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Stock Exchange Code: 1954
September 8, 2016

To Shareholders with Voting Rights:

Ryuichi Arimoto
Representative Director and President
NIPPON KOEI CO., LTD.
(Headquarters) 4, Kojimachi 5-chome,
Chiyoda-ku, Tokyo
(Main Office) 14-6, Kudankita 1-chome,
Chiyoda-ku, Tokyo

**NOTICE OF
THE 72ND 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 72nd Annual General Meeting of Shareholders of NIPPON KOEI CO., LTD. (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 by post or via the Internet (Note 1).

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Wednesday, September 28, 2016, Japan time.

- 1. Date and Time:** Thursday, September 29, 2016 at 10:00 a.m. Japan time
- 2. Place:** Matsu, 3F, Hotel Grand Palace
1-1 Iidabashi 1-chome, Chiyoda-ku, Tokyo
(Please note that the venue is different from the previous year.)
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements and Nonconsolidated Financial Statements for the Company's 72nd Fiscal Year (July 1, 2015 - June 30, 2016)
 2. Results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 - Proposals to be resolved:**
 - Proposal 1:** Election of 11 Directors
 - Proposal 2:** Election of 1 Audit & Supervisory Board Member
 - Proposal 3:** Election of 1 Substitute Audit & Supervisory Board Member
 - Proposal 4:** Implementation of Reverse Stock Split
 - Proposal 5:** Continuation of Response Policy for Large-scale Acquisition of Company's Shares (Anti-Takeover Measures)

(Note 1) Please access the website (<http://www.it-soukai.com/>) and enter your voting rights code and password. To exercise your voting rights, please follow the guidance on the screen.

Additionally, if you are an institutional investor, you can exercise your voting rights through ICJ platform run by ICJ, Inc..

Disclosure via the Internet

- ◎ “Notes to Consolidated Financial Statements” and “Notes to Nonconsolidated Financial Statements” are posted at the following Company’s website pursuant to the laws and regulations, and provisions in Article 14 of the Articles of Incorporation, and they are not included in the Appendix to this notice. Therefore, the Appendix to this notice of convocation is a part of Consolidated Financial Statements and Nonconsolidated Financial Statements audited by Accounting Auditor in preparing the Accounting Audit Report. Also, the Appendix is a part of Consolidated Financial Statements and Nonconsolidated Financial Statements audited by Audit & Supervisory Board members in preparing their Audit Report.
- ◎ Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Nonconsolidated Financial Statements require revisions, the revised versions will be posted on the following Company’s website.

The Company’s website: <https://www.n-koei.co.jp/ir/>

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 11 Directors

The terms of office of all 11 directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 11 directors, inclusive of 2 outside directors, is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Noriaki Hirose (July 30, 1945) [Reelection]	April 1968 Joined the Company	194,847
		June 1999 Director of the Company	
June 2003 Director and Executive Officer of the Company			
June 2004 Representative Director and Managing Executive Officer of the Company			
June 2006 Representative Director and Senior Managing Executive Officer of the Company			
June 2008 Representative Director and President of the Company			
September 2014 Representative Director and Chairman of the Company (current position)			
[Reasons for selection] Mr. Noriaki Hirose has been engaged in the management of the Company as Director since June 1999, and is appropriately fulfilling these duties and responsibilities. Additionally, he served as Representative Director and President from June 2008 to September 2014, led the formulation of the Company's Medium-term Management Plan two times during his tenure. He currently serves as Representative Director and Chairman, and also serves as the Chairperson of the Risk Management Committee, etc., possessing the capacity of a manager based on a wealth of experience, achievements, and insights. Due to the above, the Company has continued to designate him as a candidate for Director.			
2	Ryuichi Arimoto (November 27, 1952) [Reelection]	April 1977 Joined the Company	74,000
		July 2007 Deputy Director General of Corporate Headquarters of the Company	
July 2008 Deputy Director General of Corporate Headquarters and General Manager of Corporate Planning Department of the Company			
June 2009 Director and Executive Officer of the Company Director General of Corporate Headquarters and General Manager of Corporate Planning Department of the Company			
June 2011 Director General of Corporate Headquarters and General Manager of Human Resources and General Affairs Department of the Company			
June 2012 Director and Managing Executive Officer of the Company			
July 2012 Director General of Corporate Headquarters and General Manager of Human Resources Department of the Company			
September 2014 Representative Director and President of the Company (current position)			
[Reasons for selection] Mr. Ryuichi Arimoto has been engaged in the management of the Company as Director since June 2009, and is appropriately fulfilling these duties and responsibilities. Additionally, after serving as Director General of Corporate Headquarters, he is currently tasked with management of the Company Group as Representative Director and President. The Company has judged that his insights, based on a wealth of operational experience in overall management and achievements from leading the Group with strong leadership and decision-making are suitable for the advancement of the management and strengthening of corporate governance of the Company Group. Due to the above, the Company has continued to designate him as a candidate for Director.			

3	Asao Yamakawa (August 27, 1947) [Reelection]	April 1970 Joined the Ministry of Construction April 1999 Director-General, the Chubu Regional Construction Bureau of the Ministry of Construction August 2000 Executive Director of Advanced Cruise-Assist Highway System Research Association January 2004 Vice-Chairman and Executive Director of Japan Bridge Association Inc. November 2007 President of Infrastructure Development Institute-Japan July 2011 Advisor of the Company October 2011 Executive Vice President of the Company June 2013 Director and Executive Vice President, and Assistant to President of the Company (current position)	44,000
	[Reasons for selection] Mr. Asao Yamakawa has been engaged in the management of the Company as Director since June 2013, and is appropriately fulfilling these duties and responsibilities. Additionally, he possesses a wealth of experience and achievements regarding administration of construction and civil engineering from his experience at the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism), etc., and is currently utilizing his insights in the overall business of the Company Group as Executive Vice President (Assistant to President). Due to the above, the Company has continued to designate him as a candidate for Director.		
4	Akira Mizukoshi (September 30, 1950) [Reelection]	April 1976 Joined the Company October 2003 Deputy General Manager of Metropolitan Area Business Division and General Manager of Sales Planning Department, Domestic Consulting Company of the Company July 2007 General Manager of Business Promotion Department, Domestic Consulting Operations of the Company June 2008 Executive Officer of the Company Deputy Director General of International Consulting Operations of the Company June 2010 Director and Executive Officer of the Company June 2012 Director and Managing Executive Officer of the Company July 2012 General Manager of Business Promotion Department of the Company September 2014 Director and Senior Managing Executive Officer of the Company Director General of Corporate Headquarters and General Manager of Business Promotion Department of the Company October 2014 Director General of Corporate Headquarters of the Company July 2015 Director and Executive Vice President in charge of Head Office of the Company February 2016 Director and Executive Vice President in charge of Head Office and IR of the Company (current position)	43,000
	[Reasons for selection] Mr. Akira Mizukoshi has been engaged in the management of the Company as Director since June 2010, and is appropriately fulfilling these duties and responsibilities. Additionally, after serving as General Manager of the Business Promotion Department and Director General of Corporate Headquarters, he currently serves as Executive Vice President (in charge of Head Office and IR), appropriately fulfilling the responsibilities of risk management of the entire Group and working toward improving corporate value of the Company, and he can be expected to contribute to further global expansion of the Company Group in the future. Due to the above, the Company has continued to designate him as a candidate for Director.		

5	Noboru Takano (September 14, 1952) [Reelection]	April 1975	Joined the Company	66,000
		October 2004	Deputy General Manager of Metropolitan Area Business Division and General Manager of River & Hydraulic Engineering Department, Domestic Consulting Company of the Company	
July 2007	General Manager of Operations Planning Office, Domestic Consulting Operations of the Company			
July 2008	General Manager of Operations Planning Office and General Manager of Business Planning Office, Domestic Consulting Operations of the Company			
June 2009	Executive Officer of the Company Deputy Director General of Domestic Consulting Operations, General Manager of Operations Planning Office, and General Manager of Business Planning Office of the Company			
June 2010	Deputy Director General of Domestic Consulting Operations and General Manager of Operations Planning Office of the Company			
June 2011	Director and Executive Officer of the Company Acting Director General of Domestic Consulting Operations and General Manager of Operations Planning Office of the Company			
June 2012	Director and Managing Executive Officer of the Company Director General of Domestic Consulting Operations of the Company (current position)			
September 2014	Representative Director and Senior Managing Executive Officer of the Company			
July 2015	Representative Director and Executive Vice President in charge of technology of the Company (current position)			
[Reasons for selection] Mr. Noboru Takano has been engaged in the management of the Company as Director since June 2011, and is appropriately fulfilling these duties and responsibilities. Additionally, after serving as General Manager of Operations Planning Office, Domestic Consulting Operations, he currently serves as Representative Director and Executive Vice President (in charge of technology and Director General of Domestic Consulting Operations), and is appropriately fulfilling his role in supervision, etc. of the execution of the above business based on his wealth of experience and achievements from engagement in Domestic Consulting Operations since joining the Company. Due to the above, the Company has continued to designate him as a candidate for Director.				
6	Hiroyuki Akiyoshi (March 11, 1956) [Reelection]	April 1979	Joined the Company	51,000
		June 2004	General Manager of Plant Division, Power Engineering Company of the Company	
June 2010	Executive Officer of the Company Deputy Director General of Power Engineering Operations (in charge of electromechanical consultation and new businesses) of the Company			
June 2012	Director and Executive Officer of the Company Acting Director General of Power Engineering Operations and General Manager of Fukushima Works of the Company			
June 2013	Director General of Power Engineering Operations of the Company (current position)			
July 2015	Director and Managing Executive Officer of the Company			
July 2016	Director and Senior Managing Executive Officer of the Company (current position)			
[Reasons for selection] Mr. Hiroyuki Akiyoshi has been engaged in the management of the Company as Director since June 2012, and is appropriately fulfilling these duties and responsibilities. Additionally, after serving as General Manager of Fukushima Works, Power Engineering Operations, he currently serves as Senior Managing Executive Officer (Director General of Power Engineering Operations), and can be expected to fulfill the duty of further enriching the energy business of the Company Group, including the small hydroelectric power generation business, in the future. Due to the above, the Company has continued to designate him as a candidate for Director.				

7	Takashi Seki (January 20, 1953) [Reelection]	April 1978	Joined the Company	39,000
		April 2005	Deputy General Manager of Local Community Business Division, International Consulting Company of the Company	
June 2008	General Manager of Local Community Business Division and General Manager of Sierra Project Office, International Consulting Operations of the Company			
April 2010	General Manager of Environmental Solution Division, International Consulting Operations of the Company			
June 2010	Executive Officer of the Company			
July 2011	General Manager of Infrastructure Development Division, International Consulting Operations of the Company			
June 2012	Deputy Director General of International Consulting Operations of the Company			
July 2015	Managing Executive Officer of the Company Director General of International Consulting Operations of the Company (current position)			
September 2015	Director and Managing Executive Officer of the Company			
July 2016	Director and Senior Managing Executive Officer of the Company (current position)			
[Reasons for selection] Mr. Takashi Seki has been engaged in the management of the Company as Director since September 2015, and is appropriately fulfilling these duties and responsibilities. Additionally, after serving as General Manager of Environmental Solution Division and General Manager of the Infrastructure Development Division, International Consulting Operations, he currently serves as Senior Managing Executive Officer (Director General of International Consulting Operations), and can be expected to be tasked with business expansion of the Company Group overseas. Due to the above, the Company has continued to designate him as a candidate for Director.				
8	Naoki Honjo (July 3, 1954) [Reelection]	April 1978	Joined the Company	34,000
		June 2006	General Manager of Logistics & Operations Department of International Consulting Company and General Manager of Corporate Planning Office of the Company	
		July 2007	General Manager of Logistics & Operations Department of International Consulting Operations and General Manager of Business Planning Office of the Company	
		July 2008	General Manager of Financial & Accounting Department of the Company	
		June 2011	Executive Officer of the Company Deputy Director General of Corporate Headquarters and General Manager of Financial & Accounting Department of the Company	
		September 2014	Director and Executive Officer of the Company (current position) Acting Director General of Corporate Headquarters and General Manager of Financial & Accounting Department of the Company	
		October 2014	Acting Director General of Corporate Headquarters of the Company	
		April 2015	Acting Director General of Corporate Headquarters and General Manager of Financial & Accounting Department of the Company	
		July 2015	Director General of Corporate Headquarters and General Manager of Financial & Accounting Department of the Company	
		September 2015	Director General of Corporate Headquarters (current position)	

	<p>[Reasons for selection] Mr. Naoki Honjo has been engaged in the management of the Company as Director since September 2014, and is appropriately fulfilling these duties and responsibilities. Additionally, after serving as General Manager of the Financial & Accounting Department, he currently serves as Executive Officer (Director General of Corporate Headquarters), and is appropriately fulfilling the role of management and control of the entire Company Group. Due to the above, the Company has continued to designate him as a candidate for director.</p>		
9	<p>Hideyuki Sakunaka (May 1, 1960)</p> <p>[New appointment]</p>	<p>April 1983 Joined the Company</p> <p>April 2006 General Manager of Integrated Information Technology Department, Metropolitan Area Business Division, Domestic Consulting Company of the Company</p> <p>May 2009 Deputy General Manager of Social Systems Division, Domestic Consulting Operations of the Company</p> <p>April 2011 Deputy General Manager of Infrastructure Development Division, International Consulting Operations of the Company</p> <p>April 2013 General Manager of Infrastructure Development Division, International Consulting Operations of the Company</p> <p>July 2015 Executive Officer of the Company (current position)</p> <p>October 2015 Deputy Director General of International Consulting Operations and General Manager of Infrastructure Development Division of the Company</p> <p>July 2016 Director General of Technology Headquarters of the Company (current position)</p>	26,155
	<p>[Reasons for selection] Mr. Hideyuki Sakunaka has been engaged in business execution of the Company as Executive Officer since July 2015, and is appropriately fulfilling these duties and responsibilities. Additionally, he currently serves as Director General of Technology Headquarters, and is appropriately fulfilling the role of undertaking technology development, which is the core of all businesses of the Company Group. Due to the above, the Company has designated him as a candidate for Director.</p>		
10	<p>Hiizu Ichikawa (December 8, 1946)</p> <p>[Reelection] [Outside Director]</p>	<p>April 1970 Joined The Mitsubishi Bank, Ltd.</p> <p>May 1993 General Manager of Singapore Branch of The Mitsubishi Bank, Ltd.</p> <p>June 1996 General Manager of Industrial Research Department of The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>January 1997 General Manager of Sales Screening Department of The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>June 1999 Senior Executive Director of The Resolution and Collection Corporation</p> <p>June 2001 Senior Executive Director of Chiyoda Corporation</p> <p>June 2004 Representative Director and Managing Director of Mitsubishi Motors Corporation</p> <p>April 2010 Representative Director and Executive Vice President of Mitsubishi Motors Corporation</p> <p>June 2014 Outside Corporate Auditor of The Hyakugo Bank, Ltd. (current position)</p> <p>September 2014 Director of the Company (current position)</p>	3,000
	<p>[Reasons for selection] (including reasons for designation as a candidate for Outside Director) Mr. Hiizu Ichikawa has experience in serving as General Manager of the Sales Screening Department of The Bank of Tokyo-Mitsubishi, Ltd. (currently The Bank of Tokyo-Mitsubishi UFJ, Ltd.), in addition to Senior Executive Director of The Resolution and Collection Corporation, Senior Executive Director of Chiyoda Corporation, and Director and Executive Vice President of Mitsubishi Motors Corporation. As Outside Director of the Company since September 2014, he has been monitoring the management of the Company Group from an objective viewpoint and wide perspective based on a wealth of experience as a manager, and the Company has judged that in the future, while increasing transparency of the Board of Directors of the Company, he is suitable to work toward strengthening corporate governance. Due to the above, the Company has continued to designate him as a candidate for Outside Director. Additionally, he currently concurrently serves as Outside Corporate Auditor of The Hyakugo Bank, Ltd..</p>		

11	Kazumasa Kusaka (January 23, 1948) [Reelection] [Outside Director]	April 1970	Joined Ministry of International Trade and Industry	3,000
		August 2003	Commissioner of Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry	
		June 2004	Vice-Minister for International Affairs of Ministry of Economy, Trade and Industry	
		June 2007	President of Japan Cooperation Center for the Middle East	
		February 2008	Special Advisor to the Cabinet	
		October 2009	Senior Vice President of Mitsubishi Electric Corporation	
		April 2011	Visiting Professor of Graduate School of Public Policy, The University of Tokyo (current position)	
		January 2013	President of The Foundation for International Trade and Industrial Co-operation (current position)	
		April 2013	Chairman of Japan Economic Foundation (current position)	
		September 2015	Director of the Company (current position)	
<p>[Reasons for selection] (including reasons for designation as a candidate for Outside Director) Mr. Kazumasa Kusaka has experience in serving as Vice-Minister for International Affairs of the Ministry of Economy, Trade and Industry, in addition to President of the Japan Cooperation Center for the Middle East, Special Advisor to the Cabinet, and Senior Vice President of the Mitsubishi Electric Corporation, and as Outside Director of the Company since September 2015, he has been monitoring the management of the Company Group from an objective viewpoint and wide perspective based on a wealth of experience and knowledge as a manager at the Ministry of Economy, Trade and Industry, etc. and the Company has judged that in the future, while increasing transparency of the Board of Directors of the Company, he is suitable to work toward strengthening corporate governance. Due to the above, the Company has continued to designate him as a candidate for outside director. Additionally, he currently concurrently serves as Visiting Professor of Graduate School of Public Policy, The University of Tokyo, President of The Foundation for International Trade and Industrial Co-operation, and Chairman of the Japan Economic Foundation.</p>				

(Notes)

1. There are no special interests between each candidate for director and the Company.
2. Messrs. Hiizu Ichikawa and Kazumasa Kusaka
 - (1) Messrs. Hiizu Ichikawa and Kazumasa Kusaka are the candidates for Outside Director. Mr. Hiizu Ichikawa currently serves as an Outside Director of the Company, and the tenure of office as Director will be two years at the closing of this General Meeting of Shareholders. Additionally, Mr. Kazumasa Kusaka currently serves as an outside director of the Company, and the tenure of office as Director will be one year at the closing of this General Meeting of Shareholders.
 - (2) The Company has designated Messrs. Hiizu Ichikawa and Kazumasa Kusaka as independent officers as stipulated by the Tokyo Stock Exchange and notified the Exchange to that effect.
 - (3) Liability limitation agreement
The Company has concluded a liability limitation agreement in accordance with the Companies Act with each of its Outside Directors. Under these agreements, the limitation of damage liability of each Outside Director shall be the larger of ¥6 million or the minimum liability amount stipulated by the Companies Act, if such Outside Director has performed his or her duties in good faith and without gross negligence.
The Company intends to continue the same agreement with both Messrs. Hiizu Ichikawa and Kazumasa Kusaka if their elections are approved.

Proposal 2: Election of 1 Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Toshiaki Shimizu will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 1 Audit & Supervisory Board member is proposed.

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

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Toshiaki Shimizu (September 12, 1952) [Reelection]	April 1977	Joined the Company
	April 2001	Acting General Manager of Sales Department, International Consulting Operations of the Company
	July 2001	Acting General Manager of Corporate Planning Headquarters of the Company
	July 2003	General Manager of Legal & PR Department of the Company
	July 2010	General Manager of Internal Auditing Office of the Company
	June 2013	Audit & Supervisory Board member of the Company (current position)
[Reasons for selection] After serving as Acting General Manager of Corporate Planning Headquarters, General Manager of the Legal and Public Relations Department, and General Manager of the Operations Audit Office of the Company, Mr. Toshiaki Shimizu has been auditing the execution of business by Directors as a full-time Audit & Supervisory Board Member since June 2013, and the Company has judged that this experience and insight qualifies him for the duty of Audit & Supervisory Board Member. Due to the above, the Company has continued to designate him as a candidate for Audit & Supervisory Board Member.		

(Note) There are no special interests between the candidate for Audit & Supervisory Board member and the Company.

Proposal 3: Election of 1 Substitute Audit & Supervisory Board Member

The effect of election of substitute Audit & Supervisory Board member Hideaki Sudo, who was elected at the 71st Annual General Meeting of Shareholders held on September 29, 2015 shall expire at the beginning of this General Meeting of Shareholders. In preparation of a shortage in the number of Audit & Supervisory Board members stipulated in the laws and regulations, the election of 1 substitute Audit & Supervisory Board member is proposed.

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

The candidate is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Hideaki Sudo (July 20, 1944)	April 1971 Registered in bar association (The Daini Tokyo Bar Association)	0
	April 2003 Representative of Tokyo Fuji Law Office	
	April 2004 Professor of Nihon University Law School	
	June 2008 Substitute Audit & Supervisory Board member of the Company, to present	
	May 2011 Representative commissioner of Business Rehabilitation Research Institute	
	January 2016 Partner of Tokyo Fuji Law Office (current position)	
[Reasons for selection] (including reasons for designation as a candidate for Outside Audit & Supervisory Board Member) Mr. Hideaki Sudo possesses specialized knowledge regarding overall law including corporate law as an attorney, and the Company has judged that he can appropriately audit the execution of duties by Directors from an objective and fair standpoint. Due to the above, the Company has continued to designate him as a candidate for Substitute Audit & Supervisory Board Member.		

(Notes)

1. There are no special interests between the candidate for Substitute Audit & Supervisory Board Member and the Company.
2. Mr. Hideaki Sudo

- (1) Mr. Hideaki Sudo is a candidate for Outside Audit & Supervisory Board Member.
- (2) Mr. Sudo satisfies the qualification for the independent officer stipulated by the Tokyo Stock Exchange.
- (3) Liability limitation agreement

The Company has concluded a liability limitation agreement in accordance with the Companies Act with each of its Outside Audit & Supervisory Board Members. Under these agreements, the limitation of damage liability of each Outside Audit & Supervisory Board Member shall be the larger of ¥6 million or the minimum liability amount stipulated by the Companies Act, if such Outside Audit & Supervisory Board Member has performed his or her duties in good faith and without gross negligence.

If Mr. Hideaki Sudo assumes office as Audit & Supervisory Board Member, the Company intends to conclude an aforementioned agreement with him as an Outside Audit & Supervisory Board Member.

Proposal 4: Implementation of Reverse Stock Split

1. Reason for reverse stock split

The Japanese Stock Exchanges announced the “Action Plan for Consolidating Trading Units” in a bid to change the minimum share trading unit of domestic corporations’ common stock listed on the nation’s Stock Exchanges to 100 shares by October 1, 2018.

As a company listed on the Tokyo Stock Exchange, the Company respects this objective, and at a Board of Directors held on August 12, 2016, under the condition that approval and resolution for this proposal is granted, the Company resolved to modify the number of shares constituting one trading unit of the Company’s stock (sale and purchase unit) from the current 1,000 shares to 100 shares.

Accordingly, with the intent of creating an investment unit level that is considered desirable by stock exchanges (50,000 yen or more and less than 500,000 yen), the Company shall implement a reverse stock split for the Company’s stock in the ratio of one share for five shares.

2. Ratio of reverse stock split

Shares of the Company’s stock will be consolidated in the ratio of one share for five shares. If any fractional shares less than one share are created due to the reverse stock split, such shares shall be sold in a block or purchased as treasury stock by the Company in accordance with the Companies Act. The said cash shall be distributed to shareholders who hold fractional shares in proportion to the number of fractional shares they hold.

3. Effective date for reverse stock split

January 1, 2017

4. Aggregate number of authorized shares for issuance on the effective date

38,000,000 shares

5. Other

The Company requests that other procedural matters that are required be entrusted to the Board of Directors.

(Note) The share consolidation will result in the total number of issued shares decreasing to one-fifth, but as the amount of net assets, etc. will not change, the amount of net assets per share will increase five times. As a result, excluding other factors such as changes in the stock market, the asset value of the Company’s stock will not change.

(Reference)

In line with the stipulations of Article 182, Paragraph 2 and Article 195, Paragraph 1 of the Companies Act, the Articles of Incorporation will be amended on the effective date of January 1, 2017 without resolution for partial amendments to the Articles of Incorporation at a General Meeting of Shareholders.

Additionally, the details of the amendments are as follows.

(Underlined parts are amendments.)

Current	Proposed amendment
CHAPTER II SHARES (Aggregate number of authorized shares for issuance) Article 5 The Company’s aggregate number of authorized shares for issuance shall be <u>189,580,000 shares.</u>	CHAPTER II SHARES (Aggregate number of authorized shares for issuance) Article 5 The Company’s aggregate number of authorized shares for issuance shall be <u>38,000,000 shares.</u>
(Share trading unit) Article 7 The Company’s share trading unit shall be <u>1,000 shares.</u>	(Share trading unit) Article 7 The Company’s share trading unit shall be shall be <u>100 shares.</u>

Proposal 5: Continuation of Response Policy for Large-scale Acquisition of Company's Shares (Anti-Takeover Measures)

The Company first introduced the Response Policy for Large-scale Acquisition of Company's Shares (Anti-Takeover Measures) through a resolution of the Board of Directors in May 2006, and then continued this policy after partial revision through a resolution of the Board of Directors in June 2007. Subsequently, continuation after partial revision was approved by our shareholders at the 63rd Ordinary General Meeting of Shareholders in June 2008, at the 66th Annual General Meeting of Shareholders in June 2011, and the 69th Annual General Meeting of Shareholders in September 2013 (the response policy following continuation based on the resolution of the 69th Annual General Meeting of Shareholders shall hereinafter be referred to as the "Current Response Policy"). The effective period of the Current Response Policy is until the conclusion of this Annual General Meeting of Shareholders.

Following the continuation of the Current Response Policy, the Company has considered whether the policy should be continued and whether there is need for revisions from the perspective of maintaining and improving the Company's corporate value and ultimately the common interests of shareholders, in consideration of changes in social and economic conditions. We would like to inform you as follows that it was decided at the Company's Board of Directors that was held on August 12, 2016 to partially revise the Basic Policies for Definition of Those Who Control the Company's Financial and Business Policy Decisions (as stipulated in Article 118, Item 3 of the Ordinance for Enforcement of the Companies Act, hereinafter referred to as the "Basic Policies") and Special Efforts that are Instrumental to Realization of Basic Policies, and conditional to the approval of our shareholders at the Annual General Meeting of Shareholders, to partially revise the contents of the Response Policy (hereinafter, the response policy after revisions is referred to as the "Response Policy") and continue the Response Policy so as not to let inappropriate person control the decision of Company's financial and business policy in light of basic policies for definition of control of the Company. Consequently, the Company requests approval from shareholders regarding continuation of the Response Policy.

Additionally, at the above-mentioned Board of Directors, all three of the Company's members of the Audit & Supervisory Board stated that they agreed to the Response Policy on the condition that the specific implementation of the Response Policy was conducted appropriately.

Furthermore, please note that as of the date of this Notice of Annual General Meeting of Shareholders, the Company has not received any proposals, etc., for the large-scale acquisition of the Company's shares.

1. Major revisions

The major revisions based on the resolution of the Board of Directors described above are as follows (in addition, there have been some modifications and adjustments to the phrasing and wording).

(Basic Policy)

(1) Refinement of statements in accordance with the nature of the Company's business (I below) (Special Efforts that are Instrumental to Realization of Basic Policy)

(2) Addition regarding the establishment of growth targets in long-term management strategy (II 1 below)

(3) Statements regarding the enhancement of the corporate governance structure (establishment of a Nomination and Remuneration Advisory Committee, etc.) (II 2 below)

(Response Policy)

(4) Establish limit to due date when the Company requests for the provision of additional information from a Large-scale Acquirer (60 days from when information was first received) (III 3 (3) below)

(5) Limiting contents of countermeasures to the allotment of share options without contribution (III 4 (1) below)

(6) Clearly stated that when conducting an allotment of share options without contribution as a countermeasure, it is not assumed that money will be delivered as consideration for the acquisition of share options held by a Large-scale Acquirer (III 4 (1) below)

2. Reasons for the continuation of Anti-Takeover Measures (Necessity and Reasonableness)

Since the Company gained the approval of its shareholder for the Response Policy and the stability of the management foundation has been ensured, the Company has been able to focus on strategic business implementation based on the mid-term management plan and the enhancement of the corporate governance structure as described in II below (Special Efforts that are Instrumental to Effective Utilization of Assets, Formation of Appropriate Corporate Group, and Realization of Other Basic Policies), and it has also been possible to promote these measures now.

In light of these circumstances, so that the Company can continue fulfilling its fiduciary duty towards shareholders going forward, the Company believes (1) that, prior to the commencement of the Large-scale

Acquisition of the Company's shares, it is necessary to provide sufficient information and judgment materials as necessary to shareholders to determine whether such a Large-scale Acquisition would contribute to improvements in the Company's corporate value including the management policy and business plans of the Large-scale Acquirer and the opinion of the Company's Board of Directors on the Large-scale Acquisition as stated in III 1 below (Establishment and Concept of Large-scale Acquisition Rules), and (2) that it is necessary to have opportunities for considering whether to implement countermeasures to Large-scale Acquisitions to control the risk of damage to the Company's corporate value and ultimately the common interests of shareholders by a party that lacks an understanding of the source of the Company's corporate value, and that stipulating the appropriate procedures for this end in the Response Policy would contribute to securing and improving the Company's corporate value and ultimately the common interests of shareholders as stated in I below (Basic Policies for Definition of Those Who Control the Company's Financial and Business Policy Decisions).

The Company does not reject Large-scale Acquisitions themselves that contribute to improvement in the Company's corporate value as described in I below (Basic Policies for Definition of Those Who Control the Company's Financial and Business Policy Decisions), and the Company believes that the contents of the Response Policy are appropriate and reasonable as the requirements and contents of countermeasures are specific and clear, maximum respect is given to the recommendations of the Special Committee that is independent from top management regarding the implementation of countermeasures, and there are frameworks for ensuring the objectivity and rationality of judgments by the Company's Board of Directors including the ability to hold a General Meeting of Shareholders to confirm the intentions of shareholders as stated in III 7 below (Arrangements for Enhancing the Rationality of Anti-Takeover Measures) (note that efforts have been made to make the procedures even clearer through the revisions stated in "1. Major revisions" above).

3. Details of the Response Policy

The details of the Response Policy are as follows.

I. Basic Policies for Definition of Those Who Control the Company's Financial and Business Policy Decisions

The Company believes that a party who controls the Company's financial and business policy decisions should understand the source of the Company's corporate value and be able to enable the Company to improve its corporate value and ultimately the common interests of shareholders in a sustainable manner.

As a party with shares listed on financial instruments exchanges, the Company respects the free trading of its shares in the market, and it does not indiscriminately reject the Large-scale Acquisition of the Company's shares by a certain party as long as it contributes to securing and improving the Company's corporate value and ultimately the common interests of shareholders. The Company believes that it is ultimately up to the decision of shareholders on whether or not to sell the shares of the Company in response to a Large-scale Acquisition attempt by a certain party.

However, it cannot be said that parties that may attempt to make a Large-scale Acquisition of the Company's shares do not include parties that may not contribute to the Company's corporate value and ultimately the common interests of shareholders, including parties that would clearly damage the Company's corporate value and ultimately the common interests of shareholders in consideration of factors such as the purpose of the acquisition, parties that could demand shareholders to sell their shares, parties that could damage relationships of trusts with stakeholders including customers, employees, and business partners, parties that do not sufficiently incorporate the Company's corporate value in purchase conditions, and parties that do not provide sufficient information for judgments by shareholders.

Since its founding in 1946, the Company, as a business mainly focused construction consulting and electric power engineering, has been engaged in business related to social capital, and sustainable development in the future is necessary in consideration of its high impact on public interest and social missions. In addition, the Company has a good brand recognition based on abundant business experience and accomplishments and has gained a high level of trust from customers that include national and local government organizations. Our technical capabilities are supported by the high levels of specialization and broad range of know-how of the Group's employees and stakeholders including business partners. We believe that in the management of the Company, it is essential to deploy business while maintaining and developing trust relationships that have been fostered with stakeholders in Japan and overseas including customers, employees, and business partners based on a sufficient understanding of the source of the Company's corporate value, and that contributions to improvements in corporate value and the interests of shareholders are only possible if these conditions are fulfilled.

In consideration of these circumstances, we believe it is necessary to have a framework for parties attempting to make a Large-scale Acquisition to provide the necessary and sufficient information for judgments by shareholders to the Company's Board of Directors in advance and to only enable the acquisition to begin after a set evaluation period has passed to enable the forming of a consensus, the examination of plan alternatives, and examination of the need to implement countermeasures by the Company's Board of Directors; and we believe that parties that do not understand the source of the Company's corporate value attempting to conduct a Large-scale Acquisition that would not contribute to the Company's corporate value and ultimately the common interests of shareholders, including above examples, are inappropriate as a party who controls the Company's financial and business policy decisions, and accordingly that it is necessary to secure the Company's corporate value and ultimately the common interests of shareholders by taking necessary and substantial countermeasures in response to such parties that are attempting to conduct a Large-scale Acquisition.

II. Special Efforts that are Instrumental to Effective Utilization of Assets, Formation of Appropriate Corporate Group, and Realization of Other Basic Policies

The Company implements the following measures in an effort to continue to improve the corporate value of the Company and ultimately the common interests of the shareholders over the medium to long term.

1. Strategic business implementation based on the medium to long-term management plan

In February 2015, Nippon Koei Group established a new long-term management strategy (covering six years from July 2015 to June 2021) in an effort to further enhance the corporate values of the group.

Nippon Koei Group adopted a specific future goal to be pursued by the group in the form of a group vision to "Offer valuable services in creating safe and secure infrastructures and affluent living spaces to open the way to the future" while maintaining the values expressed and missions pursued in its management philosophy, "Act with integrity and contribute to society through technology and engineering."

The long-term management strategy is aimed at further promoting the integration of consulting and engineering based on this group vision to ensure continued evolution to becoming a major global business.

In addition, the numeral targets aimed for by the fiscal year ending June 2021 have been clarified as Group sales of 140 billion yen, operating profit of 14 billion yen, and ROE of 10%.

To realize this long-term management strategy, Nippon Koei Group determined the three years from July 2015 to June 2018 as an important period of preparation for taking large strides in the future and thus established the "Mid-Term Management Plan NK-AIM" in which "A" stands for Advance in the world, "I" stands for Intensify in Japan, and "M" stands for demonstrating Merit. In addition, the contents of the mid-term management plan were partially revised in June 2016 to respond to changes in the circumstances.

The mid-term management plan, based on the basic policies of "sustainable growth of three major business operations," "creation and expansion of new business," and "autonomy and coordination" is aimed at achieving three priority issues: "further advancement of global expansion," "further expansion of business coverage and improved profitability by intensifying major businesses," and "demonstration of the merit of comprehensive technical capabilities for the creation of new business fields."

To realize these issues, Nippon Koei Group will actively pursue common group-wide policies: "development of next-generation core technologies and further improvement of productivity," "strengthening of retention and development of human resources," and "facilitation of collaboration and enhancement of corporate governance."

An overview of the long-term management strategy and the mid-term management plan (including performance targets for each fiscal year) is disclosed on the Company's website.

2. Enhancement of Corporate Governance System

The Company's basic stance is to further raise the corporate value of the Company and its group companies by reinforcing the supervisory functions in the management organization, ensuring transparency, and establishing an organization for prompt business execution in pursuit of improving of corporate governance.

In terms of organizational design, a company with an Auditor's Board (and a Board of Directors and an accounting auditor) system has been selected. In addition, efforts have been made to improve the fairness and transparency of management through the establishment of a Nomination and Remuneration Advisory Committee including independent officers as members, and to clarify responsibilities and speed up decision making through the separation of the surveillance and control function of management and the business

execution functions through a system of executive officers.

In addition, the Board of Directors has clarified the corporate governance structure and released the Basic Policy on Corporate Governance on the Company's website in order to fulfill its accountability towards shareholders.

(Board of Directors and Nomination and Remuneration Advisory Committee)

The Company's Board of Directors recognizes its basic duty as supervising the management team and working to improve profitability and capital efficiency after developing a medium to long-term strategy in order to achieve sustainable growth and improvements in medium to long-term corporate value in consideration of its fiduciary duty and accountability towards shareholders.

The outside directors that compose the Board of Directors (currently two directors have been notified to the Tokyo Stock Exchange as independent officers) shall supervise the Company's management from objective perspectives and broader points of view in order to increase the transparency of the Board of Directors and improve corporate governance.

Furthermore, a Nomination and Remuneration Advisory Committee including independent officers as members has been established to improve the fairness and transparency of management, and this committee reports to the Board of Directors after deliberating personnel and remuneration matters, etc. involving directors.

(Board of Executive Officers)

The system of executive officers was introduced to separate the surveillance and control functions of management and the business execution functions, thereby reinforcing the surveillance and control functions and establishing a new system for faster decision-making and well-defined responsibilities. The Board of Executive Officers is composed of the President and executive officers, and it conducts regular monitoring on matters including the implementation status of concrete measures related to the annual business plan and the mid-term management plan.

(Audit & Supervisory Board)

The Company has an Audit & Supervisory Board completely composed of audit & supervisory board members that determines the audit policy, audit plan, audit method, role of audit work, and other matters deemed necessary for audit & supervisory board members to fulfill their duties, and it works to achieve effective audits through means such as receiving reports on the status of the execution of duties by each audit & supervisory board member.

(Internal Audit)

In the internal audit, the Internal Auditing Office shall audit the internal control system and business operation systems in accordance with the internal audit regulations and report the internal audit results to the President. The President shall notify the findings made in the said audit and give instructions on what to do to the department that was audited as required. Also, the Internal Auditing Office shall have periodical liaison committees with Audit & Supervisory Board members including outside audit & supervisory board members.

(Risk Management System)

The Integrated Risk Management Council composed of the President and other officers exercises control on the promotion of risk management in general, while this council and its underlying committees that include the Safety and Health & Environment Committee and the Internal Control over Financial Reporting Committee assess, evaluate, respond to, and prevent risks companywide, and report on material risks to the Board of Directors as appropriate.

III. System for Preventing Persons Deemed Inappropriate According to Basic Policies from Controlling Decisions on Financial and Business Policies of the Company (Response Policy for Large-scale Acquisition of Company's Shares)

1. Establishment and Concept of Large-scale Acquisition Rules

The Company is continuously conducting IR activities to ensure understanding of proper values of its corporate shares by the shareholders and investors. When a Large-scale Acquisition occurs unexpectedly, however, it is essential that appropriate and sufficient information is provided both by the Large-scale Acquirer and the Board of Directors to allow the shareholders to adequately judge in a short period of time whether to accept the purchase proposal of the Large-scale Acquirer.

For example, the details of management policies and business plans that the Large-scale Acquirer is thinking of adopting when it participates in the management of the Company, including the influences of the said Acquisition on the Company and the policies about the relationship between the Company and the stakeholders such as its employees, affiliate companies, clients, and business partners, will be important information for the consideration of shareholders. Likewise, what sort of opinions the Board of Directors of the Company has about such Large-scale Acquisition is also considered to serve as important information for decision-making for shareholders.

The Board of Directors, after taking the above conditions into consideration, believes that, in response to a Large-scale Acquisition of the Company's shares, a party who intends to conduct such Acquisition should provide necessary and sufficient information for decision-making by the shareholders before the Acquisition.

The Board of Directors, after such information is provided, shall promptly start examining its opinions about the said Acquisition carefully while referring to advice from independent outside experts and advice, opinions, or recommendations from the Special Committee (defined in Section 2 below) to formulate and disclose opinions. The Board of Directors shall negotiate with the party who conducts the said Acquisition about improvement of its proposal and present an alternative proposal to the shareholders, as required.

Through such a process, the shareholders will be able to examine any proposal made by the party who conducts the Large-scale Acquisition and alternatives to them (if any provided) while referring to opinions of the Board of Directors and will be able to determine their final acceptance or non-acceptance appropriately.

Based on the stance above, the Company's Board of Directors established some rational rules about the supply of information in advance (hereinafter referred to as "Large-scale Acquisition Rules") as described in Section 3 below.

2. Establishment of Special Committee

The Company shall establish a special committee (hereinafter referred to as the "Special Committee") in order to maintain the objectivity and rationality about the progress of a series of procedures in accordance with the Large-scale Acquisition Rules; maintain the objectivity and rationality of decisions required to take measures deemed appropriate to protect the common interests of the shareholders; and prevent arbitrary application of the Large-scale Acquisition Rules by the Board of Directors. The Special Committee shall consist of at least three members who are appointed from the Company's outside directors and outside audit & supervisory board member (including substitutes) or outside experts (business managers with abundant management experience, ex-government officials, experts from the investment banking sector, lawyers, certified public accountants, academic experts with specialty in the Companies Act, or equivalent persons) all of whom are independent from the top management who execute the operation of the Company to ensure fair and unbiased decision-making.

The names and career summaries of the Special Committee members are shown in Attachment 1. The Rules

of the Special Committee are outlined in Attachment 2.

The Company's Board of Directors shall, before implementing countermeasures, inquire of the Special Committee whether the countermeasures should be implemented. The Special Committee shall evaluate and examine carefully the Large-scale Acquisition from the viewpoint of enhancing the corporate value of the Company and the common interests of the shareholders and give the Board of Directors a recommendation on whether it is appropriate for the countermeasures to be implemented. The Board of Directors shall determine whether or not to implement countermeasures after assigning maximum respect to the recommendation given by the Special Committee. The Board of Directors will determine whether or not to implement countermeasures after assigning maximum respect to the recommendation given by the Special Committee. As to the content of a recommendation given by the Special Committee, its overview and other matters deemed appropriate by the Board of Directors shall be disclosed in due time according to the laws and regulations about timely disclosure and Financial Instruments Exchange Rules.

To ensure that the Special Committee makes decisions instrumental to the corporate value of the Company and the common interests of the shareholders, the Special Committee may obtain advice from independent outside experts (such as financial advisors, certified public accountants, lawyers, consultants, and other experts) at the charge of the Company.

3. Description of Large-Scale Acquisition Rules

The Large-scale Acquisition Rules established by the Board of Directors require 1) a party who intends to acquire a certain large number of shares to 2) provide the Board of Directors in advance a Letter of Intent (defined in Section (2) below) and other necessary and sufficient information and 3) Start the Acquisition only after a certain length of period of assessment by the Board of Directors elapses. The details are as follows:

(1) Application target

The Large-scale Acquisition Rules apply to a party who intends to conduct the acquisition of the Company's shares or other securities (Note 3) with the aim of making the ratio of voting rights (Note 2) of a specific group of shareholders (Note 1) twenty percent (20%) or more, or the acquisition of the Company's shares and other securities by a specific group of shareholders in which, as a consequence, the ratio of voting rights of the specific group of shareholders becomes twenty percent (20%) or more (in either case, excluding acquisitions upon which the Board of Directors has agreed in advance and regardless of specific acquisition methods such as market dealings and takeover bids). This way of acquisition intended to conduct by the said party (hereinafter referred to as a "Large-scale Acquirer") is hereinafter called the "Large-scale Acquisition".

(2) Submission of Letter of Intent

A Large-scale Acquirer, when intending to conduct Large-scale Acquisition, shall submit to the representative directors of the Company a letter of intent specifying in Japanese the Large-scale Acquirer's name, address, governing law of incorporation, name of its representative, contact address in Japan, outline of the proposed Large-scale Acquisition, and agreement of compliance with the Large-scale Acquisition Rules (hereinafter referred to as a "Letter of Intent").

The submission of a Letter of Intent by the Large-scale Acquirer shall be disclosed in due time by the Company according to the laws and regulations about timely disclosure and Financial Instruments Exchange Rules.

(3) Supply of information

The Company shall, within ten business days of the receipt of such Letter of Intent, deliver a list of information

to be supplied by the Large-scale Acquirer initially. The Large-scale Acquirer shall supply, in a written form, necessary and sufficient information for decision-making by the shareholders and opinion formation by the Board of Directors (hereinafter referred to as the “Necessary Information”). The specific content of the Necessary Information depends on the attributes of the Large-scale Acquirer and the nature of the Large-Scale Acquisition. However, general matters of the Necessary Information are as follows:

- i. Details of the Large-scale Acquirer and its group companies (including joint holders, persons in special relationship, partners [in the case of a fund], and other members.) The details include such information as the name of the Large-scale Acquirer, names and career histories of directors, description of business, capital composition, composition of finances, and experience of similar businesses to the Group (including the Company; the same shall apply hereinafter).
- ii. Purpose, method and description of the Large-scale Acquisition (including the amounts and types of prices in the Large-scale Acquisition, timing of the Large-scale Acquisition, structure of related transactions, legality of the method used for the Large-Scale Acquisition, feasibility of the Large-scale Acquisition and, in the case of partial acquisition, how the upper limit is set for the number of shares to be acquired and the plan for changes to be made in the capital composition.)
- iii. The basis of calculation of the acquisition price in the Large-scale Acquisition (facts used as the premises of calculation, calculation method, numerical information used for calculation, and outline of synergies expected to occur due to a series of transactions related to the Large-scale Acquisition.)
- iv. Evidence for sufficient funds for the Large-scale Acquisition (including the specific names of providers of funds [including substantial providers], fund raising methods, and description of related transactions.)
- v. Assumptions to be realized after the Large-scale Acquirer participates in the management of the Company, such as the manager candidate to be appointed (including such information as the experience of similar businesses to the Group), management policies, business plans, financial plans, capital policies, dividend policies, and measures for utilizing the assets.
- vi. Presence and description of changes intended to be made after the completion of the Large-scale Acquisition in the relationships that the Group has with the business partners, communities, and employees of the Group, and other stakeholders related to the Group.
- vii. Other matters similar to the previous articles deemed reasonably necessary by the Board of Directors and Special Committee.

The Board of Directors, from the viewpoint of prompt application of the Large-scale Acquisition Rules, may set a due date on the supply of information by the Large-scale Acquirer. However, the time limit may be extended if the Large-scale Acquirer requests to extend it for rational reasons.

If, after the initially supplied information is examined carefully while referring to opinions and advice of the Special Committee and independent outside experts, the initially supplied information is found insufficient to appropriately judge the impacts of the Large-scale Acquirer’s proposal on the corporate value of the Company and the common interests of the shareholders, the Board of Directors shall request the Large-scale Acquirer to

supply additional information by a reasonable due date specified as required until all the Necessary Information is supplied (however, up to 60 days starting from the initial receipt of the Necessary Information).

The Board of Directors, when concluding that the supply of the Necessary Information is completed, shall notify this fact to the Large-scale Acquirer and disclose this fact in due time according to the laws and regulations about timely disclosure and Financial Instruments Exchange Rules.

If, in response to the request by the Board of Directors for additional supply of the Necessary Information, the Large-scale Acquirer gives rational explanation about the difficulty of supplying part of the said information, the negotiation with the Large-scale Acquirer about information supply may be finished and the evaluation by the Board of Directors may be started as described in Section (4) below despite the lack of part of the Necessary Information required by the Board of Directors.

The Necessary Information supplied to the Board of Directors, if deemed necessary for decision-making by shareholders, shall be disclosed in whole or in part at a time deemed appropriate.

(4) Assuring Period for Examination

The Board of Directors, after the supply of the Necessary Information to the Board of Directors is completed, should be allowed 60 days (in the case of the purchase of all the Company's shares by a cash take-over bid [yen]) or 90 days (in the case of any other Large-scale Acquisition) starting from the day that the completion of the supply of the Necessary Information is notified to the Large-scale Acquirer, depending on the difficulty of assessment of the Large-scale Acquisition, as the period during which it will assess, examine, negotiate, form opinions, and plan alternatives (hereinafter referred to as the "Board Assessment Period"). Accordingly, the Large-scale Acquisition may be commenced only after the Board Assessment Period has elapsed.

However, the Special Committee may recommend an extension of the Board Assessment Period to the Board of Directors if it is reasonably required by the Special Committee to judge whether the countermeasures should be implemented. In this case, the Board of Directors may extend the Board Assessment Period by 30 days at the maximum. The Board of Directors, after resolving an extension of the Board Assessment Period, shall notify the period and reason of extension to the Large-scale Acquirer and disclose the period and reason of extension in due time according to the laws and regulations about timely disclosure and Financial Instruments Exchange Rules.

During the Board Assessment Period, the Board of Directors shall thoroughly examine and assess the provided Necessary Information while receiving advice from independent outside experts and other persons and assigning maximum respect to the advice, opinions, or recommendations given by the Special Committee and carefully form and disclose its opinion. The Board of Directors may negotiate with the Large-scale Acquirer in order to improve the terms of the said Large-scale Acquisition or it may offer alternatives to shareholders, as required.

4. Response Policies Adopted by the Company When Large-scale Acquisition is Conducted

(1) If the Large-scale Acquirer complies with the Large-scale Acquisition Rules

If the Large-scale Acquirer complies with the Large-scale Acquisition Rules, the Board of Directors, even when adopting an opposing position to the said Large-scale Acquisition, shall simply attempt to persuade the shareholders by expressing dissenting opinions about the said Large-scale Acquisition and/or offering alternatives and shall not implement countermeasures for the Large-scale Acquisition in principle. It is up to the shareholders to determine whether or not to accept an acquisition proposal from the Large-scale Acquirer after considering the said acquisition proposal and the Company's opinions and alternatives to the acquisition proposal.

However, if the said Large-scale Acquisition is deemed to significantly impair the corporate value of the

Company and ultimately the common interests of the shareholders (deemed to be an acquisition that impairs the corporate value [Note 4]), even if the Large-scale Acquisition Rules are complied with, the Board of Directors may, based on the duty of care by the directors, conduct an allotment of share options without contribution as countermeasures against the Large-scale Acquisition (hereinafter referred to as “Countermeasures”) to protect the interests of the shareholders.

Attachment 3 shows the outline of allotment of share options without contribution as Countermeasures. In the event that the Board of Directors actually elects to conduct allotment of share options without contribution for this purpose, the Company may set the conditions in consideration of the effectiveness thereof as a countermeasure, such as not allowing the exercise of share options held by a person or a company belonging to a specific group of shareholders holding a certain percentage of the total voting rights or issuing share options subject to call which allow the Company to acquire share options in exchange for the Company’s shares. However, it is not assumed that money will be delivered as consideration for the acquisition of share options held by a Large-scale Acquirer.

(2) If the Large-scale Acquirer does not comply with the Large-scale Acquisition Rules

If the Large-scale Acquirer does not comply with the Large-scale Acquisition Rules, the Board of Directors may implement the Countermeasures against the Large-scale Acquisition regardless of the specific acquisition method in order to protect the corporate value of the Company and ultimately the common interests of the shareholders. Note that the Board of Directors shall judge whether the Large-scale Acquisition Rules are observed in reasonable consideration of the circumstances of the Large-scale Acquirer and shall not conclude non-compliance of the Large-scale Acquisition Rules just because part of the Necessary Information is not submitted.

5. Procedures of Implementation and Cancellation of Countermeasures

(1) Procedure of Implementation of Countermeasures

The Board of Directors shall conduct the procedure below as a premise for determining whether the Countermeasures should be implemented pursuant to Sections 4 (1) and 4 (2) above to ensure fairness of a decision to be made.

First, the Board of Directors, as a premise for implementing the Countermeasures, shall inquire of the Special Committee whether the Countermeasures should be implemented or not. The Special Committee, in response to this inquiry, shall submit to the Board of Directors a recommendation on whether the Countermeasures should be implemented or not. If required, the Special Committee may make a recommendation that a General Meeting of Shareholders should be held to confirm the intent of the shareholders about the implementation of the Countermeasures in advance (hereinafter referred to as the “Intent Confirmation Meeting”).

The Board of Directors, when receiving the recommendation from the Special Committee, shall decide whether or not to implement the Countermeasures based on the Necessary Information and advice obtained from outside experts and other persons by carefully examining the Large-scale Acquirer, the specific details of the Large-scale Acquisition, and possible impacts of the Large-scale Acquisition on the corporate value of the Company and the common interests of shareholders and assigning maximum respect to the recommendation made by the Special Committee.

The Board of Directors, before resolving to implement the Countermeasures, may hold an Intent Confirmation Meeting (i) if the Special Committee makes a recommendation to hold the Intent Confirmation Meeting on the implementation of the Countermeasures or (ii) if the Board of Directors decides based on the duty of care that it is appropriate to confirm the intent of the shareholders in consideration of time and other factors required to hold the Intent Confirmation Meeting.

The Board of Directors shall comply with the resolution of the Intent Confirmation Meeting if it is held. If the

Board of Directors decides to hold the Intent Confirmation Meeting, the Large-scale Acquirer may not start the Large-scale Acquisition until the intent of the shareholders is confirmed and the Intent Confirmation Meeting adopts a resolution on whether or not to implement the Countermeasures.

The Board of Directors, after deciding to implement the Countermeasures or to hold the Intent Confirmation Meeting, shall disclose the relevant information and matters deemed appropriate by the Board of Directors in due time according to the laws and regulations about timely disclosure and Financial Instruments Exchange Rules.

(2) Cancellation of implementation of Countermeasures

The Board of Directors, even after deciding to implement the Countermeasures, may decide to cancel the implementation of the Countermeasures or change the content of the Countermeasures while assigning maximum respect to the opinion or recommendation of the Special Committee if the Board of Directors decides that the implementation of the Countermeasures is no longer suitable because, for example, there is a change in the status quo on which the resolution is based or the Special Committee withdraws the recommendation to implement the Countermeasures. For example, after deciding to accept an allotment of share options without contribution, the Board of Directors may cancel the implementation of the Countermeasures in either of the following ways if it decides that the implementation of the Countermeasures is not appropriate because the Large-scale Acquirer withdraws or changes the Large-scale Acquisition after determination of shareholders who may receive share options: Up to the day previous to when the allotment of share options without contribution becomes effective, the Board of Directors may cancel the allotment of share options without contribution after receiving a recommendation of the Special Committee. After the allotment of share options without contribution becomes effective and up to the day before the share options may be exercised, the Board of Directors may decide that the Company acquires the said share options without contribution (causing the shareholders to lose them) after receiving a recommendation of the Special Committee.

Any decision made by the Board of Directors to cancel or change the implementation of the Countermeasures shall be disclosed in due time according to the laws and regulations about timely disclosure and Financial Instruments Exchange Rules.

6. Effective Period, Abolishment, and Change of the Response Policy

The Response Policy shall take effect when approved by the shareholders at this Ordinary General Meeting of Shareholders and shall remain effective for three years from the day of the said Meeting (effectively, until the conclusion of the Company's last Ordinary General Meeting of Shareholders held within three business years).

The Response Policy, even before the expiry of its effective period, may be abolished at any time by a resolution of the Company's General Meeting of Shareholders or the Board of Directors.

The Board of Directors shall review the Response Policy as the need arises and take appropriate measures in due time as required from the viewpoints of assuring and enhancing the corporate value and common interests of the shareholders in anticipation of future revision of laws and ordinances, trends of judicial decisions, and response of the financial instruments exchanges and other public organizations.

As a rule, any change of the Response Policy shall take effect when approved by a resolution of the Company's General Meeting of Shareholders. However, any change in the Response Policy may only be made by a resolution of the Company's General Meeting of Shareholders as long as it does not cause disadvantages to owners of the Company's shares and other securities or persons who intend to acquire the Company's shares and other securities. If the creation or abolition of a law causes a change in a legal provision or term quoted in the Response Policy, the applicable legal provision or term quoted in the

Response Policy may be read, as required, for a new provision or legal term after the change even without a resolution of the Company's General Meeting of Shareholders or Board of Directors as long as it does not contradict the purpose of quotation in the Response Policy.

7. Arrangements for Enhancing the Rationality of Anti-Takeover Measures

(1) Fulfillment of requirements in guidelines on Anti-Takeover Measures

The Response Policy fulfills the three principles prescribed in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" set forth by the Ministry of Economy, Trade and Industry and the Ministry of Justice as of May 27, 2005. (namely, Principle of Ensuring and/or Increasing the Corporate Value and the Common Interests of Shareholders, Principle of Practicing Prior Disclosure and Seeking Shareholders' Consent and Principle of Ensuring Necessity and Suitability). The Response Policy is designed based on the "Way of Takeover Defense Measures in Consideration of Recent Changes in Various Environments" set forth by the Corporate Value Study Group, an organization set up in the Ministry of Economy, Trade and Industry, as of June 30, 2008.

(2) Purpose of ensuring and/or increasing the common interests of Shareholders

The Response Policy specifies in advance the requirements and details of the Large-scale Acquisition Rules that a Large-scale Acquirer must observe and the Countermeasures that the Company may implement to allow the shareholders to appropriately determine whether or not to accept an acquisition proposal in the Large-scale Acquisition and prevent an obvious infringement of the corporate value of the Company and the common interests of the shareholders, with an aim of ensuring and/or increasing the corporate value of the Company and the common interests of the shareholders, and does not aim to maintain the position of the Company's executives.

The Board of Directors believes that the details of the Large-scale Acquisition Rules and the requirements and details of the Countermeasures are rational for the purpose of ensuring and/or increasing the corporate value of the Company and the common interests of the shareholders and do not unduly restrict a Large-scale Acquisition instrumental in ensuring and/or increasing the corporate value of the Company and the common interests of the shareholders.

(3) Prior disclosure

The Board of Directors believes that all the details of the Large-scale Acquisition Rules and the requirements and details of the Countermeasures in the Response Policy are specific and clear and offer sufficient predictability to the shareholders, investors, and Large-scale Acquirers.

(4) Emphasis on seeking shareholders' content

The Company assumes that the Response Policy takes effect only when approved by the shareholders at this Ordinary General Meeting of Shareholders in order to confirm the intent of the shareholders.

The Board of Directors, in case of need, may convene the Intent Confirmation Meeting to confirm the intent of the shareholders on whether or not to implement the Countermeasures.

Furthermore, the Response Policy shall remain effective until the conclusion of the Company's last Ordinary General Meeting of Shareholders held within three business years and, even before the expiry of the effective period, may be abolished by a resolution of the Company's General Meeting of Shareholders or the Board of Directors. Any change in the Response Policy takes effect only when approved by a resolution of the Company's General Meeting of Shareholders in principle.

Therefore, the Board of Directors believes that any decision to continue, abolish, or change the Response Policy reflects the intent of the shareholders through a resolution of the General Meeting of Shareholders.

(5) Ensuring of objectivity and rationality of decisions made by the Board of Directors

The Response Policy defines objective and clear requirements for implementing the Countermeasures in order to eliminate as much as possible the room for an arbitrary decision made by the Board of Directors to intervene in a decision on whether or not the requirements for implementation are met.

Furthermore, the Company has established the Special Committee as an independent organization from the top management of the Company. As a premise for implementing the Countermeasure, the Board of Directors shall inquire of the Special Committee whether or not the Countermeasures should be implemented and decide whether or not to implement the Countermeasures while assigning maximum respect to the recommendation of the Special Committee.

Therefore, it believes that the Response Policy provides a sufficient arrangement to secure the objectivity and rationality of a decision to be made by the Board of Directors when it implements the Countermeasures.

(6) Acquisition of opinions of third-party experts

When a Large-scale Acquirer appears, the Special Committee may obtain advice from independent outside experts (such as financial advisors, certified public accountants, lawyers, consultants, and other experts) at the charge of the Company. This is an arrangement to further ensure the fairness and objectivity of decisions to be made by the Special Committee.

(7) Not a dead-hand or slow-hand takeover defense measure

The Response Policy may be abolished by a resolution of the Company's General Meeting of Shareholders or a resolution of the Board of Directors composed of directors elected by the Company's General Meeting of Shareholders. Namely, the Board of Directors composed of directors appointed by a party who has acquired a large volume of the Company's shares or other securities and elected by the General Meeting of Shareholders may abolish the Response Policy. Therefore, the Response Policy is not a dead-hand takeover defense measure (a takeover defense measure that may not be abolished or suspended even if the General Meeting of Shareholders adopts a resolution for replacing a majority of the members of the Board of Directors). Since the term of the Company's directors is one year, the Response Policy is not a slow-hand takeover defense measure, either (a takeover defense measure that does not allow to replace at a time all the members of the Board of Directors and therefore takes the Large-scale Acquirer a long period of time to prevent the implementation of the Response Policy).

8. Influence on Shareholders and Investors, etc.

(1) Influence of the Large-scale Acquisition Rules on shareholders and investors, etc.

The Large-scale Acquisition Rules are aimed at ensuring that shareholders receive information necessary to determine whether or not to accept the Large-scale Acquisition, know opinions of the Board of Directors that is in charge of the Company's management at that moment, and have opportunities to be presented with alternatives. The Board of Directors believes that, under the Large-scale Acquisition Rules, the shareholders will be able to make appropriate decisions, using sufficient information, as to whether or not to accept the Large-scale Acquisition, whereby the corporate value of the Company and the common interests of the shareholders will be protected. Therefore, the Board of Directors believes that the establishment of the Large-scale Acquisition Rules

is beneficial to the interests of the shareholders and investors.

(2) Influence of the Implementation of the Countermeasures on shareholders and investors, etc.

If the Large-scale Acquirer does not comply with the Large-scale Acquisition Rules or, although it complies with the Large-scale Acquisition Rules, the said Large-scale Acquisition is deemed to impair the corporate value of the Company, the Board of Directors may implement the Countermeasures in order to protect the corporate value of the Company and the common interests of the shareholders. Due to the workings of a countermeasure, however, it is not assumed that such a countermeasure causes any specific legal or economic damage or loss to the Company's shareholders other than a specific group of shareholders including the Large-scale Acquirer (except the Large-scale Acquirer who violates the Large-scale Acquisition Rules). The Board of Directors, when deciding to implement the Countermeasures, shall make appropriate disclosure in due time according to the relevant laws and Financial Instruments Exchange Rules.

If the allotment of share options without contribution is conducted as the Countermeasures, the shareholders who are listed or recorded in the latest register of shareholders as of the allotment date do not need to apply for share options but will automatically become share option holders as of the effective date of the said allotment of share options without contribution.

The shareholders who received share options due to the allotment of share options without contribution may acquire the Company's common shares during the exercise period by contributing an amount of assets separately determined by the Board of Directors. For those shareholders who do not exercise their share options during the exercise period, their share options will expire upon the finishing of the exercise period, and the exercise of share options by other shareholders will dilute their shareholding. If there is a call provision that the Company may acquire share options and issue the Company's shares in exchange for them and the Company decides to conduct the acquisition procedure, however, the shareholders who own share options to be acquired will receive the Company's shares without any monetary payment and therefore will not suffer any loss in particular. In this case, the said shareholders may be requested to submit a written conformation in the Company's prescribed form including a pledge that such shareholder is not a person or a company belonging to a specific group of shareholders including the Large-scale Acquirer.

The Board of Directors, after resolving to implement the allotment of share options without contribution and conducting the procedure defined in Section 5 (2) above, may implement the following measures: Up to the effective date of the allotment of share options without contribution, the Board of Directors may cancel the allotment of share options without contribution; After the effective date of allotment of share options without contribution and up to the day previous to when the share options may be exercised, the Board of Directors may acquire without contribution the share options that have been allotted without contribution. In these cases, dilution of the share value per share does not occur, and the investors who conduct trading of shares on the presumption of such dilution may suffer loss due to changes in share prices.

Note 1: A specific group of shareholders refers to:

(i) a holder (defined in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act, including a person deemed as a holder pursuant to Paragraph 3 thereof; hereinafter the same) of shares and other securities of the Company (defined in Paragraph 1 of Article 27-23 of the said act) and any joint holders (defined in Paragraph 5 of Article 27-23 of the said act, including a person deemed as a joint holder pursuant to Paragraph 6 thereof; hereinafter the same), or (ii) a person or a company who makes a purchase (defined in Paragraph 1 of Article 27-2 of the said act, including a purchase made on a financial instruments exchange market) of shares and other securities of the Company (defined in Paragraph 1 of Article 27-2 of

the said act) and any specially related parties (defined in Paragraph 7 of Article 27-2 of the said act; hereinafter the same).

Note 2: The ratio of voting rights refers to:

(i) in the case of note 1(i) above, the shareholding ratio (defined in Paragraph 4 of Article 27-23 of the Financial Instruments and Exchange Act) of the holder (including the number of shares (defined in the said Paragraph; hereinafter the same) held by any joint holders of the said holder) or (ii) in the case of note 1(ii) above, the sum of the shareholding ratio (defined in Paragraph 8 of Article 27-2 of the said act) of the purchaser and its specially related parties. In the calculation of shareholding ratios, the total number of voting rights (defined in Item 1, Paragraph 8 of Article 27-2 of the said act) and the total number of issued shares may be decided by referring to the annual financial report, the quarterly report, or the share buyback report of the Company, whichever is submitted to the authorities the most recently.

Note 3: Shares and other securities refer to:

Shares and other securities defined in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act.

Note 4: Acquisition that impairs the corporate value refers to:

Acquisition deemed to significantly impair the corporate value of the Company and ultimately the common interests of shareholders. Specifically, any acquisition deemed to belong to one of the following types [1] to [8] is considered in principle to be the acquisition that impairs the corporate value.

[1] The purpose of acquisition of shares is deemed to be to drive up the share price and have those shares purchased by a stakeholder of the Company despite the lack of will to actually participate in the management of the Company.

[2] The purpose of participation in the business management of the Company is deemed to be to conduct so-called “scorched-earth management” by, for example, transferring the rights necessary for the business management of the Company, such as the intellectual properties, know-how, confidential business information, main business partners and customers, etc., to the Large-scale Acquirer and its group companies.

[3] The intent of the Large-scale Acquirer is deemed to be to appropriate the Company’s assets to secure or pay off the debts of the Large-scale Acquirer or its group companies and other related parties after gaining control of the management of the Company.

[4] The purpose of participation in the business management of the Company is deemed to be mainly to temporarily control the Company’s management to bring about the disposal of high-value assets that have no current relevance to the Company’s business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.

[5] The acquisition conditions proposed by the Large-scale Acquirer (including but not limited to the acquisition price amount, type, details, timing, method, legality, and feasibility) are recognized, based on reasonable grounds, to be significantly insufficient or inappropriate in comparison with the corporate value of the Company.

[6] The method of acquisition of the Company’s shares proposed by the Large-scale Acquirer is deemed to be likely to restrict the shareholders’ opportunity and freedom to make decisions, such as oppressive two-stage acquisition (in which the Large-scale Acquirer first acquires shares, whereby no solicitations for

acquiring all the shares are made and, in the second stage, sets disadvantageous acquisition conditions or does not make them explicitly clear to make a takeover bid), whereby shareholders may essentially be forced to sell their shares of the Company.

[7] The acquisition of controlling rights by the Large-scale Acquirer is deemed, based on reasonable grounds, to be likely to damage the relationships with shareholders, customers, employees, business partners, and other stakeholders and thus significantly damage the corporate value of the Company or significantly prevent maintenance or increase of the corporate value of the Company.

[8] The Large-scale Acquirer is deemed, based on reasonable grounds, to be ill suited as a controlling shareholder of the Company from the perspectives of good public order and customs.

End

Attachment 1

Names and Career Summaries of Special Committee Members

The names and career summaries of the Special Committee members are as follows:

Name: Hiizu ICHIKAWA

Date of birth: December 8, 1946

Career summary

April 1970 Joined the Mitsubishi Bank, Ltd.

May 1993 General Manager of Singapore Branch of The Mitsubishi Bank, Ltd.

June 1996 General Manager of Industrial Research Department of The Bank of Tokyo-Mitsubishi, Ltd.

January 1997 General Manager of Sales Screening Department of The Bank of Tokyo- Mitsubishi, Ltd.

June 1999 Senior Executive Director of The Resolution and Collection Corporation

June 2001 Senior Executive Director of Chiyoda Corporation

June 2004 Representative Director and Managing Director of Mitsubishi Motors Corporation

April 2010 Representative Director and Executive Vice President of Mitsubishi Motors Corporation

June 2014 Outside Audit & Supervisory Board Member of THE HYAKUGO BANK, LTD.

(incumbent)

September 2014 Outside Director Nippon Koei Co., Ltd. (incumbent)

Name: Kazumasa KUSAKA

Date of birth: January 23, 1948

Career summary

April 1970 Joined The Ministry of International Trade and Industry (METI)

August 2003 Commissioner of METI's Agency for Natural Resources and Energy

June 2004 Vice-Minister for International Affairs of METI

June 2007 President of Japan Cooperation Center for the Middle East

February 2008 Special Advisor to the Cabinet

October 2009 Senior Vice President of Mitsubishi Electric Corporation

April 2011 Visiting Professor of Graduate School of Public Policy, The University of Tokyo (incumbent)

January 2013 President of The Foundation for International Trade and International Cooperation(incumbent)

April 2013 Chairman of Japan Economic Foundation (incumbent)

September 2015 Outside Director of Nippon Koei Co., Ltd. (incumbent)

Name: Izumi ARAI

Date of birth: January 24, 1952

Career summary

April 1975 Joined Overseas Economic Cooperation Fund

April 2007 Director of Research Institute for Development and Finance, Japan Bank for International Cooperation (JBIC)

October 2007 Director of JBIC

October 2008 Director of Japan International Cooperation Agency (JICA)

April 2012 Retirement from directorship of JICA

June 2012 Outside Audit & Supervisory Board Member of Nippon Koei Co., Ltd. (incumbent)

Name: Mineo ENOMOTO

Date of birth: December 12, 1950

Career summary

April 1978 Registered as lawyer at Tokyo Bar Association

May 2000 Chairman of Enomoto Law Office (incumbent)

June 2006 Outside Audit & Supervisory Board Member of Nippon Koei Co., Ltd.(incumbent)

June 2007 Outside Audit & Supervisory Board Member of SEGA SAMMY Holdings Inc.(incumbent)

June 2014 Outside Audit & Supervisory Board Member of SHIMOJIMA Co., Ltd.(incumbent)

April 2015 Outside Audit & Supervisory Board Member of SEGA Holdings Inc.(incumbent)

No special conflicts of interest exist between the above four persons and the Company. The above four persons are independent officers in accordance with the rules of the Tokyo Stock Exchange.

Attachment 2

Outline of Rules of Special Committee

- The Special Committee shall be established by a resolution of the Board of Directors of the Company.
- The Special Committee shall consist of at least three members (hereinafter referred to as the “Special Committee members”) who are appointed by the Board of Directors from the Company’s outside directors and outside audit & supervisory board member (including substitutes) or outside experts, all of whom are independent from the top management who execute the operation of the Company to ensure fair and unbiased decision-making. The outside experts, excluding the outside directors or outside audit & supervisory board member of the Company, shall be either of business managers with abundant management experience, ex-government officials, experts from the investment banking sector, lawyers, certified public accountants, academic experts with specialty in the Companies Act, and equivalent persons. Furthermore, the outside experts shall conclude with the Company a contract that includes a duty of care provision, specified separately by the Board of Directors of the Company.
- The term of a Special Committee member shall be until the conclusion of the Company’s last Ordinary General Meeting of Shareholders held within three business years from the appointment of this member. However, this shall not apply if otherwise determined by a resolution of the Board of Directors. If any of the Special Committee members who is an outside director or outside audit & supervisory board member and ceases to be a director or audit & supervisory board member of the Company (except when he or she is reappointed), his or her term of office as a Special Committee member shall terminate simultaneously. If the said Special Committee member still meets the requirements for an outside expert, however, the Board of Directors may reappoint him or her as a Special Committee member through a prescribed procedure.
- The Special Committee shall conduct deliberation and adopt a resolution on the following matters and report the resultant resolution with reasons to the Board of Directors as a recommendation. The Special Committee members and the Board of Directors shall handle such a resolution from the viewpoint of whether or not it contributes to the corporate value of the Company and consequently the common interests of the shareholders and shall not pursue attainment of the personal interests of themselves or the top management of the Company. The Board of Directors, when adopting a resolution, must assign maximum respect to the recommendation given by the Special Committee:
 - [1] Whether or not to extend the assessment period of the Board of Directors
 - [2] Whether or not the Large-scale Acquirer has provided sufficient information required as the Necessary Information
 - [3] Whether or not to implement the Countermeasures
 - [4] Whether or not to hold the Intent Confirmation Meeting of Shareholders on the implementation of the Countermeasures
 - [5] Whether or not to cancel the implementation of the Countermeasures
 - [6] Any other matters to be decided by the Board of Directors in respect to those which it has inquired of the Special Committee
- The Special Committee, when needed to collect necessary information, may request for the participation of directors, audit & supervisory board members, and employees of the Company, as well as other persons deemed necessary by the Special Committee, and may request for the explanation of matters required by the Special Committee.

- The Special Committee may obtain advice from independent outside experts (such as financial advisors, certified public accountants, lawyers, consultants, and other experts) at the charge of the Company.
- The Special Committee members may convene a Special Committee meeting whenever Large-scale Acquisition is conducted or at any other time.
- In principle, the Special Committee with all the members in attendance shall adopt a resolution by a majority vote. However, if any of the Special Committee members is unable to attend due to an accident or other unavoidable circumstances, the Special Committee with a majority of the members in attendance may adopt a resolution by a majority of voting rights of the members in attendance.

Attachment 3

Outline of Allotment of Share Options without Contribution as Countermeasures

1. Shareholders to Whom Share Options without Contribution Are Allotted and Conditions of Issue

The shareholders who are listed or recorded in the latest register of shareholders or register of substantial shareholders as of the allotment date determined by the Board of Directors of the Company shall be allotted one share option for each of the owned common shares of the Company (excluding the common shares owned by the Company).

2. Type and Number of Shares Subject to Share Options

The type of shares subject to share options shall be common shares of the Company. The maximum total number of shares subject to share options shall be equivalent to the number obtained by deducing the total number of shares issued (excluding the number of the Company's common shares owned by the Company at the allotment date) from the latest total number of authorized shares as of the said date regarding the common shares of the Company. The number of shares to be issued per share option (hereinafter referred to as the "Number of Target Shares") shall be separately determined by the Board of Directors (however, the number of shares subject to share options may be adjusted to a reasonable extent when required by unavoidable circumstances such as share split or share consolidation by the Company).

3. Total Number of Share Options to Be Allotted

The total number of share options to be allotted shall be separately determined by the Board of Directors. The Board of Directors may allot share options without contribution more than once.

4. Amount of Assets to Be Contributed upon Exercise of Share Options

The amount of assets to be contributed upon exercise of the share options shall be an amount obtained by multiplying the amount of assets to be contributed per common share of the Company upon exercise of the share options (hereinafter referred to as the "Exercise Price") by the Number of Target Shares. The Exercise Price shall be an amount not less than one yen to be determined by the Board of Directors.

5. Restriction on Transfer of Share Options

Transfer of share options shall require an approval by the Board of Directors.

6. Condition for Exercising Share Options

It is hereby determined that a person who belongs to a specific group of shareholders with a ratio of voting rights that is 20% or more is not permitted to exercise share options. The details shall be separately determined by the Board of Directors. Note that it is not assumed that money will be delivered as consideration for the acquisition of share options held by a person who is not permitted to exercise share options.

7. Conditions for Exercising Share Options and Other Matters

The period for exercising share options, effective date of allotment of share options without contribution, acquisition provision, matters about stated capital and capital reserve that increase when shares are issued upon the exercise of share options, and other required matters shall be separately determined by the Board of Directors.

Furthermore, the Board of Directors may determine an acquisition provision that the Company may acquire

share options owned by the persons other than those who are not permitted to exercise share options due to the exercise condition stipulated in Section 6 above and grant, for each share option, as many common shares of the Company as determined by the Board of Directors.

End