51.</u>Contracting of administrative processing, accounting operations, computer processing and other business processing for various industries;</p> <p><u>52.</u>Various proxy services;</p> <p><u>53.</u>Operations concerning personnel and labor management and welfare programs;</p> <p><u>54.</u>Telemarketing operations;</p> <p><u>55.</u>Operation of Call center and education of operators; (Deleted)</p>
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<p>②Operating the businesses described in the above items 1. or <u>64.</u> by the Company itself.</p> <p>③Provision of monetary loans or agency work for monetary loans.</p> <p>④Any and all operations incidental to each of the above clauses and each of the items in the above clause 1.</p>	<p>②Operating the businesses described in the above items 1. or <u>77.</u> by the Company itself.</p> <p>③Provision of monetary loans or agency work for monetary loans.</p> <p>④Any and all operations incidental to each of the above clauses and each of the items in the above clause 1.</p>
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(Omitted)

Second Proposal: Selection of 4 Directors Excluding Directors that are Audit & Supervisory Committee Members

The term of all 3 Directors (excluding Directors that are Audit & Supervisory Committee Members; hereinafter the same shall apply for this proposal) will expire at the end of this general meeting of shareholders. As a result, the Company requests the selection of 4 Directors (3 reappointments and 1 new appointment).

Candidates for Directors are as follows:

Candidate number	Name (Date of Birth)	Career highlights and significant concurrent positions Status and responsibilities at the Company	Number of Company's shares owned by the candidate
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Re</div> Takehito Hirano (Aug. 25, 1961) (age 55)	Apr. 1984 Joined Harvest Futures Inc. Sept. 1990 Established Resort World Co., Ltd.(currently the Company) and served as Representative Director July. 2006 Representative Director of Fullcast Marketing Co., Ltd. (currently F-PLAIN Corporation) (present post) Sept. 2007 Director of the Company Dec. 2008 Director of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY Co., Ltd.) Dec. 2009 Managing Director and Advisor of the Company Mar. 2015 Managing Director and Chairman of the Company (present post) [Status of significant concurrent positions] Representative Director of F-PLAIN Corporation	— shares
Reason for selection as candidate for Director: Takehito Hirano has sufficiently fulfilled his role in supervising business execution and the management of Board of Directors' meetings utilizing his wealth of experience as an entrepreneur and business owner as well as his broad scope of knowledge in the staffing services industry. Therefore, the Company requests his selection as Director because it believes he will continue to fulfill an appropriate role as Director in supervising management and business execution.			

- (Notes)
1. There are no special interests between Takehito Hirano and the Company.
 2. Takehiko Hirano currently serves as a Director of the Company. He has served as Director for a period of 2 years as of the end of this general meeting of shareholders.
 3. The Company has not concluded a liability limitation contract with Takehito Hirano limiting his liability for damages per Article 423-1 of the Companies Act up to the limit set forth by law per Article 31-2 of the Articles of Incorporation.

Candidate number	Name (Date of Birth)	Career highlights and significant concurrent positions Status and responsibilities at the Company	Number of Company's shares owned by the candidate
2	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Re</div> Kazuki Sakamaki (Sept. 30, 1970) (age 46)	Apr. 1989 Joined AI Tsusho Co., Ltd. Feb. 1995 Joined Fullcast Co., Ltd. (currently the Company) Oct. 2005 Representative Director of Fullcast HR Institute Co., Ltd. (currently Fullcast Co. Ltd.) Oct. 2007 Corporate Executive Officer, General Manager of the Business Engineering Dept. of Fullcast Co., Ltd. Oct. 2008 Corporate Executive Officer, General Manager of the Tokai & Kansai Sales Dept. of Fullcast Co., Ltd. June. 2009 Representative Director of Fullcast Co., Ltd. Dec. 2011 Director of the Company Jan. 2013 President and Representative Director of Fullcast Co., Ltd. (present post) Jan. 2014 President, Representative Director and CEO of the Company (present post) [Status of significant concurrent positions] President and Representative Director of Fullcast Co., Ltd.	93,464 shares
Reason for selection as candidate for Director: As a Director in charge of business execution, Kazuki Sakamaki has sufficiently fulfilled his role in supervising business execution and decision making regarding material matters of the Company's management, having providing appropriate explanations for resolutions and reports presented to the Board of Directors. He has also lead management as the President, Representative Director and CEO and he has contributed to enhanced sustainable corporate value of the Company through steadily advancing business performance in the fiscal year ended December 2016 after formulating the medium-term management plan. Based on these qualifications, the Company requests his selection as Director because it believes he is an ideal choice and will work to achieve sustainable growth of the Company through is leadership of management as President, Representative Director and CEO.			

- (Notes)
1. There are no special interests between Kazuki Sakamaki and the Company.
 2. The number of Company's shares owned by the Kazuki Sakamaki represents the effective number of shares including those held through Fullcast Holdings Co., Ltd.'s executive stock ownership plan.
 3. He currently serves as a Director of the Company. He has served as Director for a period of 5 years and 3 months as of the end of this general meeting of shareholders.

Candidate number	Name (Date of Birth)	Career highlights and significant concurrent positions Status and responsibilities at the Company	Number of Company's shares owned by the candidate
3	<div style="border: 1px solid black; width: 20px; height: 15px; margin: 0 auto; text-align: center; line-height: 15px;">Re</div> <p>Takahiro Ishikawa (July. 22, 1967) (age 49)</p>	<p>Sept. 1990 Senior Managing Director of Resort World Co., Ltd. (currently the Company)</p> <p>Sept. 2000 Representative Director of Fullcast Factory Co., Ltd.</p> <p>Apr. 2006 Representative Director of Fullcast Central Co., Ltd.</p> <p>Jan. 2012 Director of STARTLINE Co., Ltd. (present post)</p> <p>May. 2012 Representative Director of Beat Co., Ltd. (present post)</p> <p>Dec. 2014 Representative Director of Beatech Co., Ltd. (present post)</p> <p>Mar. 2016 Director of the Company (present post)</p> <p>[Status of significant concurrent positions] Managing Director and Chairman of Beat Co., Ltd. Representative Director of Beatech Co., Ltd. Director of STARTLINE Co., Ltd.</p>	154,600 shares
<p>Reason for selection as candidate for Director: Takahiro Ishikawa possesses knowledge and experience as a business manager in the specialized short-term operational support service industry within the broader staffing services industry. He has played an important role in the oversight management and business execution by the Board of Directors. Given these qualifications, the company requested to re-elect him as Director because it believed he is a suitable choice for continuing to carry out the oversight of management and business execution as Director.</p>			

- (Notes)
1. There are no special interests between Takahiro Ishikawa and the Company.
 2. He currently serves as a Director of the Company. He has served as Director for a period of 1 year as of the end of this general meeting of shareholders.
 3. The Company has not concluded a liability limitation contract with Takahiro Ishikawa limiting his liability for damages per Article 423-1 of the Companies Act up to the limit set forth by law per Article 31-2 of the Articles of Incorporation.

Candidate number	Name (Date of Birth)	Career highlights and significant concurrent positions Status and responsibilities at the Company	Number of Company's shares owned by the candidate
4	<div style="border: 1px solid black; display: inline-block; padding: 2px;">New</div> Shiro Kaizuka (Oct. 3, 1961) (age 55)	Sept. 1990 Senior Managing Director of Resort World Co., Ltd. (currently the Company) May. 2002 Representative Director of Fullcast Technology Co., Ltd. (currently YUME TECHNOLOGY Co., Ltd.) Oct. 2002 Director of Interbiz Limited (present post) Feb. 2010 Representative Director of Rearvio Co., Ltd. (present post) Sept. 2013 Representative Director of Dimension Pockets Co., Ltd. (present post) June. 2016 Representative Partner of One Suite G.K. [Status of significant concurrent positions] Representative Director of Dimension Pockets Co., Ltd. Representative Partner of One Suite G.K. Director of Interbiz Limited Representative Director of Rearvio Co., Ltd.	175,200 shares
Reason for selection as candidate for Director: Shiro Kaizuka has knowledge and experience as a corporate executive in the specialized sector of short-term staffing services within the broader staffing services industry. Although he does not correspond to an Outside Director per the provisions of the Companies Act, the company requested to elect him as Director based because it believed he will provide beneficial advice and guidance to the Company.			

- (Notes)
1. The Company lending funds to Dimension Pockets Co., Ltd.
 2. If the appointment of Shiro Kaizuka is approved, the Company will not conclude a liability limitation contract limiting his liability for damages per Article 423-1 of the Companies Act up to the limit set forth by law per Article 31-2 of the Articles of Incorporation.

Third Proposal: Amount of Compensation and Details concerning Share Compensation-Type Stock Options to be Granted to Directors (excluding Directors that are Audit & Supervisory Committee Members)

The Company will make revision to its executive compensation system as part of its management reforms and will further solidify links between the Company's business performance and stock price. Toward this end, the Company has decided to issue share acquisition rights as stock options to the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members. The same shall apply hereinafter) in order to improve business performance continually over the medium to long term and further enhance morale and the motivation to increase corporate value by having Directors share with shareholders not only the benefits of an increase in stock price, but also the risk of a decrease in stock price.

With regard to the amount of compensation paid to Directors, the approval has been received at the 23rd general meeting of shareholders held on March 25, 2016 that the annual remuneration amount will be less than 200 million yen (not including the employee salary of directors who serve concurrently as employees). The approval is now requested regarding the issuance of share acquisition rights as stock options to the Company's Directors within a scope that falls under the total annual compensation amount already approved.

The stock options, which are share Compensation-Type stock options in which the exercise price per share is 1 yen when exercising the share acquisition rights, were determined based on a comprehensive evaluation to equate to the degree of contribution in the Company by Directors, and thus are considered acceptable.

The share acquisition rights stock options plan to be paid out by a means that offsets the compensation payable to Directors based on compensation concerning share acquisition rights as stock options per this proposal, instead of having Directors make payment of the payment amount prescribed by the fair value upon allocation.

There are 3 Directors subject to this proposal when excluding the 3 Directors who are currently Audit & Supervisory Committee Members. If Proposal No. 2 is approved as proposed, there will be 4 Directors when excluding the 3 Directors that are currently Audit & Supervisory Committee Members.

The proposed details of the share acquisition rights as stock options to be granted to the Company's Directors are as follows.

(1) Type and Number of Shares available under Stock Acquisition Rights

The maximum number of shares available under stock acquisition rights issued on a date within 1 year of the date of the general meeting of shareholders related to each business year shall be 96,000 of the Company's ordinary shares (common stock). However, in cases where adjustments to the number of shares granted are made as prescribed below, the number shall be adjusted by multiplying the number of shares granted after adjustment by the total number of stock acquisition rights.

The type of shares for the stock acquisition rights shall be ordinary shares (common stock) and the number of shares per one stock acquisition right (hereinafter, "number of shares granted") shall be 100 shares. The number of shares granted shall be adjusted according to the following formula when the Company executes a share split (including the gratis allotment of the Company's common stock; hereinafter the same shall apply) or share consolidation on a date after the resolution for this proposal.

However, such adjustments shall be made for the number of granted shares not exercised at that time, and fractional quantities of less than one share resulting from the adjustment shall be rounded down.

Number of shares granted after adjustment = Number of shares granted before adjustment x Ratio of stock split or stock consolidation

In addition to the above, when an adjustment of the number of shares granted is required, the number of granted shares shall be adjusted within a reasonable scope.

(2) Total Number of Stock Acquisition Rights

The maximum number of stock acquisition rights that will be issued within 1 year from the date of the general meeting of shareholders for each business year shall be 960.

(3) Payment Amount of Stock Acquisition Rights

The payment amount of each stock acquisition right shall be the amount prescribed by the Company's Board of Directors using the fair value of the stock acquisition rights calculated when allotting the stock acquisition rights.

(4) Amount of Assets Required for Exercise of Stock Acquisition Rights

The amount of assets required for exercise of each stock acquisition right shall be the amount realized by multiplying the number of shares granted by the payment amount of 1 yen per share that can be exchanged for shares with the exercise of the stock acquisition rights.

(5) Period for Exercise of Stock Acquisition Rights

The period for exercising stock acquisition rights shall be prescribed by the Company's Board of Directors, which will determine subscription matters for the stock acquisition rights, and shall be within 30 years from the date 4 years from the day after the allotment date of the stock acquisition rights.

(6) Conditions for the Exercise of Stock Acquisition Rights

- i. In principle, persons who receive an allotment of stock acquisition rights must be a Director of the Company at the time of exercising these rights.
- ii. Of those stock acquisition rights allocated, only the number of exercisable stock acquisition rights determined based on the level of achievement of the operating income target for the final fiscal year of the medium-term management plan can be exercised.
- iii. Other conditions for the exercise of stock acquisition rights shall be prescribed by the Company's Board of Directors, which will determine subscription matters for the stock acquisition rights.

(7) Restrictions on the Acquisition of Stock Acquisition Rights by Assignment

The acquisition of stock acquisition rights by assignment requires approval of the Company's Board of Directors.

(8) Other Details of the Stock Acquisition Rights

Details of the matters described in (1) through (7) above and other matters shall be prescribed by the Company's Board of Directors, which will determine subscription matters for the stock acquisition rights.

Fourth Proposal: Issuance of Share Acquisition Rights as Stock Options

Approval is requested for entrusting to the Company's Board of Directors the decision regarding the issuance of share acquisition rights to employees of the Company's wholly-owned subsidiaries as stock options according to the following guidelines, pursuant to Article 236, Article 238, and Article 239 of the Companies Act.

1. The Reason for Issuance of Stock Acquisition Rights under Particularly Favorable Conditions

Stock acquisition rights will be issued on particularly favorable conditions in order to bolster employees' motivation and morale toward better performance and further implement management that aims to enhance corporate value. Stock acquisition rights will be issued to the employees of the Company's wholly-owned subsidiaries according to the outline below.

2. Outline of Issuance of Stock Acquisition Rights

(1) Persons Receiving Allotment of Stock Acquisition Rights

Employees of the Company's wholly-owned subsidiaries

(2) Type and Number of Shares available under Stock Acquisition Rights

The maximum number of shares available shall be 19,200 shares of the Company's ordinary shares (common stock). However, in cases where adjustments to the number of shares granted are made as prescribed below, the number shall be adjusted by multiplying the number of shares granted after adjustment by the total number of stock acquisition rights.

The type of shares for the stock acquisition rights shall be ordinary shares (common stock) and the number of shares per one stock acquisition right (hereinafter, number of shares granted) shall be 100 shares. The number of shares granted shall be adjusted according to the following formula when the Company executes a share split (including the gratis allotment of the Company's common stock; hereinafter the same shall apply) or share consolidation after the allotment date of the stock acquisition rights (hereinafter, "allotment date"). However, such adjustments shall be made for the number of granted shares not exercised at that time, and quantities of less than one share resulting from the adjustment shall be rounded down.

Number of shares granted after adjustment = Number of shares granted before adjustment x Ratio of stock split or stock consolidation

The number of shares granted after adjustment shall apply on and after the day after the Record Date of share splits when the Company executes a share split and on and after the effective when the Company executes share consolidations. However, when a share split is executed under the condition that the proposal to increase paid-in capital or reserves due to a decline in surplus is approved at the general meeting of shareholders of the Company, and when a date prior to the end of this meeting of shareholders is set as the Record Date for the share split, the number of shares granted after adjustment shall apply retroactively to the day after the Record Date, which is on the day after the end of this meeting of shareholders.

In addition to the above, when an adjustment of the number of shares granted is required, the number of granted shares shall be adjusted within a reasonable scope.

(3) Total Number of Stock Acquisition Rights

The maximum number of stock acquisition rights shall be 192.

(4) Payment Amount in Exchange for Stock Acquisition Rights

The payment of cash is not required for stock acquisition rights for which subscription matters can be determined based on delegation of the general meeting of shareholders of the Company.

(5) Amount of Assets Required for Exercise of Stock Acquisition Rights

The amount of assets required for exercise of each stock acquisition right shall be the amount realized by multiplying the number of shares granted by the payment amount of 1 yen per share that can be exchanged for shares with the exercise of the stock acquisition rights.

(6) Period for Exercise of Stock Acquisition Rights

The period for exercising stock acquisition rights shall be 30 years from the date 4 years from the day after the allotment date.

(7) Conditions for the Exercise of Stock Acquisition Rights

- i. In principle, persons who receive an allotment of stock acquisition rights (hereinafter, “stock acquisition rights holders”) must be an employee of the Company’s wholly-owned subsidiaries at the time of exercising these rights.
- ii. Of those stock acquisition rights allocated, only the number of exercisable stock acquisition rights determined based on the level of achievement of the operating income target for the final fiscal year of the medium-term management plan can be exercised.

(8) Matters Relating to Increments of Capital Reserve and Additional Paid-in Capital that would Increase Stock Issuance by the Exercise of Stock Acquisition Rights

- i. The amount of additional paid-in capital resulting from the issuance of shares due to the exercise of stock acquisition rights shall be half of the maximum of an increase in paid-in capital calculated in accordance with “Article 17(1) of Corporate Accounting Rules”, and any fractions of less than one yen resulting from such calculation shall be rounded up.
- ii. The amount of additional capital reserve resulting from the issuance of shares due to the exercise of stock acquisition rights shall be the amount resulting from the amount of the increase in paid-in capital prescribed in i. above subtracted from the maximum of an increase in paid-in capital described in i. above.

(9) Restrictions on the Acquisition of Stock Acquisition Rights by Assignment

The acquisition of stock acquisition rights by assignment requires approval of the Company’s Board of Directors.

(10) Reason and Conditions for Acquisition of Stock Acquisition Rights

If the following agenda items i., ii., iii., iv., or v. are approved at the general meeting of shareholders of the Company (if resolution of the meeting of shareholders is not required, when approved by resolution of the Company’s Board of Directors or when approved by an executive officer delegated in accordance with the provisions of Article 416 (4) of the Companies Act), the Company can acquire the stock acquisition rights for gratis on the date separately prescribed by the Board of Directors.

- i. Agenda items on approval of merger agreements in which the Company is not the surviving company
- ii. Agenda items on approval of a company spin-off agreement or plan based on which the Company will become a spin-off company
- iii. Agenda items on a stock swap agreement based upon which the Company will become a wholly-owned subsidiary or a stock transfer plan
- iv. Agenda items, as details of all shares issued by the Company, for approval of changes in the Articles of Incorporation with a provision established regarding the need for the Company's approval concerning the acquisition of the shares by assignment
- v. Agenda items, as details of the type of shares for the stock acquisition rights, for approval of changes in the Articles of Incorporation with a provision established regarding the need for the Company's approval concerning the acquisition of the shares of the said type by assignment and the acquisition of all the said type of shares by resolution of the general meeting of shareholders of the Company with regard to the shares

(11) Handling of Stock Acquisition Rights Upon Organization Restructurings

When undertaking a merger (limited to instances where the company is the non- surviving company in the merger), absorption-type demergers and incorporation-type demergers (limited to instances where each company will become a spin-off company), or stock swaps or stock transfers (limited to instances where each company will become a wholly-owned subsidiary) (hereinafter, "organizational restructuring act" shall be used to collectively refer to these terms), the Company shall issue stock acquisition rights of corporations cited in (a) to (e) of Item 8, Paragraph I, Article 236 of the Companies Act to stock acquisition rights holders who own the remaining stock acquisition rights (hereinafter, "residual stock acquisition rights") recently prior to the effective date of the organizational restructuring act (the date the absorption-type merger takes effect for absorption-type mergers, the date the new incorporated company is established in the case of incorporation-type mergers, the date the absorption-type demerger takes effect for absorption-type demergers, the date the new incorporated company is established in the case of incorporation-type demergers, the date the share exchange takes effect for share exchanges, and the date of the establishment of the complete parent company after share transfer for share transfers; hereinafter the same shall apply). In such cases, the residual stock acquisition rights will be cancelled and the Company Subject to Restructuring shall newly issue stock acquisition rights. The issuance of stock acquisition rights of the Restructuring Company must be prescribed following each of the following items in the absorption-type merger agreement, incorporation-type merger agreement, absorption-type demerger agreement, incorporation-type demerger agreement, share exchange agreement or share transfer plan.

i. Number of Stock Acquisition Rights Issued by Restructuring Company

The number of stock acquisition rights held by stock acquisition rights holders and the same number will each be issued, respectively.

ii. Type of Shares of Restructuring Company Required for Stock Acquisition Rights

The ordinary stock (common stock) of the Restructuring Company.

iii. Number of Shares of Restructuring Company Required for Stock Acquisition Rights

Determined following (2) above based on the conditions of the organizational restructuring actions.

iv. Amount of Assets Required for Exercise of Stock Acquisition Rights

The amount of assets required for exercise of each stock acquisition right to be issued shall be the amount realized by multiplying the exercise price after restructuring prescribed below

by the number of shares of the Restructuring Company with the purpose of the said stock acquisition rights approved in accordance with iii. above. The exercise price after restructuring shall be 1 yen per share of the Restructuring Company that can be received by exercise of each stock acquisition right to be issued.

v. Period for Exercise of Stock Acquisition Rights

The period for exercise of the stock acquisition rights shall be from the start date of the period for which the stock acquisition rights prescribed in (6) above can be exercised or the effective date of the organizational restructuring action, whichever is later, to the final date of the period for which the stock acquisition rights prescribed in (6) above can be exercised.

vi. Matters Relating to Increments of Capital Reserve and Additional Paid-in Capital that would Increase Stock Issuance by the Exercise of Stock Acquisition Rights

Determined following (8) above.

vii. Restrictions on the Acquisition of Stock Acquisition Rights by Assignment

The acquisition of stock acquisition rights by assignment requires approval of the Board of Directors of the Restructuring Company.

viii. Reason and Conditions for Acquisition of Stock Acquisition Rights

Determined following (10) above.

(12) Handling of Fractional Number of Shares for Issuance from the Issuance of Stock Acquisition Rights

Fractional quantities of less than one share resulting from the exercise of stock acquisition rights shall be rounded down.

(Reference)

After the completion of the general meeting of shareholders for the 24th term scheduled to take place on March 24, 2017, the Company plans to grant the same stock acquisition rights as those stock acquisition rights above in the amount of 105,600 shares to the Directors and Corporate Auditors of the Company's wholly-owned subsidiaries and 19,200 shares to the employees of the Company's wholly-owned subsidiaries. This means that in the future a total of 220,800 new shares may be issued. In such a scenario, the dilution rate versus the total number of shares issued would be 0.57%.