

April 8, 2015

Notice Concerning Abolition of Directors' Retirement Benefit System and Granting of Stock Options as Compensation

Today, the Company's board of directors reviewed the directors' compensation system and resolved to abolish the directors' retirement benefit system. In addition, the board resolved to submit a proposal concerning the amount and specific details of compensation, etc. related to stock options as compensation for the Company's directors (excluding outside directors) to the 113th ordinary general meeting of shareholders to be held on May 21, 2015.

I. Abolition of Directors' Retirement Benefit System

As part of the review of the directors' compensation system, the Company has decided to abolish the current directors' retirement benefit system at the conclusion of the general shareholders' meeting.

In association with this, a proposal will be submitted to the general shareholders' meeting to pay a retirement benefit severance payment for the period of office until the conclusion of the general shareholders' meeting to the 10 directors and 4 auditors in office at the time of the abolition of the directors' retirement benefit system in accordance with the standard set forth in the Company's internal regulations on payment of directors' retirement benefits.

The timing of the retirement benefit severance payment shall be when each director or auditor steps down from his position as director or auditor.

II. Granting of Stock Options as Compensation

1. Reason for Issuing Stock Options as Compensation

To further increase the motivation of directors (excluding outside directors) to contribute to increasing the share price and improving corporate value by sharing the benefits and risks of share price fluctuations with shareholders.

2. Specific Details of Stock Options as Compensation

(1) Class and Number of Shares Underlying Stock Options

The class of shares underlying the stock options shall be common shares, and the number of shares underlying the stock options (hereinafter "number of shares granted") shall be 100 shares per stock option.

However, if the Company's common shares undergo any splits (including allotment of the Company's common shares without contribution; the same shall apply below to descriptions of share splits) or reverse splits after the date of the resolution of this proposal (hereinafter referred to as "resolution date"), the number of shares granted shall be adjusted according to the following formula, and fractions of less than one share resulting from adjustment shall be rounded down.

Number of shares granted after adjustment = Number of shares granted before adjustment x Ratio of share split or reverse share split

Furthermore, in addition to the above, if adjustment of the number of shares granted is necessary due to the Company undergoing a merger, company split or other similar event after the resolution date, the Company may appropriately adjust the number of shares granted within a reasonable scope.

(2) Total Number of Stock Options

A total of 1,000 stock options allotted to directors (excluding outside directors) shall be the maximum number of stock options allotted within one year of the date of the ordinary general shareholders' meeting pertaining to each business year.

(3) Amount to be Paid in for Stock Options

The amount to be paid in for each stock option shall be determined by the board of directors based on the fair value of stock options calculated using a fair calculation method such as the Black–Scholes model when allotting stock options.

(4) Value of Assets Contributed When Exercising Stock Options

The value of assets contributed when exercising stock options shall be a paid-in amount of 1 yen per share that may be received by exercising said stock options, multiplied by the number of shares granted.

(5) Period in which Stock Options May be Exercised

This shall be determined by the Company's board of directors within a range of 50 years from the day following the day of allotment of the stock options.

(6) Restrictions on Acquisition of Stock Options by Assignment

Acquisition of stock options by assignment shall require approval by resolution of the Company's board of directors.

(7) Conditions for Exercising Stock Options

A person who has received allotment of stock options may, in principle, exercise the stock options from the day after losing his/her status as a director of the Company, and other conditions for exercising stock options shall be determined by the Company's board of directors.

(8) Other Matters

Other matters concerning stock options shall be determined by the Company's board of directors.

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