

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 6136)
January 29, 2016

To Shareholders with Voting Rights:

Teruhide Osawa
Chairman & CEO
OSG Corporation
3-22 Honnogahara, Toyokawa City,
Aichi Prefecture

**NOTICE OF
THE 103RD 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 103rd Ordinary Shareholders' Meeting of OSG Corporation (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights by either of the following methods outlined below. Please review the attached Reference Documents for the Shareholders' Meeting and exercise your voting rights by 5:20 p.m. on Friday, February 19, 2016, Japan time.

Voting in writing:

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form and return the form so as to reach the Company by the time limit described above.

Voting via the Internet:

Please access the website designated by the Company exclusively for the purpose of exercising voting rights (<http://www.web54.net>) through your browser and enter the voting code and the password supplied on the enclosed Voting Rights Exercise Form. Then follow the instructions on the screen and enter your vote for or against each proposal.

When voting via the Internet, please read "A Guide for the Exercise of Voting Rights via the Internet" on pages 19 through 20.

If a vote is exercised both in writing and via the Internet, the Internet vote will be taken as the valid vote.

- 1. Date and Time:** Saturday, February 20, 2016 at 10:00 a.m. Japan time
- 2. Place:** OSG Academy Global Technology Center located at
149 Miyamae, Ichinomiya-cho, Toyokawa City, Aichi Prefecture, Japan
(For details on the venue, please see the guide map at the end of this notice.)
- 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 Board of Statutory Auditors for the Company's 103rd Fiscal Year (December 1, 2014 - November 30, 2015)
 2. Non-Consolidated Financial Statements for the Company's 103rd Fiscal Year (December 1, 2014 - November 30, 2015)

Proposals to be resolved:

Proposal 1:	Appropriation of Surplus	…Page 3
Proposal 2:	Partial Amendment to the Articles of Incorporation	…Page 3
Proposal 3:	Election of ten (10) Directors (excluding Directors serving as Audit & Supervisory Committee members)	…Page 10
Proposal 4:	Election of six (6) Directors serving as Audit & Supervisory Committee members	…Page 15
Proposal 5:	Determination of Amount of Compensation, etc. to be Granted to Directors (excluding Directors serving as Audit & Supervisory Committee members)	…Page 18
Proposal 6:	Determination of Amount of Compensation, etc. to be Granted to Directors serving as Audit & Supervisory Committee members	…Page 18
Proposal 7:	Payment of Bonuses to Directors and Statutory Auditors	…Page 18

~~~~~

©When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please also bring this brochure as a reference during the proceedings. Please note that any person other than a shareholder of the Company authorized to exercise voting rights, such as a companion of a shareholder or a non-shareholder of the Company serving as a proxy, may not participate in the meeting.

©From among documents to be provided with this notice, the Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements are posted on the Company’s website (<http://www.osg.co.jp/>) pursuant to the provisions of laws and ordinances and the provisions of Article 18 of the Articles of Incorporation of the Company, and are therefore not stated in the Appendix hereto. Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Accounting Auditor and Statutory Auditors include Notes to Consolidated Financial Statements and Notes to Non-Consolidated Financial Statements, in addition to the documents stated in this notice.

©Should the Appendix or Reference Documents for the Shareholders’ Meeting require revisions, the revised versions will be posted on the Company’s website (<http://www.osg.co.jp/>).

# 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 103rd fiscal year as follows.

- (1) Allotment of dividends to shareholders and the total amount of dividends  
¥20 per share of the Company's common stock      Total amount    ¥1,900,925,120

The annual dividend for the fiscal year, including the interim dividend, will be ¥46 per share.

- (2) Effective date of distribution of surplus  
February 22, 2016

### **Proposal 2:** Partial Amendment to the Articles of Incorporation

#### 1. Reasons for the amendment

- (1) The trade name of the Company in English stipulated in Article 1 (Trade name) of the current Articles of Incorporation is changed in accordance with the revised branding strategy.
- (2) In order to provide for expected business development in the future, a business purpose is to be added to Article 2 (Purpose) of the current Articles of Incorporation.
- (3) The Act for Partial Amendment to the Companies Act (Act No. 90 of 2014), which came into effect on May 1, 2015, introduced a new organizational design which enables a corporate entity to become a "Company with an Audit and Supervisory Committee." In line with this change, the Company is to partially amend the Articles of Incorporation to allow the Company to change to a Company with an Audit and Supervisory Committee for the purpose of improving its corporate governance by strengthening the supervisory function of the Board of Directors.
- (4) The Company is to partially amend the Articles of Incorporation to enable Directors with no authority to execute business operations to fulfill their expected roles by entering into agreements to limit their liability, and to enable the Company to continuously attract competent human resources in the future.

Each Statutory Auditor has given his or her consent to the amendment to the Articles of Incorporation relating to the liability limitation agreements.

- (5) The Company is to make other necessary amendments to the Articles of Incorporation in conjunction with the abovementioned amendments.

2. Details of the amendment

Details of the proposed amendments are as follows:

The proposed amendments to the Articles of Incorporation will become effective upon the conclusion of this Shareholders' Meeting.

(Amended parts are underlined.)

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Trade Name)<br/>Article 1. The trade name of the Company shall be "OSG Kabushiki Kaisha," and "OSG <u>CORPORATION</u>" in English.</p> <p>(Purpose)<br/>Article 2. The purpose of the Company shall be to engage in the following businesses:<br/>(1) to (4) (Omitted)<br/>(Newly established)<br/><u>(5)</u> Any and all businesses incidental to the preceding items.</p> <p>Article 3. (Omitted)</p> <p>(Organs)<br/>Article 4. The Company shall have the following organs in addition to the Shareholders' Meeting and Directors:<br/>(1) Board of Directors;<br/>(2) <u>Statutory Auditors;</u><br/>(3) <u>Board of Statutory Auditors; and</u><br/>(4) Accounting Auditor.</p> <p>Article 5. (Omitted)</p> | <p style="text-align: center;">CHAPTER I. GENERAL PROVISIONS</p> <p>(Trade Name)<br/>Article 1. The trade name of the Company shall be "OSG Kabushiki Kaisha," and "OSG <u>Corporation</u>" in English.</p> <p>(Purpose)<br/>Article 2. The purpose of the Company shall be to engage in the following businesses:<br/>(1) to (4) (Unchanged)<br/><u>(5) Generation and sales of solar power;</u><br/><u>and</u><br/><u>(6)</u> Any and all businesses incidental to the preceding items.</p> <p>Article 3. (Unchanged)</p> <p>(Organs)<br/>Article 4. The Company shall have the following organs in addition to the Shareholders' Meeting and Directors:<br/>(1) Board of Directors;<br/>(2) <u>Audit &amp; Supervisory Committee; and</u><br/>(Deleted)<br/>(3) Accounting Auditor.</p> <p>Article 5. (Unchanged)</p> |
| <p style="text-align: center;">CHAPTER II. SHARES</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p style="text-align: center;">CHAPTER II. SHARES</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Articles 6. to 11. (Omitted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Articles 6. to 11. (Unchanged)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p style="text-align: center;">CHAPTER III. SHAREHOLDERS' MEETING</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p style="text-align: center;">CHAPTER III. SHAREHOLDERS' MEETING</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <p>Articles 12. to 18. (Omitted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Articles 12. to 18. (Unchanged)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p style="text-align: center;">CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>(Number of Directors)<br/>Article 19. The number of Directors of the Company shall not exceed sixteen (16).<br/><br/>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>(Number of Directors)<br/>Article 19. The number of Directors (<u>excluding Directors serving as Audit &amp; Supervisory Committee members</u>) of the Company shall not exceed sixteen (16).<br/><u>2. The number of Directors serving as Audit &amp; Supervisory Committee members of the Company shall not exceed six (6).</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Method for the Election of Directors)<br/>Article 20. Directors shall be elected at a Shareholders' Meeting.</p> <p>2. to 3. (Omitted)</p> <p>(Term of Office of Directors)<br/>Article 21. The term of office of a Director shall expire upon conclusion of the Ordinary Shareholders' Meeting held with respect to the last business year ending within one (1) year from his/her election.</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>Articles 22. to 23. (Omitted)</p> <p>(Notice of Convocation of the Board of Directors Meeting)<br/>Article 24. A notice of convocation of a Board of Directors meeting shall be dispatched to each Director <u>and Statutory Auditor</u> at least three (3) days before the meeting; provided, however, that such period may be shortened in the event of emergency.</p> <p>2. When the consent of all Directors <u>and Statutory Auditors</u> is obtained in advance, a Board of Directors meeting may be held without the procedures for convocation.</p> | <p>(Method for the Election of Directors)<br/>Article 20. Directors shall be elected at a Shareholders' Meeting, <u>provided that Directors serving as Audit &amp; Supervisory Committee members and other Directors shall be elected separately.</u></p> <p>2. to 3. (Unchanged)</p> <p>(Term of Office of Directors)<br/>Article 21. The term of office of a Director <u>(excluding a Director serving as an Audit &amp; Supervisory Committee member)</u> shall expire upon conclusion of the Ordinary Shareholders' Meeting held with respect to the last business year ending within one (1) year from his/her election.</p> <p><u>2. The term of office of a Director serving as an Audit &amp; Supervisory Committee member shall expire upon conclusion of the Ordinary Shareholders' Meeting held with respect to the last business year ending within two (2) years from his/her election.</u></p> <p><u>3. The term of office of a Director serving as an Audit &amp; Supervisory Committee member elected to fill a vacancy caused by the resignation of another Director serving as an Audit &amp; Supervisory Committee member prior to the expiry of his/her term of office shall be the same as the remaining term of office of the resigned Director serving as an Audit &amp; Supervisory Committee member.</u></p> <p>Articles 22. to 23. (Unchanged)</p> <p>(Notice of Convocation of the Board of Directors Meeting)<br/>Article 24. A notice of convocation of a Board of Directors meeting shall be dispatched to each Director at least three (3) days before the meeting; provided, however, that such period may be shortened in the event of emergency.</p> <p>2. When the consent of all Directors is obtained in advance, a Board of Directors meeting may be held without the procedures for convocation.</p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>(Newly established)</p> <p>Article <u>25</u>. (Omitted)</p> <p>(Minutes of the Board of Directors Meeting)<br/>Article <u>26</u>. The substance of the proceedings and the results of a Board of Directors meeting and any other matters set forth in laws and ordinances shall be entered or recorded in the minutes, which shall be signed and sealed or electronically signed by the Directors <u>and Statutory Auditors present</u>.</p> <p>Article <u>27</u>. (Omitted)</p> <p>(Compensation, etc.)<br/>Article <u>28</u>. The amount of compensation, bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duties shall be determined by resolution of the Shareholders' Meeting.</p> <p>(Newly established)</p> | <p><u>(Delegation of Decisions of the Execution of Important Business Operations)</u><br/>Article <u>25</u>. Pursuant to the provisions of Article <u>399-13, Paragraph 6 of the Companies Act, the Board of Directors may, by its resolution, delegate the whole or a part of the decisions of the execution of important business operations (excluding matters specified in the items of Paragraph 5 of the same Article) to Directors.</u></p> <p>Article <u>26</u>. (Unchanged)</p> <p>(Minutes of the Board of Directors Meeting)<br/>Article <u>27</u>. The substance of the proceedings and the results of a Board of Directors meeting and any other matters set forth in laws and ordinances shall be entered or recorded in the minutes, which shall be signed and sealed or electronically signed by the Directors present.</p> <p>Article <u>28</u>. (Unchanged)</p> <p>(Compensation, etc.)<br/>Article <u>29</u>. The amount of compensation, bonuses and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duties <u>(hereinafter referred to as "compensation, etc.")</u> shall be determined by resolution of the Shareholders' Meeting, <u>provided that compensation, etc. for Directors serving as Audit &amp; Supervisory Committee members and other Directors shall be determined separately.</u></p> <p><u>(Exemption of Directors from Liabilities)</u><br/>Article <u>30</u>. Pursuant to Article 427, Paragraph 1 of <u>the Companies Act, the Company may enter into an agreement with each Director (excluding Executive Directors, etc.) to limit his/her liability for damages resulting from negligence in the performance of his/her duties; provided, however, that the limit of the liability thereof shall be the amount prescribed by laws and ordinances.</u></p> |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Proposed Amendment |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <u>CHAPTER V. STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | (Deleted)          |
| <u>(Number of Statutory Auditors)</u><br><u>Article 29. The number of Statutory Auditors of the Company shall not exceed five (5).</u>                                                                                                                                                                                                                                                                                                                                                                                                                      | (Deleted)          |
| <u>(Method for the Election of Statutory Auditors)</u><br><u>Article 30. Statutory Auditors shall be elected at a Shareholders' Meeting.</u><br><u>2. Resolutions for the election of Statutory Auditors shall be adopted by a majority of votes of the shareholders in attendance who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</u>                                                                                                                                                            | (Deleted)          |
| <u>(Term of Office of Statutory Auditors)</u><br><u>Article 31. The term of office of a Statutory Auditor shall expire upon conclusion of the Ordinary Shareholders' Meeting held with respect to the last business year ending within four (4) years from his/her election.</u><br><u>2. The term of office of a Statutory Auditor elected to fill a vacancy caused by the resignation of another Statutory Auditor prior to the expiry of his/her term of office shall be the same as the remaining term of office of the resigned Statutory Auditor.</u> | (Deleted)          |
| <u>(Standing Statutory Auditor)</u><br><u>Article 32. The Board of Statutory Auditors shall elect a Standing Statutory Auditor by its resolution.</u>                                                                                                                                                                                                                                                                                                                                                                                                       | (Deleted)          |
| <u>(Notice of Convocation of the Board of Statutory Auditors Meeting)</u><br><u>Article 33. A notice of convocation of a Board of Statutory Auditors meeting shall be dispatched to each Statutory Auditor at least three (3) days before the meeting; provided, however, that such period may be shortened in the event of emergency.</u><br><u>2. When the consent of all Statutory Auditors is obtained in advance, a Board of Statutory Auditors meeting may be held without the procedures for convocation.</u>                                        | (Deleted)          |

| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                     | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>(Method for Adopting Resolutions of the Board of Statutory Auditors)</u><br/> <u>Article 34. Unless otherwise provided by laws and ordinances, resolutions of the Board of Statutory Auditors shall be adopted by a majority of the Statutory Auditors.</u></p>                                                                                                                 | (Deleted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><u>(Minutes of the Board of Statutory Auditors Meeting)</u><br/> <u>Article 35. The substance of the proceedings and the results of a Board of Statutory Auditors meeting and any other matters set forth in laws and ordinances shall be entered or recorded in the minutes, which shall be signed and sealed or electronically signed by the Statutory Auditors present.</u></p> | (Deleted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><u>(Board of Statutory Auditors Regulations)</u><br/> <u>Article 36. Matters concerning the Board of Statutory Auditors shall be governed by, in addition to laws and ordinances or these Articles of Incorporation, the Board of Statutory Auditors Regulations established by the Board of Statutory Auditors.</u></p>                                                           | (Deleted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><u>(Compensation, etc.)</u><br/> <u>Article 37. The amount of compensation, bonuses and any other proprietary benefits to be granted to Statutory Auditors by the Company in consideration of their performance of duties shall be determined by resolution of the Shareholders' Meeting.</u></p>                                                                                  | (Deleted)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                            | <p><u>CHAPTER V. AUDIT &amp; SUPERVISORY COMMITTEE</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                            | <p><u>(Notice of Convocation of Audit &amp; Supervisory Committee)</u><br/> <u>Article 31. A notice of convocation of an Audit &amp; Supervisory Committee meeting shall be dispatched to each Audit &amp; Supervisory Committee member at least three (3) days before the meeting; provided, however, that such period may be shortened in the event of emergency.</u><br/> <u>2. When the consent of all Audit &amp; Supervisory Committee members is obtained in advance, an Audit &amp; Supervisory Committee meeting may be held without the procedures for convocation.</u></p> |



| Current Articles of Incorporation                                                                                                                                                                                                                                                                                                                                                    | Proposed Amendment                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Newly established)                                                                                                                                                                                                                                                                                                                                                                  | <u>(Method for Adopting Resolutions of the Audit &amp; Supervisory Committee)</u><br><u>Article 32. Resolutions of the Audit &amp; Supervisory Committee shall be adopted by a majority of the Audit &amp; Supervisory Committee members in attendance who constitute a majority of the total number of Audit &amp; Supervisory Committee members authorized to participate in the resolution.</u>               |
| (Newly established)                                                                                                                                                                                                                                                                                                                                                                  | <u>(Minutes of the Audit &amp; Supervisory Committee Meeting)</u><br><u>Article 33. The substance of the proceedings and the results of an Audit &amp; Supervisory Committee meeting and any other matters set forth in laws and ordinances shall be entered or recorded in the minutes, which shall be signed and sealed or electronically signed by the Audit &amp; Supervisory Committee members present.</u> |
| (Newly established)                                                                                                                                                                                                                                                                                                                                                                  | <u>(Audit &amp; Supervisory Committee Regulations)</u><br><u>Article 34. Matters concerning the Audit &amp; Supervisory Committee shall be governed by, in addition to laws and ordinances or these Articles of Incorporation, the Audit &amp; Supervisory Committee Regulations established by the Audit &amp; Supervisory Committee.</u>                                                                       |
| CHAPTER VI. ACCOUNTING AUDITOR<br>Articles <u>38.</u> to <u>39.</u> (Omitted)                                                                                                                                                                                                                                                                                                        | CHAPTER VI. ACCOUNTING AUDITOR<br>Articles <u>35.</u> to <u>36.</u> (Unchanged)                                                                                                                                                                                                                                                                                                                                  |
| CHAPTER VII. ACCOUNTS<br>Articles <u>40.</u> to <u>42.</u> (Omitted)                                                                                                                                                                                                                                                                                                                 | CHAPTER VII. ACCOUNTS<br>Articles <u>37.</u> to <u>39.</u> (Unchanged)                                                                                                                                                                                                                                                                                                                                           |
| (Expiration Period for Payment of Dividends)<br>Article <u>43.</u> If dividends, which are to be paid in cash, have not been collected after the elapse of three (3) full years from the initial date of payment, the Company shall be released from any obligation to pay said dividends.<br>2. Unpaid <u>distribution of surplus and interim</u> dividends shall bear no interest. | (Expiration Period for Payment of Dividends)<br>Article <u>40.</u> If dividends, which are to be paid in cash, have not been collected after the elapse of three (3) full years from the initial date of payment, the Company shall be released from any obligation to pay said dividends.<br>2. Unpaid dividends shall bear no interest.                                                                        |

**Proposal 3:** Election of ten (10) Directors (excluding Directors serving as Audit & Supervisory Committee members)

The terms of office of all eleven (11) Directors will expire at the conclusion of this Ordinary Shareholders' Meeting.

The Company will change to a Company with an Audit and Supervisory Committee at the conclusion of this Ordinary Shareholders' Meeting, subject to the approval of Proposal 2 "Partial Amendment to the Articles of Incorporation." Accordingly, the election of ten (10) Directors (excluding Directors serving as Audit & Supervisory Committee members) after the Company's changeover to a Company with an Audit and Supervisory Committee is proposed.

This proposal shall become effective, under the condition that the amendments to the Articles of Incorporation under Proposal 2 "Partial Amendment to the Articles of Incorporation" come into effect.

The candidates for Directors (excluding Directors serving as Audit & Supervisory Committee members) are as follows:

| No. | Name<br>(Date of birth)<br>Number of shares in the<br>Company held | Past experience, positions and responsibilities at the Company,<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | Teruhide Osawa<br>(February 3, 1938)<br>1,210,660                  | January 1974      Director<br>February 1977     President, OSG MFG. Company<br>December 1992    President<br>February 2007     Chairman & CEO (Current position)<br>[Significant concurrent positions]<br>• Director, Nihon Hard Metal Co., Ltd.<br>• Director and Chairman, Sanwa Seiki Co., Ltd.<br>• President, Osawa Scientific Studies Grants Foundation<br>• Representative Director and President, Tokai Country Club Co., Ltd.<br>• Director, OSG USA, Inc.<br>• Director and Chairman, OSG Europe Limited<br>• Director and Chairman, OSG UK Limited<br>• Director, OSG Europe S.A.<br>• Director, OSG Korea Corporation<br>• Chairman, Taiho Tool Mfg. Co., Ltd.<br>• Director, OSG (Shanghai) Co., Ltd.<br>• Director and Chairman, OSG Asia Pte Ltd.<br>• Director and Chairman, OSG Thai Co., Ltd. |

| No. | Name<br>(Date of birth)<br>Number of shares in the<br>Company held | Past experience, positions and responsibilities at the Company,<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2   | Norio Ishikawa<br>(December 23, 1955)<br>83,631                    | <p>May 1983      Seconded to OSG Tap and Die, Inc. (Current OSG USA, Inc.)</p> <p>April 1998    Director and President, OSG A.I.M.O. S.A. (Current OSG Europe Logistics S.A.)</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 A.I.M.O. S.A. (Current OSG Europe Logistics S.A.)</p> <p>December 2004   Director and Chairman, OSG Europe S.A. (Current position)</p> <p>December 2004   Director</p> <p>                    General Manager, Design Center</p> <p>December 2006   In charge of Overseas Business Headquarters and Design Center</p> <p>                    In charge of Internal Auditing Department (Current position)</p> <p>February 2007   President &amp; COO (Current position)</p> <p>June 2009      In charge of Corporate Planning Department (Current position)</p> <p>December 2013   In charge of Planning Department (Current position)</p> <p>June 2014      In charge of Global Marketing (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director, Nihon Hard Metal Co., Ltd.</li> <li>• Director, Sanwa Seiki Co., Ltd.</li> <li>• Director, OSG USA, Inc.</li> <li>• Director, OSG Europe Limited</li> <li>• Director, OSG UK Limited</li> <li>• Director and Chairman, OSG Europe S.A.</li> <li>• Director, OSG Korea Corporation</li> <li>• Director, Taiho Tool Mfg. Co., Ltd.</li> <li>• Director, OSG (Shanghai) Co., Ltd.</li> <li>• Director, OSG Asia Pte Ltd.</li> <li>• Director, OSG Thai Co., Ltd.</li> </ul> |
| 3   | Masatoshi Sakurai<br>(May 20, 1952)<br>106,122                     | <p>December 2000   General Manager, Engineering Department</p> <p>February 2003   Executive Officer; General Manager, Engineering Department</p> <p>February 2005   Director</p> <p>February 2007   Managing Director (Current position)</p> <p>                    In charge of Engineering Department</p> <p>February 2008   In charge of Global Quality Assurance Department (Current position)</p> <p>December 2012   In charge of Engineering Center (Current position)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 4   | Koji Sonobe<br>(February 10, 1956)<br>37,113                       | <p>June 1982      Seconded to OSG Tap and Die, Inc. (Current OSG USA, Inc.)</p> <p>February 2001   General Manager, Accounting Department</p> <p>February 2004   Executive Officer; General Manager, Accounting Department</p> <p>December 2004   Executive Officer; General Manager, Support Center</p> <p>February 2005   Director</p> <p>December 2006   General Manager, Strategic Planning Center; In charge of IT Center and New Business Department</p> <p>February 2007   Managing Director; In charge of Support Center and IT Center (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director, OSG USA, Inc.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

| No. | Name<br>(Date of birth)<br>Number of shares in the<br>Company held | Past experience, positions and responsibilities at the Company,<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5   | Toru Endo<br>(December 4, 1954)<br>37,300                          | November 1984      Seconded to Taiho Tool Mfg. Co., Ltd.<br>September 2001    Managing Director, OSG (Shanghai) Co., Ltd.<br>March 2002        Managing Director, Taiho Tool Mfg. Co., Ltd.<br>February 2004     Executive Officer<br>In charge of Greater China (Current position)<br>May 2007           Deputy Chairman, Taiho Tool Mfg. Co., Ltd.<br>February 2010     Managing Director (Current position)<br>January 2014      Chairman, OSG (Shanghai) Co., Ltd.<br>December 2015    Chairman & CEO, OSG (Shanghai) Co., Ltd. (Current position)<br>[Significant concurrent positions]<br>• Managing Director, Taiho Tool Mfg. Co., Ltd.<br>• Vice Chairman, Ningbo Dabao Hardware Tools Trading (China)<br>• Chairman, Kunshan Dabao Precision Tools Co., Ltd.<br>• Chairman & CEO, OSG (Shanghai) Co., Ltd.                                                                                                                                                                                                                                    |
| 6   | Nobuaki Osawa<br>(April 1, 1968)<br>152,937                        | November 1997     Seconded to Norman Taps and Dies Ltd. (Current OSG UK Limited)<br>September 1999    Vice President, Norman Taps and Dies Ltd.<br>October 2003      Representative Director, OSG UK Limited (Current position)<br>December 2004    Representative Director and President, OSG Europe S.A.<br>(Current position)<br>February 2006     Executive Officer; In charge of supervising subsidiaries and affiliated<br>companies in Europe<br>February 2010     Managing Director (Current position)<br>February 2012     In charge of South Asia (Current position)<br>December 2013    In charge of domestic sales (Current position)<br>[Significant concurrent positions]<br>• Representative Director, OSG Europe Limited<br>• Representative Director, OSG UK Limited<br>• Representative Director and President, OSG Europe S.A.<br>• Director and Chairman, OSG Europe Logistics S.A.<br>• Representative Director, OSG GmbH<br>• Director, OSG Korea Corporation<br>• Director, OSG Asia Pte Ltd.<br>• Director, OSG Thai Co., Ltd. |
| 7   | Tetsuro Hayasaka<br>(June 2, 1953)<br>26,000                       | October 1987      Seconded to OSG Tap and Die, Inc. (Current OSG USA, Inc.)<br>December 2002    Representative Director and President, Ohtaka Precision Co., Ltd.<br>December 2004    General Manager, Yana Plant<br>February 2007     Executive Officer; General Manager, Yana Plant; General Manager,<br>Manufacturing Support for Group Companies Department<br>August 2009      Executive Officer; General Manager, Ohike Plant; General Manager,<br>Manufacturing Planning Department<br>December 2011    In charge of Manufacturing Division and Manufacturing Planning<br>Department (Current position)<br>February 2012     Managing Director (Current position)<br>[Significant concurrent positions]<br>• Director, Nihon Hard Metal Co., Ltd.<br>• Director, OSG USA, Inc.<br>• Director, OSG Korea Corporation                                                                                                                                                                                                                             |

| No. | Name<br>(Date of birth)<br>Number of shares in the<br>Company held | Past experience, positions and responsibilities at the Company,<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----|--------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8   | Jiro Osawa<br>(November 6, 1969)<br>171,325                        | <p>August 1994      Seconded to OSG Tap and Die, Inc. (Current OSG USA, Inc.)</p> <p>January 2000      Director and President, NAS Precision L.L.C.</p> <p>February 2007      Executive Officer<br/>General Manager, Design Center (Current position)</p> <p>February 2012      Managing Director; In charge of Design Center (Current position)<br/>In charge of the Americas</p> <p>December 2013      In charge of North America (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director and Chairman, OSG USA, Inc.</li> <li>• Director and Chairman, OSG Canada Ltd.</li> <li>• Director and Chairman, OSG Royco, S.A. de C.V.</li> <li>• Director and Chairman, Corporacion Arrendadora de Maquinas Para Produccion, S.A. de C.V.</li> <li>• Director, OSG Korea Corporation</li> </ul>                                              |
| 9   | Toshitaka Yoshizaki<br>(September 19, 1953)<br>58,900              | <p>December 1983      Seconded to OSG Tap and Die, Inc. (Current OSG USA, Inc.)</p> <p>February 2004      Executive Officer; In charge of Mexico</p> <p>February 2005      Director and President, OSG Royco, S.A. de C.V. (Current position)</p> <p>December 2012      Executive Officer<br/>Director and President, OSG Sulamericana de Ferramentas Ltda.;<br/>In charge of Mexico and South America (Current position)</p> <p>February 2014      Managing Director (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director, OSG USA, Inc.</li> <li>• Director and President, OSG Royco, S.A. de C.V.</li> <li>• Director and President, Corporacion Arrendadora de Maquinas Para Produccion, S.A. de C.V.</li> <li>• Director and President, OSG Sulamericana de Ferramentas Ltda.</li> </ul>                                           |
| 10  | Hideaki Osawa<br>(January 1, 1974)<br>105,866                      | <p>December 2004      Seconded to OSG GmbH</p> <p>November 2005      Representative Director, OSG GmbH (Current position)</p> <p>February 2012      Executive Officer<br/>In charge of Europe (Current position)</p> <p>November 2012      Representative Director and President, OSG Belgium s.a.n.v.<br/>(Current OSG Europe Logistics S.A.) (Current position)</p> <p>January 2014      Representative Director and President, OSG Europe S.A.<br/>(Current position)</p> <p>February 2014      Managing Director (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Director, OSG Europe Limited</li> <li>• Director, OSG UK Limited</li> <li>• Representative Director and President, OSG Europe S.A.</li> <li>• Representative Director and President, OSG Europe Logistics S.A.</li> <li>• Representative Director, OSG GmbH</li> </ul> |

- (Notes)
1. OSG MFG. Company and OSG Corporation were merged into OSG Corporation on December 1, 1992.
  2. The Company has made a donation to Osawa Scientific Studies Grants Foundation, an entity in which Mr. Teruhide Osawa, a candidate for Director, holds a significant concurrent position. In addition, the Company has transactions such as sales of its product with nine (9) of the other twelve (12) companies in which he holds significant concurrent positions (the three exceptions are Tokai Country Club Co., Ltd., OSG Europe Limited, and OSG Europe S.A.).
  3. The Company has transactions such as sales of its product with nine (9) of eleven (11) companies in which Mr. Norio Ishikawa, a candidate for Director, holds significant concurrent positions (the two exceptions are OSG Europe Limited and OSG Europe S.A.).
  4. The Company has transactions such as sales of its product with OSG USA, Inc., a company in which Mr. Koji Sonobe, a candidate for Director, holds a significant concurrent position as a director.
  5. The Company has transactions such as sales of its product with two (2) of four (4) companies in which Mr. Toru Endo, a candidate for Director, holds significant concurrent positions as a director (the two exceptions are Ningbo Dabao Hardware Tools Trading (China) and Kunshan Dabao Precision Tools Co., Ltd.).
  6. The Company has transactions such as sales of its product with six (6) of eight (8) companies in which Mr. Nobuaki Osawa, a candidate for Director, holds significant concurrent positions as a director (the two exceptions are OSG

Europe Limited and OSG Europe S.A.).

7. The Company has transactions such as sales of its product with three (3) companies in which Mr. Tetsuro Hayasaka, a candidate for Director, holds significant concurrent positions.
8. The Company has transactions such as sales of its product with four (4) of five (5) companies in which Mr. Jiro Osawa, a candidate for Director, holds significant concurrent positions as a director (the one exception is Corporacion Arrendadora de Maquinas Para Produccion, S.A. de C.V.).
9. The Company has transactions such as sales of its product with three (3) of four (4) companies in which Mr. Toshitaka Yoshizaki, a candidate for Director, holds significant concurrent positions as a director (the one exception is Corporacion Arrendadora de Maquinas Para Produccion, S.A. de C.V.).
10. The Company has transactions such as sales of its product with three (3) of five (5) companies in which Mr. Hideaki Osawa, a candidate for Director, holds significant concurrent positions as a director (the two exceptions are OSG Europe Limited and OSG Europe S.A.).
11. There are no special interests between other candidates and the Company.

**Proposal 4:** Election of six (6) Directors serving as Audit & Supervisory Committee members

The Company will change to a Company with an Audit and Supervisory Committee at the conclusion of this Ordinary Shareholders' Meeting, subject to the approval of Proposal 2 "Partial Amendment to the Articles of Incorporation." Accordingly, the election of six (6) Directors serving as Audit & Supervisory Committee members is proposed.

The Board of Statutory Auditors has given prior approval to this proposal.

This proposal shall become effective, under the condition that the amendments to the Articles of Incorporation under Proposal 2 "Partial Amendment to the Articles of Incorporation" come into effect.

The candidates for Directors serving as Audit & Supervisory Committee members are as follows:

| No. | Name<br>(Date of birth)<br>Number of shares in the<br>Company held                                           | Past experience, positions and responsibilities at the Company,<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1   | [Candidate for<br>Outside Director]<br><br>Takeo Nakagawa<br>(October 12, 1938)<br>6,800                     | <p>May 1999 Emeritus professor, the University of Tokyo (Current position)</p> <p>October 2000 Representative Director and President, Fine Tech Corporation</p> <p>April 2002 Director, Osawa Scientific Studies Grants Foundation (Current position)</p> <p>June 2002 Director, NIPPON PILLAR PACKING CO., LTD. (Current position)</p> <p>June 2007 Statutory Auditor, FANUC CORPORATION (Current position)</p> <p>June 2008 Director, TSUGAMI CORPORATION (Current position)</p> <p>February 2014 Director (Current position)</p> <p>April 2015 Representative Director and Chairman, Fine Tech Corporation (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Representative Director and Chairman, Fine Tech Corporation</li> <li>• Director, NIPPON PILLAR PACKING CO., LTD.</li> <li>• Statutory Auditor, FANUC CORPORATION</li> <li>• Director, TSUGAMI CORPORATION</li> <li>• Director, Osawa Scientific Studies Grants Foundation</li> </ul> |
| 2   | [Newly Appointed]<br><br>Gohei Osawa<br>(December 14, 1946)<br>626,784                                       | <p>February 1976 Director and Vice President, OSG Tap and Die, Inc. (Current OSG USA, Inc.)</p> <p>February 1992 Director and President, OSG Tap and Die, Inc.</p> <p>December 1992 Advisor, International Department</p> <p>February 1995 Director</p> <p>December 2000 Director and Chairman, OSG Tap and Die, Inc. (Current OSG USA, Inc.)</p> <p>February 2003 Executive Officer</p> <p>February 2004 Director</p> <p>February 2005 Managing Director</p> <p>February 2012 Standing Statutory Auditor (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Statutory Auditor, Nihon Hard Metal Co., Ltd.</li> <li>• Statutory Auditor, OSG Korea Corporation</li> </ul>                                                                                                                                                                                                                                                                             |
| 3   | [Newly Appointed]<br><br>Koji Kato<br>(March 17, 1943)<br>44,559                                             | <p>December 1995 General Manager, Procurement Group</p> <p>February 1997 Director; General Manager, General Affairs Department</p> <p>December 1997 Director; General Manager, Shinshiro Plant</p> <p>December 1999 Director; General Manager, General Affairs Department</p> <p>February 2003 Executive Officer; General Manager, General Affairs Department</p> <p>December 2003 Executive Officer</p> <p>February 2004 Standing Statutory Auditor</p> <p>June 2007 Statutory Auditor (Current position)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 4   | [Newly Appointed]<br>[Candidate for<br>Outside Director]<br>Hiroyuki Ohmori<br>(October 17, 1940)<br>721,660 | <p>May 1986 Representative Director and President, OMORI LUMBER Co., Ltd.</p> <p>February 1995 Statutory Auditor (Current position)</p> <p>May 2015 Representative Director and Chairman, OMORI LUMBER Co., Ltd. (Current position)</p> <p>[Significant concurrent positions]</p> <ul style="list-style-type: none"> <li>• Representative Director and Chairman, OMORI LUMBER Co., Ltd.</li> <li>• Representative Director and Chairman, Eagle Precut Support Center Co., Ltd.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

| No. | Name<br>(Date of birth)<br>Number of shares in the<br>Company held                                           | Past experience, positions and responsibilities at the Company,<br>and significant concurrent positions                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----|--------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5   | [Newly Appointed]<br>[Candidate for<br>Outside Director]<br><br>Kyoshiro Ono<br>(January 29, 1940)<br>34,625 | December 1962<br>December 1966<br>April 1967<br>January 1993<br>October 1998<br>February 2006<br>June 2008<br>[Significant concurrent positions] | Joined Ono Building Firm Co., Ltd. (Current ONOCOM Co., LTD.)<br>Representative Managing Director, Ono Building Firm Co., Ltd.<br>Representative Senior Managing Director, Ono Building Firm Co., Ltd.<br>Representative Director and Vice President, ONOCOM Co., LTD.<br>Representative Director and President, ONOCOM Co., LTD.<br>Statutory Auditor (Current position)<br>Representative Director and Chairman, ONOCOM Co., LTD.<br>• Representative Director and Chairman, Reokku Co., Ltd. |
| 6   | [Newly Appointed]<br>[Candidate for<br>Outside Director]<br>Yoshiyuki Sakaki<br>(September 9, 1942)<br>1,800 | May 2004<br>April 2008<br>April 2009<br>April 2012<br>April 2014<br>July 2014<br>[Significant concurrent positions]                              | Emeritus professor, the University of Tokyo (Current position)<br>President, Toyohashi University of Technology<br>Director, Osawa Scientific Studies Grants Foundation<br>Councilor, Osawa Scientific Studies Grants Foundation (Current position)<br>Statutory Auditor (Current position)<br>President, Shizuoka Futaba Gakuen (Current position)<br>• President, Shizuoka Futaba Gakuen<br>• Councilor, Osawa Scientific Studies Grants Foundation                                           |

- (Notes)
- The Company has made a donation to Osawa Scientific Studies Grants Foundation, an entity in which Mr. Takeo Nakagawa, a candidate for Director, holds a significant concurrent position.
  - The Company has made a donation to Osawa Scientific Studies Grants Foundation, an entity in which Mr. Yoshiyuki Sakaki, a candidate for Director, holds a significant concurrent position.
  - There are no special interests between other candidates and the Company.
  - Messrs. Takeo Nakagawa, Hiroyuki Ohmori, Kyoshiro Ono, and Yoshiyuki Sakaki are candidates for Outside Director as set forth in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. The Company appointed Mr. Takeo Nakagawa (Outside Director) and Messrs. Hiroyuki Ohmori, Kyoshiro Ono, and Yoshiyuki Sakaki (Outside Statutory Auditors) as Independent Officers prescribed pursuant to the provisions of the Tokyo Stock Exchange and the Nagoya Stock Exchange and filed notifications of the appointment with the same exchanges. The Company intends to appoint each candidate again as an Independent Officer (Outside Director) and to file notifications of the appointments with both exchanges, subject to the approval of this proposal.
  - The reason for appointing Mr. Takeo Nakagawa as a candidate for Outside Director is that the Company believes he will be able to successfully fulfill his responsibility as an Outside Director with his rich experience and wide insight as a scholar and a corporate manager. Mr. Takeo Nakagawa is a current Outside Director of the Company and will have been in office as an Outside Director for two (2) years at the conclusion of this meeting.
  - The reason for appointing Mr. Hiroyuki Ohmori as a candidate for Outside Director is that the Company believes he will be able to successfully fulfill his responsibility as an Outside Director with his rich experience and wide insight as a corporate manager. Mr. Hiroyuki Ohmori is a current Outside Statutory Auditor of the Company and will have been in office as a Statutory Auditor for twenty-one (21) years at the conclusion of this meeting.
  - The reason for appointing Mr. Kyoshiro Ono as a candidate for Outside Director is that the Company believes he will be able to successfully fulfill his responsibility as an Outside Director with his rich experience and wide insight as a corporate manager. Mr. Kyoshiro Ono is a current Outside Statutory Auditor of the Company and will have been in office as a Statutory Auditor for ten (10) years at the conclusion of this meeting.
  - The reason for appointing Mr. Yoshiyuki Sakaki as a candidate for Outside Director is that he is expected to monitor the Company's management from an objective standpoint by taking advantage of the wide knowledge and insight he has gained over his long years as a scholar. While he has never participated in corporate management other than as an Outside Director or an Outside Statutory Auditor, the Company believes that Mr. Yoshiyuki Sakaki will be able to successfully fulfill his responsibility as an Outside Director for the abovementioned reason. Mr. Yoshiyuki Sakaki is a current Outside Statutory Auditor of the Company and will have been in office as a Statutory Auditor for one (1) year and ten (10) months at the conclusion of this meeting.
  - The Company intends to enter into an agreement to limit liability for damages resulting from negligence in the performance of duties with each candidate pursuant to Article 427, Paragraph 1 of the Companies Act, subject to the approval of Proposal 2 "Partial Amendment to the Articles of Incorporation" as proposed. The limit of the liability under the agreement shall be the minimum amount prescribed by laws and ordinances.
  - The Company will change to a Company with an Audit and Supervisory Committee at the conclusion of this meeting, subject to the approval of Proposal 2 "Partial Amendment to the Articles of Incorporation." Accordingly, the Statutory



Auditors of the Company will retire from their positions at the conclusion of this meeting. The Company proposed the payment of retirement allowances to Directors and Statutory Auditors for termination resulting from the abolition of the retirement allowances program for Directors and Statutory Auditors at the 92nd Ordinary Shareholders' Meeting held in February 2005. The proposal was approved to the effect that the payment for each Director or Statutory Auditor was to be made upon his or her retirement from office and that decisions regarding specific amounts and methods of payment, etc. were to be entrusted to the Board of Directors for Directors and conference among the Statutory Auditors for Statutory Auditors.

If this proposal is approved, each Statutory Auditor of the Company will retire from his or her position and assume office as a Director serving as an Audit & Supervisory Committee member in conjunction with the changeover to a Company with an Audit and Supervisory Committee. From among them, Messrs. Koji Kato and Hiroyuki Ohmori are subject to the payment of retirement allowances for termination resulting from the abolition of the retirement allowances program, and the Company proposes that retirement allowances be paid to Messrs. Koji Kato and Hiroyuki Ohmori upon their retirement from office as Directors serving as Audit & Supervisory Committee members.

**Proposal 5:** Determination of Amount of Compensation, etc. to be Granted to Directors (excluding Directors serving as Audit & Supervisory Committee members)

With respect to the amount of compensation, etc. to be granted to Directors of the Company, the Extraordinary Shareholders' Meeting held on July 23, 1992 resolved that the total amount was to be within the limit of ¥33 million per month (excluding portions of their salaries as employees). The Company will change to a Company with an Audit and Supervisory Committee at the conclusion of this Ordinary Shareholders' Meeting, subject to the approval of Proposal 2 "Partial Amendment to the Articles of Incorporation." Accordingly, the Company proposes that, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, the amount of compensation, etc. to be granted to Directors (excluding Directors serving as Audit & Supervisory Committee members; the same interpretation shall apply to this entire proposal) be determined to be "within the limit of ¥396 million per year" in lieu of the current provisions of the amount of compensation, etc. of Directors in consideration of economic circumstances and various other conditions, and that the determination of the specific amount and time of payment, etc. for each Director be entrusted to the resolution of the Board of Directors meeting. The amount of compensation, etc. to be granted to Directors does not include portions of their salaries as employees with respect to employee-directors.

While the current number of Directors is eleven (11), if Proposal 2 "Partial Amendment to the Articles of Incorporation" and Proposal 3 "Election of ten (10) Directors (excluding Directors serving as Audit & Supervisory Committee members)" are approved as proposed, the number of Directors after the changeover to a Company with an Audit and Supervisory Committee will be ten (10).

This proposal shall become effective, under the condition that the amendments to the Articles of Incorporation under Proposal 2 "Partial Amendment to the Articles of Incorporation" come into effect.

**Proposal 6:** Determination of Amount of Compensation, etc. to be Granted to Directors serving as Audit & Supervisory Committee members

The Company will change to a Company with an Audit and Supervisory Committee at the conclusion of this Ordinary Shareholders' Meeting, subject to the approval of Proposal 2 "Partial Amendment to the Articles of Incorporation." Accordingly, the Company proposes that, pursuant to the provisions of Article 361, Paragraphs 1 and 2 of the Companies Act, the amount of compensation, etc. to be granted to Directors serving as Audit & Supervisory Committee members be determined to be "within the limit of ¥84 million per year" in consideration of economic circumstances and other various conditions, and that the determination of the specific amount and time of payment, etc. for each Director serving as an Audit & Supervisory Committee member be entrusted to conference among Directors serving as Audit & Supervisory Committee members.

If Proposal 2 "Partial Amendment to the Articles of Incorporation" and Proposal 4 "Election of six (6) Directors serving as Audit & Supervisory Committee members" are approved as proposed, the number of Directors serving as Audit & Supervisory Committee members after the changeover to a Company with an Audit and Supervisory Committee will be six (6).

This proposal shall become effective, under the condition that the amendments to the Articles of Incorporation under Proposal 2 "Partial Amendment to the Articles of Incorporation" come into effect.

**Proposal 7:** Payment of Bonuses to Directors and Statutory Auditors

In consideration of the Company's performance for the fiscal year ended November 30, 2015 and various other conditions, the Company proposes that bonuses of ¥560,950,000 in total (including ¥548,750,000 for Directors excluding Outside Directors, ¥3,000,000 for Outside Directors, and ¥9,200,000 for Statutory Auditors) be paid to the eleven (11) Directors (including one (1) Outside Director) and five (5) Statutory Auditors in office at the end of the fiscal year.

## A Guide for the Exercise of Voting Rights via the Internet

When exercising your voting rights in this Shareholders' Meeting via the Internet, please read and understand the following points before exercising the rights.

### ●Matters to note concerning the exercise of voting rights

1. The exercise of voting rights via the Internet can only be done through the following website for the purpose of exercising voting rights. Please note that a mobile phone website has not been established.  
[Website for the exercise of voting rights] <http://www.web54.net>
2. When exercising voting rights via the Internet, please enter the voting code and password specified on the right side of the enclosed Voting Rights Exercise Form. Then follow the instructions on the screen and enter your vote for or against each proposal.
3. The exercise of voting rights via the Internet will be accepted until 5:20 p.m. on Friday, February 19, 2016, Japan time. Please exercise your voting rights as soon as possible.
4. If two or more online votes are exercised, only the last vote will be valid.
5. If we receive votes both in writing and via the Internet, only the Internet vote will be valid.
6. Connection fees payable to internet providers, communication expenses payable to telecommunication carriers (including telephone charges), etc. when accessing the website for the exercise of voting rights will be borne by the shareholders.

### ●Matters to note concerning your password and voting code

1. The password is our means of verifying the identity of the shareholder exercising the voting rights. Please carefully handle this password until the conclusion of this meeting. We are unable to respond to any inquiries by telephone, etc. about passwords.
2. If you input wrong password more than a designated number of times, your password will be locked and rendered unusable. If you wish to have a new password issued, please follow the procedures shown in the instructions on the screen.
3. The voting code indicated in the Voting Rights Exercise Form is effective for this Shareholders' Meeting only.

### ●System environment for using the website to exercise voting rights

1. Accessible to the Internet
2. A display monitor with a minimum resolution of 800 (W) x 600 (H) pixels (SVGA)
3. Has the following application software installed:
  - (1) Microsoft® Internet Explorer Version 5.01 Service Pack 2 (or above)
  - (2) Adobe® Acrobat® Reader® Version 4.0 (or above) or Adobe® Reader® Version 6.0 (or above)  
(When browsing Reference Documents, etc. on the screen)
    - \* Microsoft® and Internet Explorer are registered trademarks, trademarks, or product names of Microsoft Corporation (U.S.A.) in the U.S.A., and other countries.
    - \* Adobe® Acrobat® Reader® and Adobe® Reader® are registered trademarks, trademarks, or product names of Adobe Systems Incorporated in the U.S.A. and other countries.
    - \* You can download all of the above software free of charge from the respective companies' websites.
  - (3) Online telecommunication may be restricted if a firewall or other software is used to control or restrict your Internet access. Please contact your system administrator if you suspect this is the case.
  - (4) The website uses a popup function. If you use functions to automatically intercept the popup function (including a popup blocker), please disable or temporarily suspend the software before using the website.

### ●Inquiries concerning the operation of your personal computer, etc.

1. If you need instructions on operating your personal computer when exercising voting rights via the Internet, please contact the following support desk:

|                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transfer Agent Web Support, Sumitomo Mitsui Trust Bank, Limited<br>Phone: +81-(0)120-652-031 (toll-free number)<br>(Office hours: 9:00 a.m. through 9:00 p.m.) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|

2. For other inquiries on matters such as the registered address and number of shares held, please contact the following center:

a. Shareholders who have accounts at securities companies

Please contact the securities companies where you have your accounts.

b. Shareholders who have no accounts at securities companies (shareholders who have special accounts)

|                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transfer Agent Business Center, Sumitomo Mitsui Trust Bank, Limited<br>Phone: +81-(0)120-782-031 (toll-free number)<br>(Office hours: 9:00 a.m. through 5:00 p.m., weekdays (excluding Saturdays, Sundays, and national holidays)) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|