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Code No: 9792
June 10, 2015

2-9 Kanda-Surugadai, Chiyoda-ku, Tokyo, Japan
Nichii Gakkan Company
Chairman, President and CEO
Akihiko Terada

Notice of the 43rd Annual Shareholders Meeting

Dear Shareholders:

You are cordially invited to attend the 43rd Annual Shareholders Meeting of Nichii Gakkan Company (the "Company"). The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights through either of the following methods. Please review the Reference Documents for the Shareholders Meeting and exercise your voting rights.

[Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form, and return the form to us so that it arrives before 5:15 p.m., Wednesday, June 24, 2015 (JST).

[Exercising Voting Rights via the Internet]

Please access the website (<http://www.evotep.jp/>) designated by the Company, and enter your vote of approval or disapproval of each proposal by using the login ID and temporary password shown on the enclosed voting form and following on-screen instructions before 5:15 p.m., Wednesday, June 24, 2015 (JST).

[Handling of duplicated exercises of voting rights by the same shareholder]

If you exercise your voting rights by two different methods, that is, via the Internet as well as by mailing your voting form, the vote via the Internet shall be deemed valid, regardless of the date and time when your voting results reach us.

If you exercise your voting rights more than once via the Internet, only the final execution shall be deemed valid.

1. Date and Time: Thursday, June 25, 2015 at 10:00 a.m. (reception starts at 9:30 a.m.)

2. Location: Tokyo Dome Hotel, Tenku, the first basement level
1-3-61, Koraku, Bunkyo-ku, Tokyo, Japan

3. Agenda of the Meeting

Items to be reported:

1. Business Report, Consolidated Financial Statements, and the audit reports on Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors for the 43rd business term (from April 1, 2014 to March 31, 2015)
2. Non-consolidated Financial Statements for the 43rd business term (from April 1, 2014 to March 31, 2015)

Items to be resolved:

- Proposal 1.** Appropriation of Surplus
- Proposal 2.** Partial Amendments to the Articles of Incorporation
- Proposal 3.** Election of Four (4) Directors
- Proposal 4.** Election of Three (3) Auditors
- Proposal 5.** Granting of Retirement Benefits to Retiring Director
- Proposal 6.** Termination Payment of Retirement Benefits Attendant upon Abolition of Officers' Retirement Benefit System
- Proposal 7.** Payment of Officers' Bonuses
- Proposal 8.** Introduction of Stock Options for Directors and Decision on Specific Details

For those attending on the day, please present the enclosed voting form at the reception desk upon arrival at the meeting.

If any revision is made with regard to the Reference Documents for the Shareholders Meeting, the Business Report, the Consolidated Financial Statements and/or the Non-consolidated Financial Statements, the Company will post such revision on the Company's website (<http://www.nichiigakkan.co.jp>).

Reference Documents for the Shareholders Meeting

Proposal 1. Appropriation of Surplus

We propose that the appropriation of surplus be made as follows.

Matters regarding the year-end dividend

It is proposed that the year-end dividend for the 43rd business term be paid in consideration of the year's operating results, future business development, and other aspects, as follows.

1. Type of dividend property
Cash
2. Matters regarding allocation of dividend property and total amount thereof
It is proposed that ordinary dividends be 10 yen per common share of the Company.
Accordingly, the total amount of dividends would be 654,967,460 yen.
3. Effective date of the dividends from surplus
It is proposed to set the effective date to be June 26, 2015.

Proposal 2. Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments
 - (1) In order to prepare for the Company's future business development, business purposes are to be added or deleted in Article 2 (Purpose) of the current Articles of Incorporation.
 - (2) In line with the above-mentioned amendments, the item numbers of the Article shall be appropriately adjusted.
2. Contents of the amendments
Contents of the amendments are as follows:

(Underlining denotes amendment.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS (Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses:	CHAPTER I. GENERAL PROVISIONS (Purpose) Article 2. (Unchanged)
(1) <u>Education business for human resource development</u>	(1) <u>Education business for human resource development for medical treatment, care, childcare, etc.</u>
(2) Management of language schools	(2) (Unchanged)
(3) Publication, planning, production and sale of books and educational materials	(3) (Unchanged)
(4) Planning, production, publication and sale of books, educational materials and software related to language learning	(4) (Unchanged)
(5) Marketing research and development of goods, training courses, and educational systems	(5) (Unchanged)
(6) Contract clerical services such as reception, management of medical records, and medical fee claims at medical institutions, etc.	(6) (Unchanged)
(7) Business related to information processing and provision through computer, and its operation training	(7) (Unchanged)
(8) Operation, maintenance, development and sale of computer systems and software	(8) (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(9) Services for preparation of reports using a voice-recognition system	(9) (Unchanged)
(10) Consulting services pertaining to management of medical institutions	(10) (Unchanged)
(11) Worker dispatch services	(11) (Unchanged)
(12) Contract services for clinical clerk and works at medical institutions, etc.	(12) (Unchanged)
(13) Contract services for inspection, maintenance, repair, and storage of specially controlled medical devices, as well as management, disinfection, and sterilization of medical equipment at medical institutions, etc.	(13) (Unchanged)
(14) Prenatal/postnatal care business	(14) (Unchanged)
(15) Consulting services related to operation and training for prenatal/postnatal care business	(15) (Unchanged)
(16) Business related to provisions and operation of public facilities, etc. based on Act on Promotion of Private Finance Initiative (PFI Act)	(16) (Unchanged)
(17) Sale and home delivery of foods, beverages, clothing, everyday sundries, drugs and medicines, quasi drugs, nursery items, childcare items, housing equipment, kitchen equipment, as well as sale, home delivery, rental and import/export of medical aids and equipment, welfare equipment, nursing care items, medical goods, sanitary goods, rehabilitation equipment, exercise equipment and goods	(17) (Unchanged)
(18) Management of pharmacies, and consulting services pertaining to such management	(18) (Unchanged)
(19) Research and development, cultivation, and sale of flowers, ornamental plants and seedlings	(19) (Unchanged)
(20) Meal providing services and catering services	(20) (Unchanged)
<u>(21) Induction training business for long-term care staffers based on the Long-Term Care Insurance Act</u>	(Deleted)
<u>(22) Practical training correspondence course of certified care worker training institute based on the Certified Social Workers and Certified Care Workers Act</u>	(Deleted)
(23) Home-visit nursing based on the Health Insurance Act	<u>(21)</u> (Unchanged)
(24) (i) Designated in-home long-term care supports based on the Long-Term Care Insurance Act	<u>(22)</u> (i) (Unchanged)
(ii) The following in-home long-term care services based on the Long-Term Care Insurance Act	(ii) (Unchanged)
(a) Home-visit service	
(b) Home-visit bathing service	
(c) Home-visit nursing	
(d) Outpatient day long-term care	
(e) Short-term admission for daily life long-term care	
(f) Daily life long-term care admitted to specified facilities	
(g) Rental of equipment for long-term care covered by public aid	
(h) Sale of specified equipment covered by public aid	
(i) Management and guidance of in-home medical service	
(iii) Community-based services based on the Long-Term Care Insurance Act	(iii) (Unchanged)

Current Articles of Incorporation	Proposed Amendments
(a) Home-visit at night for long-term care	(a) (Unchanged)
(b) Outpatient long-term care for dementia patients	(b) (Unchanged)
(c) Multifunctional long-term care in small size group homes	(c) (Unchanged)
(d) Communal daily long-term care for dementia patients	(d) (Unchanged)
(e) Daily life long-term care for persons admitted to community-based specified facilities	(e) (Unchanged)
(f) <u>Combined services</u>	(f) <u>Multifunctional long-term care in a small group home with nursing care service</u>
(g) Regular and as-needed home-visit for long-term care and nursing care	(g) (Unchanged)
(iv) Preventive long-term care services based on the Long-Term Care Insurance Act	(iv) (Unchanged)
(a) Home-visit service for preventive long-term care	
(b) Home-visit bathing service for preventive long-term care	
(c) Home-visit nursing service for preventive long-term care	
(d) Outpatient preventive long-term care	
(e) Short-term stay for daily preventive long-term care	
(f) Daily preventive long-term care admitted to specified facilities	
(g) Rental of equipment for preventive long-term care covered by public aid	
(h) Sale of specified equipment for preventive long-term care covered by public aid	
(i) Management and guidance of in-home medical service for preventive long-term care	
(v) Preventive long-term care supports based on the Long-Term Care Insurance Act	(v) (Unchanged)
(vi) Community-based preventive services of long-term care based on the Long-Term Care Insurance Act	(vi) (Unchanged)
(a) Preventive long-term care for dementia outpatients	
(b) Multifunctional preventive long-term care in small group homes	
(c) Preventive long-term care for dementia in communal living	
(vii) Community supports based on the Long-Term Care Insurance Act	(vii) (Unchanged)
(viii) Home modification for in-home long-term care	(viii) (Unchanged)
(New)	(ix) <u>Operation and development/management of facilities for businesses stated above</u>
(25) Consultation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(23) (Unchanged)
(26) Transportation supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(24) (Unchanged)
(27) Other community life supports based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(25) (Unchanged)
(28) Welfare service for persons with disabilities based on the Comprehensive Supports for Daily Lives and Social Lives of Persons with Disabilities Act	(26) (Unchanged)

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Current Articles of Incorporation	Proposed Amendments
(29) Services and supports to prevent physical inability of the elderly	(27) (Unchanged)
(30) Assistance to persons with disabilities and the elderly	(28) (Unchanged)
(31) In-home long-term care services not covered by the Long-Term Care Insurance Act	(29) (Unchanged)
(32) Management of fee-based homes for the elderly, care houses, and houses for the elderly	(30) (Unchanged)
(33) Operation and development/management of facilities for businesses stated above	(31) (Unchanged)
(34) Consulting services related to operation and training for care business	(32) (Unchanged)
(35) Consulting services related to operation and training for health care business	(33) (Unchanged)
(36) Fee-based employment placement service	(34) (Unchanged)
(37) <u>Goods purchasing and housekeeping services</u>	(35) <u>Goods purchasing</u>
(New)	(36) <u>Life supporting services and private-expense care business</u>
(38) <u>Management of and management guidance for day-care centers and nurseries</u>	(37) <u>Operation of child and child-raising services based on the Child Welfare Act, the Social Welfare Act, the Child and Child Care Support Act and other relevant laws and regulations</u>
(New)	(i) <u>Operation of authorized day-care centers</u>
(New)	(ii) <u>Small-scale childcare business</u>
(New)	(iii) <u>Family day-care business</u>
(New)	(iv) <u>Childcare business on business facilities</u>
(New)	(v) <u>Operation of day-care centers on business facilities</u>
(New)	(vi) <u>Operation of day-care centers at hospitals</u>
(New)	(vii) <u>In-home childcare business</u>
(New)	(viii) <u>Operation of children's clubs for after-school activities</u>
(New)	(ix) <u>Child development services</u>
(New)	(x) <u>Operation of child-raising support bases related to other than those stated above</u>
(New)	(38) <u>Operation and development/management of facilities for businesses stated above</u>
(39) <u>Contract childcare services for infants and children</u>	(Deleted)
(40) <u>Contract child development services</u>	(Deleted)
(41) Baby-sitter dispatch services	(39) (Unchanged)
(42) <u>Consulting services related to operation and training for childcare business</u>	(40) (Unchanged)
(New)	(41) <u>Sale of goods related to child-raising for the childcare business</u>
(43) General construction work	(42) (Unchanged)
(44) Antique trade	(43) (Unchanged)
(45) Sale, rental, and dry disinfection of bedding	(44) (Unchanged)
(46) Advertising agency	(45) (Unchanged)
(47) Office administration services including reception and information service	(46) (Unchanged)
(48) Agent and mediation of clerical work for medical checkup visit	(47) (Unchanged)
(49) Mail-order business	(48) (Unchanged)
(50) Research and development, and manufacturing of welfare equipment and nursing items	(49) (Unchanged)
(51) Hotel	(50) (Unchanged)
(52) Eating and drinking place	(51) (Unchanged)
(53) Travel agency	(52) (Unchanged)

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Current Articles of Incorporation	Proposed Amendments
(54) Consulting services for overseas study, provision/introduction of international destination and agency for procedures of overseas study	(53) (Unchanged)
(55) Operation and management of tourist facilities	(54) (Unchanged)
(56) Non-life insurance agent	(55) (Unchanged)
(57) Business and activities to promote the use of service dogs and therapy dogs	(56) (Unchanged)
(New)	<u>(57) Operation and development/management of facilities for businesses stated above</u>
(58) Breeding and sales of pet dogs	(58) (Unchanged)
(59) Planning, production and sales of pet supplies	(59) (Unchanged)
(60) Franchise business	(60) (Unchanged)
(61) Solicitation of membership stores under franchise system and managerial instruction for membership companies	(61) (Unchanged)
(New)	<u>(62) Production of websites</u>
(New)	<u>(63) Various notification services</u>
(New)	<u>(64) Call center services</u>
(New)	<u>(65) The following service businesses using telecommunications:</u>
(New)	<u>(i) Monitoring and supporting services for the elderly</u>
(New)	<u>(ii) Life-supporting services for the elderly</u>
(New)	<u>(66) Sale of alcoholic drinks</u>
(New)	<u>(67) Consulting services for the sale of welfare equipment, nursery-care items, and other goods</u>
(New)	<u>(68) Export and import of therapy dogs</u>
(New)	<u>(69) Consulting services for the housekeeping business</u>
(New)	<u>(70) Development and operation of prenatal/postnatal care training courses and prenatal/postnatal care service business</u>
(62) All services incidental and related to each item above	(71) (Unchanged)

Proposal 3. Election of Four (4) Directors

To strengthen the management structure, the election of four (4) new Directors is proposed. The terms of office of the newly elected Directors shall continue until the expiration of the terms of office of the other Directors currently in office, in accordance with the Articles of Incorporation of the Company.

The candidates for Directors are as follows:

Candidate Number	Name (Date of birth)	Career summary, and position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
1*	Takayuki Masuda (April 26, 1965)	December 1997 Joined Healthy Life Service Co., Ltd. (merged by absorption-type merger with the Company in July 1999) December 2005 Deputy General Manager of Business Department of Business Management Division April 2006 General Manager of Corporate Planning Office of Corporate Planning Division April 2008 Division Director of Corporate Planning Division and General Manager of Corporate Planning Office June 2008 Director April 2011 Managing Director and Division Director of Education Division December 2011 Executive Vice President and Representative Director of GABA Corporation March 2012 President and COO and CEO of GABA Corporation April 2015 Senior Executive Officer and Chief Operating Officer (COO) of China Business (to present) May 2015 Chairman, President and CEO of Nichii Beijing Co., Ltd. (to present)	4,100 shares

(TRANSLATION FOR REFERENCE PURPOSE ONLY)

Candidate Number	Name (Date of birth)	Career summary, and position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
2*	Yasuhiro Hiraoka (December 5, 1961)	<p>December 1992 Joined the Company Acting Manager of Sales Section of Kansai Division</p> <p>April 1999 General Manager of Okayama Branch</p> <p>May 2001 Manager of Sales Section of No.3 General Headquarters</p> <p>April 2004 Senior Manager of Sales and Marketing of Kinki Office</p> <p>April 2006 Executive Officer and General Manager of Kobe Port Island Center</p> <p>October 2006 Executive Officer and Deputy Division Director of Information & Strategy Division</p> <p>April 2008 Executive Officer and Deputy Division Director of Sales Development Division of Medical Support Business Headquarters and General Manager of Kobe Port Island Center</p> <p>October 2008 Executive Officer and General Manager of Kinki No.1 Sales Headquarters</p> <p>October 2009 Executive Officer and General Manager of Kinki Sales Promotion Department of Sales and Marketing Division of Medical Support Business Headquarters</p> <p>April 2011 Executive Officer and General Manager of West Japan Sales and Marketing Department of Medical Support Business Headquarters</p> <p>October 2011 Executive Officer and General Manager of Kinki Sales Promotion Department of Priority Area Promotion Division of Medical Support Business Headquarters</p> <p>April 2012 Executive Officer, Division Director of West Japan Sales and Marketing Division and General Manager of Kinki Sales Headquarters</p> <p>July 2013 Executive Officer, Division Director of West Japan Sales and Marketing Division of Sales Headquarters and General Manager of Kinki Sales Headquarters</p> <p>October 2014 Executive Officer and General Manager of Kinki Sales Department of Sales and Marketing Division of Business Headquarters</p> <p>April 2015 Chief of First Business Section of West Japan Office (to present)</p>	704 shares

Candidate Number	Name (Date of birth)	Career summary, and position and responsibility at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
3*	Makoto Nakamura (May 26, 1962)	<p>October 2010 Joined the Company Acting General Manager of Public Relations Department of Public Relations Division</p> <p>April 2011 Acting General Manager of IR Department of Corporate Planning Division</p> <p>October 2011 General Manager of IR Department of Corporate Planning Division</p> <p>December 2011 General Manager of IR Department of Corporate Planning Division and Acting General Manager of Corporate Planning Office</p> <p>January 2012 General Manager of Public Relations Department of Corporate Planning Division</p> <p>April 2012 General Manager of Public Relations Department and General Manager of Corporate Planning Office of Corporate Planning Division</p> <p>December 2012 General Manager of Corporate Planning Office of Corporate Planning Division</p> <p>October 2014 General Manager of Americas and Oceania Business Department of Global Business Division of Business Headquarters</p> <p>April 2015 Acting Division Director of Education Division of Business Headquarters and General Manager of SELC Department (to present)</p>	-
4*	Yuji Sugimoto (July 11, 1969)	<p>April 1992 Joined Mitsubishi Corporation</p> <p>July 2005 Joined RHJ International Japan, Inc.</p> <p>June 2006 Joined Bain Capital Asia, LLC Managing Director (to present)</p> <p>July 2011 Director of BELLSYSTEM24 Holdings, Inc. (to present)</p> <p>July 2012 Director of Jupiter Shop Channel Co., Ltd. (to present)</p> <p>July 2014 Director, Audit Committee Member of MACROMILL, INC. (to present)</p> <p>July 2014 Director of SKYLARK CO., LTD. (to present)</p>	-

Notes: 1. Special interests between the Company and any of the candidates of Directors

There are no special interests between the Company and any of the candidates.

2. Mr. Yuji Sugimoto is a candidate for Outside Board Member.

3. Mr. Yuji Sugimoto possesses the experience of direct involvement in the management of companies, and up until now, he has a track record of many achievements, including investment in many Japanese companies and provision of management support. It is judged that with his extensive experience and broad knowledge relating to corporate growth gained through his participation in business at a global level, he would appropriately execute his duties as Outside Board Member to the benefit of the Company, which is forging ahead with globalization, and we propose his election.

4. In the case that Mr. Yuji Sugimoto is elected, in accordance with Article 427, Paragraph 1 of the Companies Act, the Company is planning to enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, up to the minimum liability amount specified under Article 425, Paragraph 1 of the Companies Act.

5. In the case where Mr. Yuji Sugimoto is elected, the Company plans to appoint him as Independent Director as provided for in the regulations of Tokyo Stock Exchange, Inc. and notify such to the Exchange.

6. An asterisk (*) indicates that the person is a new candidate for Director.

Proposal 4. Election of Three (3) Auditors

The terms of office of three (3) Auditors will expire at the conclusion of this meeting. Accordingly, the election of three (3) Auditors is proposed.

The Board of Auditors has given its approval of this proposal.

The candidates for Auditors are as follows:

Candidate Number	Name (Date of birth)	Career summary and position at the Company (Significant concurrent positions outside the Company)	Number of Company shares held
1	Shuji Otomaru (January 14, 1951)	March 1969 Joined Metropolitan Police Department as Police Officer March 1999 Superintendent, Metropolitan Police Department August 2008 Senior Superintendent August 2010 Chief superintendent June 2011 Full time Auditor of the Company (to present)	-
2	Shuji Oshima (December 27, 1949)	March 1985 Registered as Certified Public Accountant October 1987 Established Tax and Accounting Office (to present) November 1987 Registered as Certified Tax Accountant March 2004 Tentative Auditor of the Company June 2004 Auditor of the Company (to present) February 2008 Outside Audit & Supervisory Board Member for Kyowa Engineering Consultants Co., Ltd. (to present) June 2014 Outside Corporate Auditor for Medikit Co., Ltd. (to present)	-
*3	Ippei Matsuno (June 6, 1961)	April 1984 Joined the Tokai Bank, Ltd. March 1993 Registered as Certified Tax Accountant Established Tax and Accounting Office (to present)	-

Notes: 1. There are no special interests between the Company and any of the candidates.

2. Mr. Shuji Otomaru, Mr. Shuji Oshima and Mr. Ippei Matsuno are candidates for Outside Corporate Auditors.

3. Reasons for election of Outside Corporate Auditors

We would like Mr. Shuji Otomaru to use his knowledge and experience as a former chief superintendent in auditing the Company and propose his election as Outside Corporate Auditor.

Mr. Shuji Oshima is a certified public accountant and Mr. Ippei Matsuno is a licensed tax accountant; therefore, it is judged that they would appropriately execute their duties as Outside Corporate Auditors and we would propose them as candidates for Outside Corporate Auditors.

4. Reasons why it was judged that the candidates would appropriately execute their duties as Outside Corporate Auditors

While having not been directly involved in corporate management, Mr. Shuji Otomaru has sufficient insight into corporate auditing based on sophisticated expertise and abundant experience accumulated in a consistent career at the Metropolitan Police Department. Therefore, it is judged that he would appropriately execute his duty as Outside Corporate Auditor.

Mr. Shuji Oshima and Mr. Ippei Matsuno have not been involved in corporate management directly; however, Mr. Oshima is well informed about corporate financial and legal affairs as a certified public accountant and Mr. Matsuno is also well versed in corporate financial and legal affairs as a licensed tax accountant, and they have sufficient knowledge to supervise corporate management; therefore, it is judged that they would appropriately execute their duties as Outside Corporate Auditors.

5. Agreements limiting liabilities of Outside Corporate Auditors

In accordance with Article 427, Paragraph 1 of the Companies Act, the Company is planning to enter into agreements with Outside Corporate Auditors to limit his/her liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, up to the minimum liability amount specified under Article 425, Paragraph 1 of the Companies Act.

6. Years served as Outside Corporate Auditor since appointment

(1) Mr. Shuji Otomaru will have served as an Outside Corporate Auditor for four (4) years as of the end of this Annual Shareholders Meeting.

(2) Mr. Shuji Oshima will have served as an Outside Corporate Auditor for eleven (11) years as of the end of this Annual Shareholders Meeting.

7. The Company reported Mr. Shuji Oshima as an Independent Auditor pursuant to the regulations of the Tokyo Stock Exchange. If his reappointment is approved, he will continue to be an Independent Auditor of the Company.

8. In the case where Mr. Ippei Matsuno is elected, the Company plans to appoint him as Independent Auditor as provided for in the regulations of Tokyo Stock Exchange, Inc. and notify such to the Exchange.

9. An asterisk (*) indicates that the person is a new candidate for Auditor.

Proposal 5. Granting of Retirement Benefits to Retiring Director

It is proposed that retirement benefits be granted to Mr. Kazuyoshi Yaji, who resigned from the position of Executive Vice President of the Company on March 31, 2015 in order to reward him for his services while in office, in accordance with the prescribed standards of the Company.

It is also proposed that the determination as to the specific amount, timing and method of payment be left to the decision of the Board of Directors.

The careers of the retiring Director are summarized as follows:

Name	Career summary		
Mr. Kazuyoshi Yaji	January	1990	Managing Director
	May	1997	Senior Managing Director
	April	2001	Vice President
	May	2003	Executive Vice President
	March	2015	Retired from Executive Vice President

Proposal 6. Termination Payment of Retirement Benefits Attendant upon Abolition of Officers' Retirement Benefit System

The Company resolved at a meeting of the Board of Directors held on May 14, 2015 to abolish the retirement benefit system as of the end of this General Meeting.

Following the resolution, the Company would like to make termination payments of retirement benefits to three (3) Directors, covering their terms of office as officers, to reward them for their services up to the end of this General Meeting.

Payment to Mr. Hiroaki Tsujimoto will be made when he retires from his office at the Company.

With regard to Ms. Kyoko Kano and Mr. Fumio Nakabayashi, payment will be quickly made after the end of this General Meeting following this abolition of the officers' retirement benefit system and the accompanying abolition of the Officer's Retirement Benefit System Rules of the Company. It is proposed that the determination as to the specific amount and method of payment be left to the decision of the Board of Directors.

The careers of the three Directors are summarized as follows:

Name	Career summary		
Mr. Hiroaki Tsujimoto	June	2012	Director
	April	2015	Retired from Director
Ms. Kyoko Kano	January	1990	Managing Director
	June	2004	Retired from Managing Director
Mr. Fumio Nakabayashi	August	1973	Director
	January	1990	Vice President
	June	1996	Director and Adviser
	June	1998	Retired from Director and Adviser

Proposal 7. Payment of Officers' Bonuses

It is proposed that bonuses of 39,700 thousand yen in total be paid to fifteen (15) Directors (including one (1) Outside Board Member) and three (3) Auditors who have been in service during the year under review (37,000 thousand yen for Directors and 2,700 thousand yen for Auditors), in view of the amounts paid in the past, the operating results of this business year, and other circumstances.

Proposal 8. Introduction of Stock Options for Directors and Decision on Specific Details

The annual remuneration for Directors of the Company was set at within 200 million yen by the resolution of the extraordinary shareholders meeting held on January 20, 1992 (which includes directors' bonuses, but does not include employee salaries of Directors who concurrently serve as employees).

It was resolved at the meeting of the Board of Directors held on May 14, 2015 to abolish the retirement benefit system for officers as of the end of this Shareholders Meeting as part of the revision of the remuneration system for officers. For remuneration of Directors in the future, the Company will introduce long-term business performance-linked remuneration linked to corporate value of the Company.

Accordingly, it is proposed that stock acquisition rights be granted to Directors of the Company (excluding Outside Board Members) as stock options, with a view to having them share benefits and risks concerning fluctuations in stock prices with shareholders and further enhancing their motivation to contribute to long-term improvements of earnings and increase of corporate value.

Details of stock options shall be "ordinary-type stock options" (issuance of stock acquisition rights including payment settlement for the retirement benefit system for officers)," which is described in 1. below, and "share remuneration-type stock options" (the subscription amount to be paid upon the exercise of rights is set at one (1) yen), which is described in 2. below.

The ordinary-type stock options shall be issued only during one year from the end of this Shareholders Meeting within 475,207 thousand yen a year, separately from remuneration, etc. mentioned above.

The share remuneration-type stock options shall be issued within 41,652 thousand yen a year, separately from the remuneration, etc. mentioned above.

With regard to the granting of stock options, the same amount as the subscription amount to be paid shall be granted to Directors who have been allotted stock acquisition rights, enabling them to acquire stock acquisition rights by offsetting the said remuneration credits and the subscription amount to be paid for the said stock acquisition rights. The amount of remuneration, etc. of stock options shall be the amount obtained by multiplying the fair price per stock acquisition right, calculated on the day stock acquisition rights are allotted, by the total number of stock acquisition rights to be allotted.

The number of Directors, which stands at fifteen (15) (including one (1) Outside Board Member) at present, will be seventeen (17) (including two (2) Outside Board Members) if the Proposal 3 is approved as proposed.

The specific details of stock options are as follows.

1. Details of Stock Acquisition Rights as ordinary-type stock options (issuance of stock acquisition rights including payment settlement for the retirement benefit system for officers)

(1) Class and number of shares underlying Stock Acquisition Rights

The class of share underlying Stock Acquisition Rights shall be common shares of the Company, and the number of shares underlying each Stock Acquisition Right (hereinafter referred to as the "Number of Granted Shares") shall be one (1).

However, when the Company conducts a share split of its common shares (including allotment of its common shares without a contribution. Hereinafter the same shall apply to descriptions of a share split) or a share consolidation after the date of allotting Stock Acquisition Rights (hereinafter referred to as the "Allotment Date"), the Number of Granted Shares concerning Stock Acquisition Rights that have not been exercised as of the said share split or share consolidation shall be adjusted using the following formula.

$$\text{Post-adjustment Number of Granted Shares} = \text{Pre-adjustment Number of Granted Shares} \times \text{Ratio of share split or consolidation}$$

In addition to the above, in case any compelling reason for adjusting the Number of Granted Shares occurs, the Company may adjust the Number of Granted Shares, which is considered to be necessary, at a meeting of the Board of Directors of the Company.

Any fraction less than one whole share arising from the aforementioned adjustment shall be rounded down to the nearest one whole share.

(2) Total number of Stock Acquisition Rights

The upper limit of Stock Acquisition Rights to be granted shall be 1,338,600 shares, and Stock Acquisition Rights shall be allotted within one year from the day of the 43rd Annual Shareholders Meeting.

(3) Subscription amount to be paid for Stock Acquisition Rights

The subscription amount to be paid for each Stock Acquisition Right shall be determined by the Board of Directors based on the fair value of Stock Acquisition Rights, which is calculated using fair calculation formulas such as the Black-Scholes model.

Individuals who have been allotted Stock Acquisition Rights (hereinafter referred to as "Stock Acquisition Right Holder") shall not be required to pay a monetary consideration because the said subscription amount

to be paid shall be offset by their remuneration credits against the Company.

(4) Amount of property to be provided as a contribution upon the exercise of Stock Acquisition Rights

The amount of property to be provided as a contribution upon the exercise of each Stock Acquisition Right shall be the amount calculated by multiplying the subscription amount to be paid per share that may be granted upon the exercise of Stock Acquisition Rights (hereinafter referred to as the “Exercise Price”) by the Number of Granted Shares pertaining to the said Stock Acquisition Rights.

The Exercise Price shall be the closing price of common shares in the Company on the Tokyo Stock Exchange on the Allotment Date, and any fraction less than one yen arising therefrom shall be rounded down to the nearest one yen. In case any of the following occurs after the Allotment Date, the Exercise Price shall be adjusted according to the respective case.

- i. If the Company conducts any share split or share consolidation for its common shares after the Allotment Date, the Exercise Price shall be adjusted in accordance with the formula shown below, and any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.

$$\text{Post-adjustment Exercise Price} = \frac{\text{Pre-adjustment Exercise Price}}{\text{Ratio of share split or consolidation}} \times 1$$

- ii. If the Company issues new common shares or disposes of its treasury shares concerning its common shares at a price that is lower than the market price at the time (excluding the case where issuance of new shares or disposal of treasury shares is made pursuant to the exercise of Stock Acquisition Rights and the case treasury shares are transferred through share exchanges), the Exercise Price shall be adjusted in accordance with the formula shown below, and any fraction less than one yen arising therefrom shall be rounded up to the nearest one yen.

$$\text{Post-adjustment Exercise Price} = \frac{\text{Pre-adjustment Exercise Price} \times \left(\frac{\text{Total number of issued shares} + \frac{\text{Number of newly issued shares} \times \text{Amount of subscription money per share}}{\text{Market price per share}}}{\text{Total number of issued shares} + \text{Number of newly issued shares}} \right)}{1}$$

In the above formula, “Total number of issued shares” denotes the number obtained by subtracting the number of shares of treasury common share owned by the Company from the number of shares of outstanding common shares. If any disposal of treasury shares takes place, the formula shall be applied by replacing “Number of newly issued shares” with “Number of disposed treasury shares,” and “Amount to be paid per share” with “Amount to be disposed per share.”

- iii. If the Company merges with another company, the Company conducts a company split, or the Exercise Price needs to be adjusted in accordance with these cases, the Exercise Price shall be adjusted to the extent that is necessary and reasonable.

(5) Exercisable period for Stock Acquisition Rights

The period shall be decided by the Board of Directors of the Company within the scope of 30 years from the day following the Allotment Date of Stock Acquisition Rights.

(6) Conditions for exercising Stock Acquisition Rights

If a Stock Acquisition Right Holder loses both the offices of director of the Company and its subsidiaries, Stock Acquisition Rights he or she holds may be exercised only collectively for a period of ten (10) days (if the 10th day falls on a holiday, the following business day shall be included) from the day after the date of the said loss. Other conditions for exercising Stock Acquisition Rights shall be specified by a meeting of the Board of Directors at which essential points concerning the offering of stock acquisition rights will be decided.

(7) Restriction on acquisition of Stock Acquisition Rights by assignment

Acquisition of the Stock Acquisition Rights by assignment shall be subject to the approval of the Board of Directors of the Company.

(8) Other details of Stock Acquisition Rights

Other details of Stock Acquisition Rights shall be specified at a meeting of the Board of Directors at which essential points concerning the offering of stock acquisition rights will be decided.

2. Details of Stock Acquisition Rights as share remuneration-type stock options

(1) Class and number of shares underlying Stock Acquisition Rights

The class of share underlying Stock Acquisition Rights shall be common shares of the Company and the number of shares underlying each Stock Acquisition Right (hereinafter referred to as the “Number of Granted Shares”) shall be one (1).

However, when the Company conducts a share split of its common shares (including allotment of its common shares without a contribution. Hereinafter the same shall apply to descriptions of share split) or a share consolidation after the date of allotting Stock Acquisition Rights (hereinafter referred to as the “Offering Date”), the Number of Granted Shares concerning Stock Acquisition Rights that have not been exercised as of the said share split or share consolidation shall be adjusted using the following formula.

$$\text{Post-adjustment Number of Granted Shares} = \text{Pre-adjustment Number of Granted Shares} \times \text{Ratio of share split or consolidation}$$

In addition to the above, in case any compelling reason for adjusting the Number of Granted Shares occurs, the Company may adjust the Number of Granted Shares, which is considered to be necessary, at a meeting of the Board of Directors of the Company.

Any fraction less than one whole share arising from the aforementioned adjustment shall be rounded down to the nearest one whole share.

(2) Total number of Stock Acquisition Rights

The upper limit of Stock Acquisition Rights to be allotted within one year from the day of the Annual Shareholders Meeting pertaining to each fiscal year shall be 45,000 shares.

(3) Subscription amount to be paid for Stock Acquisition Rights

The subscription amount to be paid for each Stock Acquisition Right shall be determined by the Board of Directors based on the fair value of Stock Acquisition Rights, which is calculated using fair calculation formulas such as the Black-Scholes model.

Individuals who have been allotted Stock Acquisition Rights (hereinafter referred to as “Stock Acquisition Right Holder”) shall not be required to pay a monetary consideration because the said subscription amount to be paid shall be offset by their remuneration credits against the Company.

(4) Amount of property to be provided as a contribution upon the exercise of Stock Acquisition Rights

The amount of property to be provided as a contribution upon the exercise of each Stock Acquisition Right shall be the amount calculated by multiplying the exercise price to be paid per share, which is set at one (1) yen, by the Number of Granted Shares.

(5) Exercisable period for Stock Acquisition Rights

The period shall be decided by the Board of Directors of the Company within the scope of 30 years from the day following the Allotment Date of Stock Acquisition Rights.

(6) Conditions for exercising Stock Acquisition Rights

If a Stock Acquisition Right Holder loses both the offices of director of the Company and its subsidiaries, Stock Acquisition Rights he or she holds may be exercised only collectively for a period of ten (10) days (if the 10th day falls on a holiday, the following business day shall be included) from the day after the date of the said loss. Other conditions for exercising Stock Acquisition Rights shall be specified by a meeting of the Board of Directors at which essential points concerning the offering of stock acquisition rights will be decided.

(7) Restriction on acquisition of Stock Acquisition Rights by assignment

Acquisition of the Stock Acquisition Rights by assignment shall be subject to the approval of the Board of Directors of the Company.

(8) Other details of Stock Acquisition Rights

Other details of Stock Acquisition Rights shall be specified by a meeting of the Board of Directors at which essential points concerning the offering of stock acquisition rights will be decided.

(For reference)

The Company plans to issue stock acquisition rights as share remuneration-type stock options of the same details as described in 1. and 2. above, to Directors of subsidiaries of the Company based on a resolution by the Board of Directors after the end of this Annual Shareholders Meeting.