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(Stock Exchange Code 6136)
January 25, 2019

To Shareholders with Voting Rights:

Norio Ishikawa
President
OSG Corporation
3-22 Honnogahara, Toyokawa City,
Aichi Prefecture, Japan

**NOTICE OF
THE 106TH ORDINARY SHAREHOLDERS' MEETING**

Dear Shareholders,

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 106th Ordinary Shareholders' Meeting of OSG Corporation (the "Company"). The details of the meeting shall be as described below.

If you are unable to attend the meeting, you can exercise your voting rights by mail or via the Internet, etc. Please review the attached Reference Documents for the Shareholders' Meeting and exercise your voting rights by 4:50 p.m. on Friday, February 15, 2019, Japan time.

- 1. Date and Time:** Saturday, February 16, 2019 at 10:00 a.m. Japan time
(Reception starts at 9:00 a.m.)
- 2. Place:** OSG Academy Global Technology Center located at
149 Miyamae, Ichinomiya-cho, Toyokawa City, Aichi Prefecture, Japan
- 3. Meeting Agenda:**
Matters to be reported:
 1. The Business Report, Consolidated Financial Statements, and results of audits on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the Company's 106th Fiscal Year (December 1, 2017 - November 30, 2018)
 2. Non-Consolidated Financial Statements for the Company's 106th Fiscal Year (December 1, 2017 - November 30, 2018)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Election of two (2) Directors (excluding Directors serving as Audit & Supervisory Committee Members)
- Proposal 3:** Election of one (1) Substitute Director serving as Audit & Supervisory Committee Member
- Proposal 4:** Payment of Bonus to Director
- Proposal 5:** Determination of Amount of Compensation for Granting Restricted Stock to Directors (excluding Directors serving as Audit & Supervisory Committee Members)

Reference Documents for the Shareholders' Meeting

Proposals and References

Proposal 1: Appropriation of Surplus

Year-end dividend

With regard to dividends, the Company's general principle is to distribute appropriate returns in comprehensive consideration of the future management environment surrounding the Company group and performance prospects, with a basic policy of maintaining a consolidated dividend payout ratio of 30% or more.

The Company proposes the payment of dividends for the 106th fiscal year as follows.

(1) Allotment of dividends to shareholders and the total amount of dividends

¥25 per share of the Company's common stock Total amount ¥2,449,873,025

(consisting of ordinary dividend of ¥2,449,873,025 and commemorative dividend for the 80th anniversary of ¥1)

The annual dividend for the fiscal year, including the interim dividend, will be ¥47 per share.

(2) Effective date of distribution of surplus

February 18, 2019

Proposal 2: Election of two (2) Directors (excluding Directors serving as Audit & Supervisory Committee Members)

The term of office of Mr. Norio Ishikawa as Director (excluding Director serving as Audit & Supervisory Committee Member) will expire at the conclusion of this Ordinary Shareholders' Meeting.

Accordingly, the election of two (2) Directors (excluding Directors serving as Audit & Supervisory Committee Members) is proposed.

The candidate for Directors (excluding Directors serving as Audit & Supervisory Committee Members) is as follows:

No.	Name (Date of birth) Number of shares in the Company held	Past experience, positions and responsibilities at the Company, and significant concurrent positions
1	Norio Ishikawa (December 23, 1955) 96,031	<p>May 1983 Seconded to OSG Tap and Die, Inc. (Currently OSG USA, Inc.)</p> <p>August 1999 Director and President, OSG Europe S.A.</p> <p>February 2001 Director</p> <p>February 2003 Executive Officer</p> <p>February 2004 Director</p> <p>December 2004 Director and Chairman, OSG Europe S.A.</p> <p>December 2004 Director General Manager, Design Center</p> <p>December 2006 In charge of Overseas Business Headquarters and Design Center In charge of Internal Auditing Department (Current position)</p> <p>February 2007 President & COO</p> <p>June 2009 In charge of Corporate Planning Department (Current position)</p> <p>December 2013 In charge of Planning Department</p> <p>June 2014 In charge of Global Marketing Department</p> <p>October 2016 In charge of New Business Development Department</p> <p>February 2017 President & Chief Executive Officer (Current position) Director, OSG Europe S.A. (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Director, Nihon Hard Metal Co., Ltd. • Director, Sanwa Seiki Co., Ltd. • Director, OSG USA, Inc. • Director, OSG Europe S.A. • Director, OSG Korea Corporation • Director and Chairman, Taiho Tool Mfg. Co., Ltd. • Director and Chairman, OSG (Shanghai) Co., Ltd. • Director, OSG Asia Pte Ltd. • Director, OSG Thai Co., Ltd.

No.	Name (Date of birth) Number of shares in the Company held	Past experience, positions and responsibilities at the Company, and significant concurrent positions
2	[Newly Appointed] Nobuaki Osawa (April 1, 1968) 422,537	<p>November 1997 Seconded to Norman Taps and Dies Ltd. (Currently OSG UK Limited)</p> <p>September 1999 Vice President, Norman Taps and Dies Ltd.</p> <p>October 2003 Representative Director, OSG UK Limited (Current position)</p> <p>December 2004 Representative Director and President, OSG Europe S.A.</p> <p>February 2006 Executive Officer; In charge of supervising subsidiaries and affiliated companies in Europe</p> <p>February 2010 Managing Director</p> <p>December 2011 In charge of South Asia (Current position)</p> <p>December 2013 In charge of domestic sales (Current position)</p> <p>January 2014 Representative Director and Chairman, OSG Europe S.A. (Current position)</p> <p>December 2015 In charge of Planning Department (Current position)</p> <p>September 2016 President, Osawa Scientific Studies Grants Foundation (Current position)</p> <p>February 2018 Managing Officer (Current position)</p> <p>December 2012 In charge of Global Marketing Department (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> • Representative Director, OSG UK Limited • Representative Director and Chairman, OSG Europe S.A. • Director, OSG Korea Corporation • Director, OSG (Shanghai) Co., Ltd. • Director, OSG Asia Pte Ltd. • Director, OSG Thai Co., Ltd. • President, Osawa Scientific Studies Grants Foundation

- (Notes)
1. The Company has transactions such as sales of its product with eight (8) of the nine (9) companies in which Mr. Norio Ishikawa, a candidate for Director, holds significant concurrent positions (the one exception is OSG Europe S.A.).
 2. The Company has transactions such as sales of its product with five (5) of the seven (7) companies in which Mr. Nobuaki Osawa, a candidate for Director, holds significant concurrent positions (the two exceptions are OSG Europe S.A. and Osawa Scientific Studies Grants Foundation).
 3. The reason for appointing Mr. Norio Ishikawa as a candidate for Director is as follows. Mr. Norio Ishikawa possesses a wealth of experience and knowledge gained through practical businesses in a wide range of fields including overseas business department and design and development department since joining the Company. He has been responsible for the management of the Company group as President & Chief Operating Officer since February 2007 and as President & Chief Executive Officer since February 2017, and has been driving the businesses of the Company group with his strong leadership. He is expected to contribute to further strengthening the decision making of the Board of Directors as a member of the Board of Directors by promoting information sharing and utilizing his rich experience and track record. Accordingly, the Company proposes his reappointment as Director.
 4. The reason for appointing Mr. Nobuaki Osawa as a candidate for Director is as follows. Mr. Nobuaki Osawa possesses a wealth of experience and knowledge gained through practical businesses in a wide range of fields including overseas business department and sales department since joining the Company. He has participated in the management of the Company group as Managing Director since February 2010 to February 2018 and as Managing Officer since February 2018, and has been driving the businesses of the Company group. He is expected to contribute to further strengthening the decision making of the Board of Directors as a member of the Board of Directors by promoting information sharing and utilizing his rich experience and track record. Accordingly, the Company proposes his appointment as Director.

Proposal 3: Election of one (1) Substitute Director serving as Audit & Supervisory Committee Member

To prepare for a case where the number of Directors serving as Audit & Supervisory Committee Members falls below the number stipulated by laws and regulations, the election of one (1) substitute Director serving as Audit & Supervisory Committee Member is proposed.

The Audit & Supervisory Committee has given its prior approval to this proposal.

The effectiveness of the election may be rescinded by a resolution of the Board of Directors with the consent of the Audit & Supervisory Committee, only before the assumption of office.

The candidate for substitute Director serving as Audit & Supervisory Committee Member is as follows:

Name (Date of birth) Number of shares in the Company held	Past experience and significant concurrent positions	
Kunihiko Hara (January 2, 1947) 0	June 1998	Director, DENSO CORPORATION
	June 2002	Left the post of Director, DENSO CORPORATION
	June 2002	Senior Managing Director, Nippon Soken Inc.
	June 2005	Left the post of Senior Managing Director, Nippon Soken Inc.
	June 2005	Managing Director, Genesis Research Institute, Incorporated
	June 2007	Director, Deputy Head, Genesis Research Institute, Incorporated
	June 2010	Left the post of Director, Deputy Head, Genesis Research Institute, Incorporated and assumed the post of Advisor, Genesis Research Institute, Incorporated
	July 2010	Project Professor of Tailor-Made Baton-Zone Education Promotion Office, Toyohashi University of Technology
	May 2011	Left the post of Advisor, Genesis Research Institute, Incorporated
	April 2016	Vice President (Research Enhancement), Toyohashi University of Technology
May 2018	Designated Professor (Innovation Strategy Office), Nagoya University (Current position)	
June 2018	Professor Emeritus, Toyohashi University of Technology (Current position)	

- (Notes)
1. There are no special interests between the candidate for substitute Director serving as Audit & Supervisory Committee Member and the Company.
 2. Mr. Kunihiko Hara is a candidate for substitute Outside Director serving as Audit & Supervisory Committee Member.
 3. In the event that Mr. Kunihiko Hara assumes office as Director serving as Audit & Supervisory Committee Member, the Company intends to appoint him as an Independent Officer pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange.
 4. The reason for appointing Mr. Kunihiko Hara as a candidate for substitute Outside Director serving as Audit & Supervisory Committee Member is that the Company believes he will be able to successfully fulfill his responsibility as an Outside Director serving as Audit & Supervisory Committee Member of the Company with his rich experience and wide insight as a scholar and a corporate manager.
 5. In the event that Mr. Kunihiko Hara assumes office as Director serving as Audit & Supervisory Committee Member, the Company intends to enter into an agreement to limit liability with him pursuant to Article 427, Paragraph 1 of the Companies Act. The limit of the liability for damages pursuant to Article 423, Paragraph 1 of the Companies Act under the agreement shall be the minimum amount prescribed by laws and regulations.

Proposal 4: Payment of Bonus to Director

In consideration of the Company's performance for the fiscal year ended November 30, 2018 and various other conditions, the Company proposes that bonus of ¥105,000,000 be paid to the one (1) Director (excluding Director serving as Audit & Supervisory Committee Member) in office at the end of the fiscal year.

Proposal 5: Determination of Amount of Compensation for Granting Restricted Stock to Directors (excluding Directors serving Audit & Supervisory Committee Members)

The amount of compensation, etc. for Directors (excluding Directors serving as Audit & Supervisory Committee Members) was approved to be up to ¥396 million per year at the 103rd Ordinary Shareholders' Meeting held on February 20, 2016.

As part of the ongoing revision of the compensation system for Directors, the Company proposes to offer new compensation for granting restricted stock to Directors (excluding Directors serving as Audit & Supervisory Committee Members) (hereinafter "Eligible Directors") in order to provide them an incentive to sustainably increase the Company's corporate value and to further promote shared value between shareholders and them, separately from the above-mentioned amount of compensation.

The compensation to be offered to Eligible Directors for granting restricted stock in accordance with this Proposal shall be in the form of monetary claims (hereinafter "Monetary Compensation Receivables"). The total amount thereof shall be up to ¥200 million per year, an amount deemed reasonable in consideration of the aforementioned aims. The specific timing to grant the Monetary Compensation Receivables and allocation thereof to each Eligible Director shall be determined by a resolution of the Board of Directors, after consulting the Nomination and Compensation Committee and receiving its recommendations.

The current number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) is one (1) (including no Outside Directors), but if Proposal 2 "Election of two (2) Directors (excluding Directors serving as Audit & Supervisory Committee Members)" is approved and resolved as originally proposed, the number of Directors (excluding Directors serving as Audit & Supervisory Committee Members) will become two (2) (including no Outside Directors).

Eligible Directors shall, based on a resolution of the Board of Directors, make in-kind contribution of all the Monetary Compensation Receivables to be granted according to this Proposal, and common stock of the Company shall either be issued or disposed of by the Company with the upper limit set at 100,000 shares per year. However, the total number may be adjusted within a reasonable range in the case that a stock split (including an allotment of shares without contribution) or a reverse stock split of the Company's common stock is conducted, or any other reason that requires an adjustment to the total number of common stock to be issued or disposed of by the Company as restricted stock, on or after the day on which this Proposal is approved and resolved.

The amount to be paid per share shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately prior to the date on which resolution is made at Board of Directors meetings (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). For the purpose of such issuance or disposal of common stock of the Company, a contract on the allotment of restricted stock (hereinafter "Allotment Contract") that includes the following provisions shall be concluded between the Company and Eligible Directors.

(1) Transfer restriction period

Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the Company's common stock that is allotted according to Allotment Contract (hereinafter "Allotted Shares") during a period prescribed by the Company's Board of Directors (hereinafter "Transfer Restriction Period"), which shall be between twenty (20) and thirty (30) years from the day when Eligible Directors are allotted such shares according to the Allotment Contract (hereinafter "Transfer Restriction"). The Transfer Restriction Period shall be determined by a resolution of the Board of Directors, after consulting the Nomination and Compensation Committee and receiving its recommendations.

(2) Treatment on retirement or resignation

In the event that Eligible Directors resign or retire from the position of the Company's Director (excluding Director serving as Audit & Supervisory Committee Member) and/or Executive Officer not concurrently serving as Director prior to the expiry of Transfer Restriction Period, the Company shall acquire Allotted Shares rightfully without consideration unless the reason for Eligible Directors' resignation or retirement from office is the expiration of the term of office, death, or any other justifiable reason.

(3) Lifting of transfer restriction

Notwithstanding the provision of (1) above, the Company shall lift the Transfer Restriction on all of the Allotted Shares at the expiration of Transfer Restriction Period on the condition that Eligible Directors have continuously served as either Director (excluding Director serving as Audit &

Supervisory Committee Member) or Executive Officer not concurrently serving as Director of the Company during Transfer Restriction Period. However, if such Eligible Directors retire from the position stipulated in (2) above prior to the expiry of Transfer Restriction Period for any of the reason such as the expiration of the term of office, death, or any other justifiable reason, the number of Allotted Shares for which Transfer Restriction is to be lifted and the timing of the lifting of Transfer Restriction shall be reasonably adjusted as necessary. In addition, at the time immediately after the lifting of Transfer Restriction pursuant to the provisions described above, the Company shall acquire Allotted Shares for which Transfer Restriction has not been lifted, rightfully without consideration.

(4) Treatment on organizational restructuring, etc.

Notwithstanding the provision of (1) above, in the case where an agreement of merger with the Company as the non-surviving entity, agreement of share exchange or plan for share transfer through which the Company becomes a wholly-owned subsidiary, or a matter concerning other organizational restructuring, etc. is approved at the Shareholders' Meeting (or at the Company's Board of Directors in the case where approval of the Shareholders' Meeting is not required for the said organizational restructuring, etc.) during Transfer Restriction Period, Transfer Restriction shall be lifted by the resolution of the Company's Board of Directors prior to the effective date of the said organizational restructuring, etc., with regard to the number of the Allotted Shares reasonably set forth in light of the period from the start date of Transfer Restriction Period to the approval date of the said organizational restructuring, etc. In the case described above, at the time immediately after the lifting of Transfer Restriction, the Company shall acquire Allotted Shares for which Transfer Restriction has not been lifted, rightfully without contribution.

(5) Others

Any other matters concerning Allotment Contract shall be determined by the Company's Board of Directors.

Under this scheme, in addition to Eligible Directors, the Company plans to offer the same restricted stock-based compensation to the Company's Executive Officers not concurrently serving as Directors by a resolution of the Board of Directors, and issue or dispose of the Company's common stock accordingly.