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In the event of any discrepancy between this document and the Japanese original, the original shall prevail.*

Securities code: 9069

June 9, 2017

To our shareholders:

Yasuhisa Fukuda
Representative Director, President
SENKO Group Holdings Co., Ltd.
8-10, Shiomi 2-chome, Koto-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 100th ANNUAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 100th Annual Meeting of Shareholders of SENKO Group Holdings Co., Ltd. (the “Company”) on June 28, 2017, which will be held as described hereunder.

If you are unable to attend the Meeting in person, we ask you to review the attached Reference Documents for the Annual Meeting of Shareholders and exercise your voting rights by either of the following methods by 6:15 p.m., Tuesday, June 27, 2017 (Japan Standard Time).

[Voting by postal mail]

Please indicate your approval or disapproval of the proposals on the enclosed voting form, and return it by postal mail to reach us by the above deadline.

[Voting via the Internet]

Please access the website for exercising voting rights designated by the Company (<http://www.evotep.jp/>), which is in Japanese only, and indicate your approval or disapproval of the proposals by the above deadline.

Meeting Details

1. Date and Time: Wednesday, June 28, 2017 at 10:00 a.m. (Japan Standard Time)

2. Venue: 1-30, Oyodonaka 1-chome, Kita-ku, Osaka
Umeda Sky Bldg., Tower West, F3 Stella Hall

3. Purposes:

Items to be reported:

1. Reports on the Business Report, Consolidated Financial Statements for the 100th fiscal year from April 1, 2016 to March 31, 2017, and Reports of Audit on the Consolidated Financial Statements by Financial Auditor and the Board of Corporate Auditors
2. Reports on the Non-Consolidated Financial Statements for the 100th fiscal year (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of Ten (10) Directors
- Proposal 3:** Election of Three (3) Corporate Auditors
- Proposal 4:** Determination of Amount and Content of Performance-linked Stock Compensation Plan for Directors
- Proposal 5:** Giving the Board of Directors the Authority to Determine the Guidelines for Subscription to Stock Acquisition Rights as Stock Compensation-Type Stock Options to Be Issued to the Officers and the Employees of the Company and Its Subsidiaries

4. Other matters concerning the Meeting:

Included in the documents to our shareholders that should be provided by the Company when providing this Notice of Convocation are the notes to consolidated financial statements (Japanese only) and the notes to non-consolidated financial statements (Japanese only). As provided for by laws and regulations and Article 16 of the Company's Articles of Incorporation, these documents are posted on the Company's website (http://www.senkogrouphd.co.jp/ir/stock_info/general_meeting/) and are not included as accompanying material to this document.

As a result, the accompanying material to this document includes one part of the materials that are the target of the audit by the Financial Auditor and the Corporate Auditors.

<About electronic voting platforms>

Trust banks and other nominee shareholders (including standing proxies) who have applied in advance to use the electronic voting platform operated by ICJ, Inc. (a joint-venture company established by Tokyo Stock Exchange, Inc. and others) may use this platform to electronically exercise voting rights for the Company's Annual Meeting of Shareholders.

Reference Documents for the Annual Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company aims to enhance the return of profit to its shareholders and maintains a basic policy regarding the distribution of profit to pay dividends, taking into account, in addition to stable dividends, performance-linked dividends. In addition, it is necessary to secure sufficient internal reserves for future business development and putting the Company on a firmer footing. In accordance with those views, the Company proposes to appropriate surplus for this fiscal year as follows:

1. Matters concerning year-end dividend

In view of the Company's performance in this fiscal year, the Company proposes to pay 11 yen per share as the year-end dividend. Combined with interim dividend of 11 yen per share, this brings the annual dividend to 22 yen per share.

- (1) Type of dividend assets
Cash
- (2) Allocation and total amount of the dividend assets
11 yen per share of the Company's common stock
Total amount of dividends: 1,677,007,024 yen
- (3) Effective date of dividend payment
June 29, 2017

2. Other matters relating to the appropriation of surplus

- | | |
|--|-----------------|
| (1) Item and amount of reduction in surplus: | |
| Retained earnings carried forward | 900,000,000 yen |
| (2) Item and amount of increase in surplus: | |
| General reserve | 900,000,000 yen |

Proposal 2: Election of Ten (10) Directors

The terms of office of all the eleven (11) Directors will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes the election of ten (10) Directors, lowering the number of Directors by one to enhance the efficiency of the management system.

The candidates for the Directors are as follows:

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
1	Yasuhisa Fukuda (August 23, 1946)	<p>April 1969 Joined SENKO Co., Ltd.</p> <p>June 1993 Director, SENKO Co., Ltd.</p> <p>June 1997 Managing Director, SENKO Co., Ltd.</p> <p>June 2003 Director, Vice President, SENKO Co., Ltd.</p> <p>June 2004 Representative Director, President, SENKO Co., Ltd. (present)</p> <p>April 2009 Head of Production Management Division SENKO Co., Ltd.</p> <p>April 2017 Responsible for Logistics Business (present), Head of Business Support Promotion Division (present), SENKO Group Holdings Co., Ltd.</p> <p>(Important concurrent positions held in other organizations) Representative Director, President, SENKO Co., Ltd. Representative Director, Chairman, Zenkoku Tsuun Co., Ltd.</p>	192,100
<p>[Reasons for nomination as the candidate for Director]</p> <p>Mr. Fukuda has served as the Company's Representative Director for many years, directing the management of the entire Group and contributing to the expansion of business fields. We can expect him to use his accumulated experience and performance as a manager and his wealth of insight into the industry in general, and provide strong leadership to establish the direction for the newly launched holding company structure and contribute to increasing corporate value going forward. We have therefore nominated him as a candidate to continue serving as a Director.</p>			
2	Yoshihiro Kawase (January 3, 1953)	<p>April 1975 Joined SENKO Co., Ltd.</p> <p>April 1998 General Manager, Human Resources Department, SENKO Co., Ltd.</p> <p>April 2001 Director, General Manager of System Solution Department, SENKO INFORMATION SYSTEM CO., LTD.</p> <p>July 2004 General Manager of Human Resources Department, SENKO Co., Ltd.</p> <p>April 2007 Executive Officer, SENKO Co., Ltd.</p> <p>April 2009 Responsible for Human Resources, SENKO Co., Ltd.</p> <p>June 2009 Director, SENKO Co., Ltd. (present)</p> <p>April 2013 Managing Executive Officer (present), General Manager of Human Resources Department, SENKO Co., Ltd.</p> <p>April 2017 Responsible for IT and Human Resources Training, SENKO Group Holdings Co., Ltd. (present)</p> <p>(Important concurrent positions held in other organizations) Representative Director, President, SENKO INFORMATION SYSTEM CO., LTD.</p>	57,800
<p>[Reasons for nomination as the candidate for Director]</p> <p>Mr. Kawase has been working mainly in the human resources division since he joined the Company. He has a wealth of experience and specialist knowledge in IT and human resource training. As such, we determine that he is appropriate for enhancing the Company's corporate value and have therefore nominated him as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
3	Noburoh Sasaki (March 12, 1957)	<p>April 1979 Joined SENKO Co., Ltd.</p> <p>April 2005 General Manager of Public Relations Department, SENKO Co., Ltd.</p> <p>April 2007 General Manager of President Office, SENKO Co., Ltd.</p> <p>April 2009 Executive Officer, Responsible for Public Relations, SENKO Co., Ltd.</p> <p>April 2015 Managing Executive Officer, SENKO Co., Ltd. (present)</p> <p>June 2015 Director, SENKO Co., Ltd. (present)</p> <p>April 2017 Responsible for Public Relations and IR, SENKO Group Holdings Co., Ltd. (present)</p> <p>(Important concurrent positions held in other organizations) Representative Director, President, Senko Facilities Co., Ltd.</p>	24,200
<p>[Reasons for nomination as the candidate for Director] Mr. Sasaki has been working mainly in the public relations division since he joined the Company. He has a wealth of experience and specialist knowledge in external public relations and IR. As such, we determine that he is appropriate for enhancing the Company's corporate value and have therefore nominated him as a candidate to continue serving as a Director.</p>			
* 4	Kenichi Shiraki (November 8, 1952)	<p>April 1975 Joined SENKO Co., Ltd.</p> <p>April 1998 General Manager responsible for Sales Development, Osaka Sales Supervision Department, SENKO Co., Ltd.</p> <p>April 2004 General Manager of Production Management Department, SENKO Co., Ltd.</p> <p>April 2006 General Manager of Chemical Distribution Sales No. 1 Department, Sales No. 1 Division, SENKO Co., Ltd.</p> <p>April 2007 Manager of Nagoya Main Branch, General Manager of Chubu Sales Department, Logistics Sales Division, SENKO Co., Ltd.</p> <p>April 2009 Executive Officer, SENKO Co., Ltd.</p> <p>April 2011 Head of Housing Distribution Sales Division, SENKO Co., Ltd.</p> <p>April 2014 Managing Executive Officer, SENKO Co., Ltd. (present)</p> <p>April 2016 Head of Health and Welfare Business Promotion Division, SENKO Co., Ltd. (present)</p>	28,200
<p>[Reasons for nomination as the candidate for Director] Mr. Shiraki has been working mainly in sales of the core logistics business since he joined the Company. He has a wealth of experience and specialist knowledge in sales activities. As such, we determine that he is appropriate for enhancing the Company's corporate value by using his experience and so forth to open up new business fields. We have therefore nominated him as a candidate for a new Director.</p>			

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
* 5	Masanobu Uenaka (November 23, 1959)	<p>April 1982 Joined SENKO Co., Ltd.</p> <p>April 2006 General Manager of Administration Accounting Department, SENKO Co., Ltd.</p> <p>April 2014 Deputy Head of International Multimodal Transport Business Department, International Distribution Business Division, SENKO Co., Ltd.</p> <p>April 2015 Executive Officer, SENKO Co., Ltd.</p> <p>April 2017 Managing Executive Officer (present), Responsible for Management Strategy (present), General Manager of Management Strategy Office (present), SENKO Group Holdings Co., Ltd.</p>	15,700
<p>[Reasons for nomination as the candidate for Director] Mr. Uenaka has been working mainly in the accounting division since he joined the Company. He has a wealth of experience and specialist knowledge in the management and administration and financial fields. As such, we determine that he is appropriate for enhancing the Company's corporate value by using his experience and so forth to help maintain and enhance corporate governance. We have therefore nominated him as a candidate for a new Director.</p>			
6	Takeyo Tezuka (November 21, 1950)	<p>April 1973 Joined SENKO Co., Ltd.</p> <p>June 2003 Director, SENKO Co., Ltd. (present)</p> <p>April 2004 Responsible for Administration, SENKO Co., Ltd.</p> <p>June 2004 Executive Officer, SENKO Co., Ltd.</p> <p>April 2005 Managing Executive Officer, Head of Business Development Division, Responsible for Public Relations, SENKO Co., Ltd.</p> <p>April 2008 Senior Managing Executive Officer, SENKO Co., Ltd.</p> <p>April 2011 Responsible for Trading Business, SENKO Co., Ltd. (present)</p> <p>April 2013 Executive Vice President, SENKO Co., Ltd.</p> <p>(Important concurrent positions held in other organizations) Director, Chairman, SENKO SHOJI CO., LTD. Representative Director, President, Marufuji Co., Ltd. Representative Director, President, Obata Co., Ltd.</p>	119,700
<p>[Reasons for nomination as the candidate for Director] Mr. Tezuka worked in the corporate planning and new business development division after joining the Company, before working for many years in the trading business field. He has a wealth of experience and specialist knowledge in the trading business field. As such, we determine that he is appropriate for enhancing the Company's corporate value and have therefore nominated him as a candidate to continue serving as a Director.</p>			

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
7	Kengo Tanaka (October 25, 1950)	<p>April 1974 Joined Sekisui Chemical Co., Ltd.</p> <p>June 2003 Director, Sekisui Chemical Co., Ltd.</p> <p>June 2005 Director (present), Managing Executive Officer, Responsible for Sales, SENKO Co., Ltd.</p> <p>October 2005 Head of Sales No. 2 Division, SENKO Co., Ltd.</p> <p>April 2007 Head of Housing Distribution Sales Division, SENKO Co., Ltd.</p> <p>April 2009 Responsible for Kita Kanto area, Manager of Saitama Main Branch, SENKO Co., Ltd.</p> <p>April 2011 Deputy Head of Production Management Division, SENKO Co., Ltd.</p> <p>April 2012 Responsible for Business Administration, SENKO Co., Ltd.</p> <p>April 2013 Senior Managing Executive Officer, Responsible for AEO, Head of International Distribution Business Division, SENKO Co., Ltd.</p> <p>April 2017 Responsible for International Business, SENKO Group Holdings Co., Ltd. (present)</p>	49,900
<p>[Reasons for nomination as the candidate for Director]</p> <p>Mr. Tanaka worked in the Housing Distribution Sales Division after he joined the Company, before working in the international distribution business field. He has a wealth of experience and specialist knowledge in the international distribution business field. As such, we determine that he is appropriate for enhancing the Company's corporate value and have therefore nominated him as a candidate to continue serving as a Director.</p>			
* 8	Kazuhiro Yamanaka (November 1, 1949)	<p>April 1972 Joined SENKO Co., Ltd.</p> <p>April 1994 Manager of Tokyo Minami Branch, SENKO Co., Ltd.</p> <p>November 1998 Manager of Kashiwa Branch, SENKO Co., Ltd.</p> <p>April 2005 Executive Officer, Responsible for Hokkaido and Tohoku area, SENKO Co., Ltd.</p> <p>April 2009 Managing Executive Officer, Deputy Head of Production Management Division, SENKO Co., Ltd.</p> <p>April 2011 Manager of Kanto Main Branch, SENKO Co., Ltd.</p> <p>June 2011 Director, SENKO Co., Ltd.</p> <p>April 2014 Senior Managing Executive Officer, Responsible for Chugoku, Shikoku and Kyushu area, Responsible for construction of Distribution Network for West Japan, SENKO Co., Ltd.</p> <p>April 2016 Representative Director, President, Runtec Corporation (present) Representative Director, President, Kouki Co., Ltd. (present)</p>	48,207
<p>[Reasons for nomination as the candidate for Director]</p> <p>Mr. Yamanaka has worked for many years in the logistics business division since joining the Company, and has a wealth of experience and specialist knowledge in the logistics business field. He has been demonstrating his abilities in the field of refrigerated and frozen distribution as the Representative Director of Runtec Corporation since April 2016. We determine that he is appropriate for enhancing the corporate value of the Company by utilizing his experience and so forth. We have therefore nominated him as a candidate for a new Director.</p>			

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
9	Hiroko Ameno (August 10, 1971)	<p>April 2005 Associate Professor, Department of Commerce at Seinan Gakuin University</p> <p>April 2007 Associate Professor, Faculty of Commerce at Kansai University</p> <p>June 2011 Director, SENKO Co., Ltd. (present)</p> <p>April 2012 Professor, Faculty of Commerce at Kansai University (present)</p>	0
<p>[Reasons for nomination as the candidate for Director] Ms. Ameno has specialist knowledge and experience as a university professor. We have nominated her as a candidate to continue serving as an Outside Director because she is expected to provide her opinion from a neutral position on the Company's management.</p>			
* 10	Yasuyuki Sugiura (September 25, 1953)	<p>April 1978 Joined Mitsubishi Corporation</p> <p>April 2009 Senior Vice President, Mitsubishi Corporation</p> <p>April 2013 Executive Vice President, Mitsubishi Corporation Director, President, Mitsubishi Corporation (Americas)</p> <p>April 2016 Advisor, Mitsubishi Corporation (present)</p>	0
<p>[Reasons for nomination as the candidate for Director] Mr. Sugiura has a wealth of experience and achievements in the trading and international fields, as well as wide-ranging knowledge and insight. We have nominated him as a new candidate for an Outside Director because he is expected to provide his opinion from a neutral position on the Company's management.</p>			

- Notes:
1. New candidates are marked with an asterisk (*).
 2. There are no special interests between the candidates and the Company.
 3. Ms. Hiroko Ameno and Mr. Yasuyuki Sugiura are candidates for Outside Directors.
 4. Ms. Hiroko Ameno is a current Outside Director of the Company, and her term of office as an Outside Director will be six (6) years at the conclusion of this Annual Meeting of Shareholders.
 5. The Company has entered into a limited liability agreement with Ms. Hiroko Ameno. The purpose of this agreement is to limit liability as provided for in Article 423, paragraph 1 of the Companies Act. The maximum liability amount shall be the amount stipulated in applicable laws and regulations. If the reelection of her is approved, the Company will continue the said agreements. If the election of Mr. Yasuyuki Sugiura is approved, the Company plans to enter into the limited liability agreement with him.
 6. The Company has submitted an Independent Officer Notification Form to register Ms. Hiroko Ameno as Independent Officer at Tokyo Stock Exchange, Inc. If the proposal of reelection is approved, the Company will notify her as Independent Officer, continuously. Furthermore, if the election of Mr. Yasuyuki Sugiura is approved, the Company will submit an Independent Officer Notification Form to register him as Independent Officer at Tokyo Stock Exchange, Inc.

Proposal 3: Election of Three (3) Corporate Auditors

Corporate Auditor Mr. Takashi Sawada, Mr. Takanobu Ishioka and Mr. Keiichiro Yoshimoto will expire at the conclusion of this Annual Meeting of Shareholders. Accordingly, the Company proposes the election of three (3) Corporate Auditors.

With respect to this proposal, the Company has obtained the consent of the Board of Corporate Auditors.

The candidates for the Corporate Auditor are as follows:

No.	Name (Date of birth)	Career summary, positions in the Company, and important concurrent positions	Number of the Company's shares held
1	Masami Washida (November 27, 1956)	<p>April 1980 Joined SENKO Co., Ltd.</p> <p>April 2008 General Manager of General Affairs Department, SENKO Co., Ltd.</p> <p>April 2012 General Manager of Safety and Environmental Control, SENKO Co., Ltd.</p> <p>April 2017 Responsible for Special Appointee, SENKO Group Holdings Co., Ltd. (present)</p>	11,000
2	Keiichiro Yoshimoto (February 27, 1953)	<p>April 1975 Joined Chisso Corporation</p> <p>June 2005 General Manager of General Affairs Department, Minamata Headquarters, Chisso Corporation</p> <p>April 2013 Assistant to General Manager of Minamata Headquarters, Chisso Corporation</p> <p>June 2013 Full-time Corporate Auditor, SENKO Co., Ltd. (present)</p>	8,900
3	Kanji Yasumitsu (June 30, 1957)	<p>April 1980 Joined Sekisui House, Ltd.</p> <p>August 2010 General Manager of Hyogo Factory, Sekisui House, Ltd.</p>	0

- Notes:
1. Mr. Masami Washida and Mr. Kanji Yasumitsu are new candidates for Corporate Auditor.
 2. There are no special interests between the candidates and the Company.
 3. Mr. Keiichiro Yoshimoto and Mr. Kanji Yasumitsu are candidates for outside Corporate Auditor.
 4. The Company requests the election of Mr. Keiichiro Yoshimoto and Mr. Kanji Yasumitsu as Outside Corporate Auditor since the Company judges that he would contribute to provide a suitable opinion regarding to corporate auditing with their abundant experience and achievements in corporate management and other areas, as well as their vast knowledge and insights as Outside Corporate Auditor.
 5. The Company has submitted an Independent Officer Notification Form to register Mr. Keiichiro Yoshimoto as Independent Officer at Tokyo Stock Exchange, Inc. If the proposal of his reelection is approved, the Company will notify him as Independent Officer, continuously.

Proposal 4: Determination of Amount and Content of Performance-linked Stock Compensation Plan for Directors

Whereas compensation for Directors of the Company consists of base compensation, bonus and stock options, the Company proposes adoption of a new performance-linked stock compensation plan (the “Plan”), intended for the Company’s Directors (excluding Outside Directors and Directors that are non-residents of Japan (“Non-resident Directors”); the same applies hereinafter). Under the Plan, the Company’s stock and an amount of money equivalent to the converted value of such stock (the “Company’s Stock, etc.”) shall be granted and paid (“grant, etc.”) to the eligible Directors based on factors such as their positions and achievement of performance targets.

Through the Plan, the Company shall integrate both management of the executive compensation of the Company’s Directors and management of the executive compensation of Directors of the Company’s major group subsidiaries (“Eligible Subsidiaries,” or “Eligible Companies” in referring to the Company and the Eligible Subsidiaries; Directors of the Company’s major group subsidiaries excludes Outside Directors and Non-resident Directors; “Eligible Directors” in referring to such directors together with Directors of the Company).

The Plan shall be adopted with the aim of heightening awareness among Directors with respect to their contributing to improving the Senko Group’s business performance and increasing its corporate value over the medium to long term. Accordingly, the Company believes it reasonable to adopt the Plan.

In this proposal, the Company proposes that Directors be paid stock compensation, separately from the maximum amount (¥400 million per year) of monetary compensation, etc. for Directors as previously approved at the 90th Annual Meeting of Shareholders held on June 28, 2007, by the former SENKO Co., Ltd. prior to its change of business name.

If Proposal 2, “Election of Ten (10) Directors” is approved as proposed, the number of Directors eligible for the Plan will be eight (8).

Amount and content of compensation in the Plan

(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan under which the Company’s Stock shall be acquired through a trust using moneys contributed by each Eligible Company, and the Company’s Stock, etc. shall be granted, etc. to the Eligible Directors based on factors such as their positions and achievement of performance targets. (Details as provided in (2) below and thereafter.)

i. Individuals eligible for being granted, etc. shares of the Company’s Stock, etc. subject to this proposal	<ul style="list-style-type: none"> • Directors of the Company (excluding Outside Directors and Non-resident Directors) • Directors of Eligible Subsidiaries (excluding Outside Directors and Non-resident Directors)
ii. Maximum monetary amount to be contributed by the Company and maximum number of shares of the Company’s stock to be acquired by the eligible Directors, and effect thereof on the total number of issued shares of the Company’s stock subject to this proposal	
Maximum amount of money contributed by the Eligible Companies (details as provided in (2) below)	<ul style="list-style-type: none"> • A total of ¥180 million in the applicable period of three (3) fiscal years (of which, the Company’s portion amounts to ¥70 million)

<p>Methods for acquiring the Company's stock and the maximum number of shares of the Company's Stock, etc. to be acquired by the Eligible Directors (details as provided in (3) below)</p>	<ul style="list-style-type: none"> • No dilution occurs as the purchase shall be made on the stock market for the initial applicable period. • The maximum number of award points that have been assigned to the Eligible Directors in each fiscal year shall amount to a total of 138,000 points (of which, the Company's portion amounts to 54,000 points), which accounts for approximately 0.1% of the total number of issued shares of the Company's stock corresponding to such points (as of March 31, 2017; after deducting treasury shares).
<p>iii. Content of criteria for achievement of performance targets (details as provided in (3) below)</p>	<ul style="list-style-type: none"> • Varies from 0% to 100% based on degree of achievement of performance targets with respect to the Company's consolidated ordinary profit and ROE
<p>iv. Timing of granting, etc. the Company's Stock, etc. to the Eligible Directors (details as provided in (4) below)</p>	<ul style="list-style-type: none"> • Every three (3) fiscal years

(2) Maximum amount of moneys contributed by each Eligible Company

The Plan applies to three (3) consecutive fiscal years (the "Applicable Period"). The initial Applicable Period shall encompass the three (3) fiscal years running from the fiscal year ending March 31, 2018, to the fiscal year ending March 31, 2020, and shall apply to the respective three (3) fiscal years thereafter upon extension of the trust period described in paragraph 3 of section (2).

The Company shall contribute a maximum total amount of ¥180 million (of which, the Company's portion amounts to ¥70 million) during the Applicable Period, consisting of moneys contributed as compensation to Directors of the Company together with moneys contributed as compensation by the Eligible Subsidiaries to Directors of the Eligible Subsidiaries, and the Company shall establish a trust (the "Trust") such that has a trust period of three (3) years, with Eligible Directors who fulfill the beneficiary requirements acting as beneficiaries thereto (the trust period may be extended as follows; the same applies hereinafter). The purchase shall be made on the stock market for the initial Applicable Period. The Trust shall purchase shares of the Company's stock on the stock market or from the Company (treasury shares) using the trusted moneys in accordance with instructions of the trust administrator. The respective Eligible Companies shall assign points to the Eligible Directors during the trust period (details as provided in (3) below), and the Trust shall grant, etc. shares of the Company's Stock, etc.

At the expiration of the trust period, the Trust may be continued by modifying the trust agreement and entrusting additional money in lieu of establishing a new trust. In such cases, the trust period of the Trust shall be extended to a period equal to the initial trust period, and accordingly the Applicable Period shall become the respective three (3) fiscal years prevailing after extension of the trust period. For each trust period extended, new contributions shall be made to the Company consisting of moneys within the range approved by resolution of a respective annual meeting of shareholders. Furthermore, the Company shall entrust no more than ¥180 million in money to the Trust, which consists of the money additionally contributed by the Company and the money contributed by the Eligible Subsidiaries, and the respective Eligible Companies shall continue assigning points and granting, etc. the Company's Stock, etc. to the Eligible Directors during the ongoing and extended trust period. However, in cases where such additional contributions are to be made, when there are any shares of the Company's stock

(excluding shares of the Company's stock equivalent to points that have been assigned to the Eligible Directors yet to be granted, etc.; "Residual Shares") and money remaining in the trust property ("Residual Shares, etc." together with Residual Shares) as of the last day of the trust period prior to the extension, the sum total of the Residual Shares, etc. and trust funds additionally contributed shall amount to no more than ¥180 million, and the sum total number of Residual Shares and shares additionally acquired by the Trust shall amount to no more than 414,000 shares.

(3) Method of calculating and maximum number of shares of the Company's Stock, etc. granted, etc. to the Eligible Directors

On August 1 of each year during a trust period, the Eligible Directors shall be assigned a prescribed number of points (the "Award Points") based on factors such as their positions and achievement of performance targets. In addition, as a general rule one (1) share of the Company's Stock, etc. shall be granted, etc. for each one (1) point assigned, based on the accumulated number of points that have been assigned as of the August 1, immediately subsequent to the Applicable Period (the "Accumulated Points"). However, if a share split, reverse share split or any other such event occurs during the trust period with respect to the Company's stock, then the Company shall adjust the number of shares of the Company's stock to be granted per one (1) point, based on the ratio of such share split or reverse share split, or otherwise, involving the Company's stock.

* The performance-linked benchmarks shall be set within the range of 0% to 100% based largely on the degree to which the quantitative performance targets have been achieved, in terms of the Company's consolidated ordinary profit and ROE.

The maximum total number of points that can be assigned to the Eligible Directors per year shall be 138,000 points (of which, a total of 54,000 total points per year may be assigned to Directors of the Company). In addition, the number of shares of the Company's stock granted to the Eligible Directors for an Applicable Period (including the number of shares of the Company's stock paid for with money equivalent to the converted value) shall amount to a maximum number of shares (414,000 shares) equivalent to the product of three (3) years of a trust period multiplied by the maximum total number of points per one (1) year assigned to the Eligible Directors.

(4) Timing of granting, etc. the Company's Stock, etc. to the Eligible Directors

The Eligible Directors who have fulfilled the beneficiary requirements shall be granted, etc. shares of the Company's Stock, etc. from the Trust, the number of which is to be calculated on the basis of subsection (3), above, sometime around the September immediately subsequent to the Applicable Period (initially September 2020).

At that time, such Eligible Directors shall be granted the Company's stock of a number equivalent to 50% of the Accumulated Points from a trust (fractional shares of less than one share unit shall be rounded up), and such Eligible Directors shall receive payment of money from the Trust equivalent to the converted value upon being converted into cash within the Trust, with respect to the remaining Company stock.

Also, in the event that an Eligible Director resigns during the trust period (excluding voluntary resignation and dismissal on the basis of legitimate grounds for dismissal), such Eligible Director shall be granted shares of the Company's stock (fractional shares of less than a share unit shall be rounded up) of a number equivalent to 50% of the Accumulated Points accumulated up to the date of such Eligible Director's resignation, and such Eligible Director shall receive payment of money equivalent to the converted value upon being converted into cash within the Trust, with respect to the remaining Company stock.

In the event that any such Eligible Director becomes a Non-resident Director during the

Applicable Period, such Eligible Director shall receive payment of money equivalent to the converted value, upon being converted into cash within the Trust, with respect to shares of the Company's stock of a number equivalent to the Accumulated Points calculated at the time of his or her resignation.

In addition, in the event of death of an Eligible Director during the trust period, shares of the Company's stock of a number equivalent to the Accumulated Points calculated at the time of death shall be converted into cash within the Trust, and the heir of such Eligible Director shall receive payment of such amount of money equivalent to the converted value of such stock.

(5) Exercising voting rights related to the Company's stock under the Trust

Voting rights related to the Company's stock under the Trust may not be exercised during the trust period to ensure neutrality of the Company's management.

(6) Other details of the Plan

Other details of the Plan shall be determined by the Board of Directors each time the Trust is established, the trust agreement is modified, or additional contributions are made to the Trust.

Proposal 5: Giving the Board of Directors the Authority to Determine the Guidelines for Subscription to Stock Acquisition Rights as Stock Compensation-Type Stock Options to Be Issued to the Officers and the Employees of the Company and Its Subsidiaries

In accordance with the provisions of Articles 236, 238 and 239 of the Companies Act, the Company requests approval for giving the Board of Directors the authority to determine the guidelines for the subscription of stock acquisition rights to be issued to Directors and Corporate Auditors of the Company's group subsidiaries and Executive Officers and Senior General Managers of the Company and the Company's group subsidiaries ("the Company's Officers and Employees") as stock compensation-type stock options as outlined below.

1. Reasons for issuing stock acquisition rights with particularly favorable conditions

Stock acquisition rights are issued without the requirement for cash payment, for the purpose of enhancing the willingness and the morale of the Company's Officers and Employees to continuously improve the Company's business performance and increase corporate value on an intermediate basis by further strengthening the link between the Company's business performance and value of its shares, and making them share not only the benefits of higher share prices but also the risks of lower share prices with shareholders.

2. Amount of payments for the stock acquisition rights

No cash payment is required for the stock acquisition rights.

3. Details of the stock acquisition rights

(1) Type and number of shares subject to the stock acquisition rights

The number of shares subject to the stock acquisition rights shall not exceed 77,000 shares of the Company's common stocks.

If the Company conducts a share split or share consolidation, the number of shares subject to the stock acquisition rights shall be adjusted using the following formula. However, such adjustment shall be made for the number of the shares subject to the stock acquisition rights that have not been exercised at the time of such share split or share consolidation, and that any fraction less than one (1) share which may arise as a result of such adjustment shall be rounded down:

$$\begin{array}{l} \text{Number of} \\ \text{shares after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{prior to} \\ \text{adjustment} \end{array} \times \begin{array}{l} \text{Ratio of share split or} \\ \text{consolidation} \end{array}$$

In addition, in the event that it is necessary for the Company to make an adjustment to the number of shares, such as in cases where the Company carries out a merger, company split, share exchange or share transfer (collectively "a merger (etc.)"), or a gratis allotment of shares, the Company may adjust the number of shares to an extent considered reasonable after taking into account the conditions of the merger (etc.) or gratis allotment of shares.

(2) Total number of the stock acquisition rights

The number of the stock acquisition rights shall not exceed 77 units. (The number of shares to be issued upon exercise of one (1) stock acquisition right will be 1,000 shares, provided however, that when the number of shares prescribed in the above (1) has been

adjusted, the same adjustment shall be made.)

- (3) Amount of assets to be contributed upon exercise of the stock acquisition rights
The amount to be contributed upon exercise of each stock acquisition right, which shall be in cash, shall be the amount obtained by multiplying 1 yen, which is the exercise price per one (1) share to be issued upon exercise of stock acquisition rights, by the number of shares subject to stock acquisition rights.
- (4) Exercise period for stock acquisition rights
The exercise period shall be from July 4, 2017 to June 30, 2047. If the last day of the exercise period falls on a Company holiday, the last day shall be the preceding business day.
- (5) Matters concerning the amount of increase in capital and capital reserve resulting from issuance of shares upon exercise of stock acquisition rights
 - 1) The amount of increase in capital resulting from the issuance of shares upon exercise of the stock acquisition rights shall be one-half of the maximum amount of increase in capital, etc. as calculated pursuant to Article 17, paragraph 1 of the Ordinance on Accounting of Companies. Any fraction of less than 1 yen shall be rounded up to the nearest yen.
 - 2) The amount of increase in capital reserve resulting from the issuance of shares upon exercise of stock acquisition rights shall be the maximum amount of increase in capital, etc. as provided in the above 1) less the amount of increase in capital as determined in the above 1).
- (6) Conditions for exercising the stock acquisition rights
 - 1) At the time the stock acquisition rights holder resign from any position with the Company or a subsidiary of the Company such as Director, Corporate Auditor, Executive Officer, Senior General Manager and Advisor and Executive Advisor, the stock acquisition rights can be exercised during a period beginning on the day following the day of said resignation of position to the last day of the period prescribed in the above (4) when the remaining stock acquisition rights can be exercised.
 - 2) In the event that the stock acquisition rights holder dies, the holder's successor (only the spouse, child or any family within the first degree of consanguinity of the holder) may exercise the stock acquisition rights only during a period from the day that follows the stock acquisition rights holder's death until the date when three months lapse.
 - 3) By the resolution of the Board of Directors, other conditions for exercising the stock acquisition rights shall be as stipulated in the stock acquisition right allotment agreement between the Company and the stock acquisition rights holder.
- (7) Conditions for acquiring the stock acquisition rights
If a proposal about a merger contract in which the Company shall be an expiring party, or a share exchange contract or share transfer in which the Company shall be a wholly-owned subsidiary of another company, is approved at the Company's Annual Meeting of Shareholders, the Company shall be entitled to acquire the stock acquisition rights free of charge.
- (8) Restrictions on acquiring the stock acquisition rights through transfer
The acquisition of the stock acquisition rights through transfer shall require approval by resolution of the Company's Board of Directors.

- (9) Handling of the stock acquisition rights in the event that the Company conducts organizational restructuring
- In the event that a contract or plan document prepared at the time of organizational restructuring stipulates that stock acquisition rights of the reorganized public company as specified below are delivered, the stock acquisition rights of the reorganized public company as specified below are issued in accordance with the ratio of the said organizational restructuring.
- 1) Merger (limited to cases in which the Company is to become extinct)
Public company which survives the merger or the public company incorporated as a result of the merger
 - 2) Absorption-type company split
Public company which succeeds all or part of the rights and obligations related to the absorbed business of a company which conducts absorption-type company split
 - 3) Incorporation-type company split
Newly established public company through the incorporation-type company split
 - 4) Share exchange
Public company which acquires all of the issued shares of a company with which the public company exchanges shares
 - 5) Share transfer
Public company which is established through the share transfer
- (10) Rounding down of fractions through the exercise of the stock acquisition rights
Any fractions less than one (1) share included in the number of shares to be delivered to the stock acquisition rights holder shall be rounded down.
- (11) Other details of the stock acquisition rights
Other details of the stock acquisition rights shall be determined, along with other items relating to the subscription, at the meeting of Board of Directors that shall be held in the future where the details of issuance of the stock acquisition rights shall be resolved.