

The following English translation of 第157回定時株主総会招集ご通知 and 株主総会参考書類 (the Japanese originals) is prepared for your reference purpose only. If there are any discrepancies between this translation and the Japanese originals, the Japanese originals will prevail. Sumitomo Osaka Cement Co.,Ltd. provides this translation without any warranty as to its accuracy or otherwise.

(Securities code: 5232)
June 9, 2020

NOTICE OF THE 157th ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholder,

We are extremely grateful for your continuing support.

We are pleased to inform about the 157th Annual General Meeting of Shareholders of Sumitomo Osaka Cement Co.,Ltd. (the “Company”), which will be held at 10:00 a.m. on Friday, June 26, 2020, in the 2nd floor conference room of the Company headquarters at 6-28 Rokubancho, Chiyoda-ku, Tokyo (the “Meeting”).

The recent situation is that it has been strongly recommended by the government and the respective prefectural governors to refrain from going out in order to prevent the spread of the novel coronavirus infections. After careful consideration of such situation, we have decided to hold the Meeting by implementing infection-preventive measures as may be appropriate.

In light of the situation in which staying home is strongly recommended, we recommend each of you, with an aim to prevent the spread of the infections, to refrain from physical attendance to the Meeting in person as much as practicable and to exercise your voting rights by returning the Voting Form by mail or via the Internet. Please refer to the attached Reference Materials for the Meeting and exercise your voting rights by 5:45 p.m. on Thursday, June 25, 2020. Guidance for exercising the voting rights is provided on pages 3 and 4 of the Japanese original (Japanese only).

Sincerely,

Fukuichi Sekine
President and Representative Director
Sumitomo Osaka Cement Co.,Ltd.

6-28 Rokubancho, Chiyoda-ku, Tokyo

MEETING AGENDA

Items to Be Reported:

- Item 1: Business Report and Consolidated Financial Statements for the 157th term (from April 1, 2019 to March 31, 2020) and Audit Reports of Accounting Auditors and the Board of Company Auditors on the Consolidated Financial Statements**
- Item 2: Non-Consolidated Financial Statements for the 157th term (from April 1, 2019 to March 31, 2020)**

Items to Be Resolved:

- Item 1: Appropriation of Surplus**
- Item 2: Election of 8 Directors**
- Item 3: Election of 3 Company Auditors**
- Item 4: Determination of the Amount and Details of Stock Remuneration for Directors**

Notes:

1. The measures to prevent the novel coronavirus infections at the Meeting will be posted on the Company's website (<https://www.soc.co.jp/ir/document/info05-2/>). The information may be updated in accordance with the spread of infections and governmental announcements, etc.
2. When arriving at the Meeting venue, please submit the Voting Form enclosed herewith at the reception desk.
3. Of the materials to be provided with this Notice, the "Notes to the Consolidated Financial Statements" (Japanese only) and the "Notes to the Non-Consolidated Financial Statements" (Japanese only) are not attached herein because these are posted on the Company's website (<https://www.soc.co.jp/ir/document/info05-2/>), in accordance with the relevant laws and regulations and Article 16 of the Articles of Incorporation.
4. Revision to or amendments of the Reference Materials for the Meeting, Business Report, Financial Statements and Consolidated Financial Statements will be posted on the Company's website (<https://www.soc.co.jp/ir/document/info05-2/>).

**REFERENCE MATERIALS FOR
THE 157th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Agenda Items and Reference Materials

Item 1: Appropriation of Surplus

Term-end Dividend

The Company, while based on a stable and continuous distribution, and in consideration of the results for the term and the business outlook, etc., proposes the term-end dividend for the 157th term of ¥60 per share as shown below. As a result, the annual dividend per share for the 157th term will amount to ¥120, including the interim dividend of ¥60 per share already paid, which is a ¥10 increase against the preceding term.

- (1) Kind of dividend property
Cash
- (2) Matters regarding the assignment of dividend property to shareholders and total amount of dividend property
¥60 per common share of the Company, and a total amount of ¥2,313,951,780-
- (3) Effective date of the dividend of surplus
June 29, 2020

(Note) As the Company consolidated 10 common shares into 1 common share with an effective date of October 1, 2018, the annual dividend per share for the preceding term was equivalent of ¥110, which is a sum of the term-end dividend of ¥55 and the pre-consolidation interim dividend of ¥5.5 multiplied by the share consolidation ratio.

For your reference

<Policy Regarding Distribution of Earnings>

The Company recognises that distribution of earnings to shareholders determined in line with the Company's business results is, in principle, important. For a cement manufacturer in the process industry, continuous investment on its plants/equipment for improvement and renewal is essential to secure the future earnings, and therefore it is vitally necessary to maintain certain level of retained earnings. On balance, the Company, by taking into account all aspects of business, determines stable and continuous distribution of earnings in the form of dividend.

Item 2: Election of 8 Directors

At the closing of the Meeting, the term of office will expire for all of 8 directors. The Company, therefore, proposes the election of 8 directors.

The candidates for the positions are as follows:

Number	Name		Position and principal duties	Attendance rate at the Board of Directors' meetings
1	Fukuichi Sekine	Reappointment	Representative Director, President	100%
2	Toshihiko Onishi	Reappointment	Representative Director, Senior Managing Executive Officer [Responsible for Real Estate Utilization and Management D., Cement Sales Administration D., International Business D. and Physical Distribution D.]	100%
3	Ryoji Doi	Reappointment	Director, Managing Executive Officer [Responsible for Production and Technical D., Maintenance and Engineering D., Mineral Resources and Products Div., Environment Div. and Cement / Concrete Research Lab.]	100%
4	Mikio Konishi	Reappointment	Director, Managing Executive Officer [Responsible for Intellectual Property D., Optoelectronics Business Div., Advanced Materials Div. and New Technology Research Lab.]	100%
5	Hirotsune Morohashi	Reappointment	Director, Managing Executive Officer [Responsible for Personnel D., Corporate Planning D., Administration D. and Construction Materials D.]	100%
6	Hideki Aoki	Reappointment	Director, Managing Executive Officer [General Manager of Ako Production Works]	100%
7	Kunitaro Saida	Reappointment Outside Independent Auditor	Director of the Company	100%
8	Mitsuko Makino	Reappointment Outside Independent Auditor	Director of the Company	100%



Number of shares of the Company owned by the candidate: 18,100

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

Apr. 1975 Joined the Company
 Jun. 2004 Director
 Jun. 2006 Managing Executive Officer
 Jan. 2011 Representative Director (to the present)
 Jan. 2011 President (to the present)

■ The reason for nomination as a director candidate

Mr. Fukuichi Sekine has abundant experience and accomplishment obtained by engaging primarily in human resources, general affairs, and finance and accounting over a long time, and by having been presiding at the Board of Directors as the President since 2011.

The Company believes that applying his broad view based on his experience and accomplishment to management of the Company would result in strengthening functions of the Board of Directors. The Company therefore proposes the election of Mr. Fukuichi Sekine to be a Director.

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- (Notes) 1. No relationship exists between the Company and Mr. Fukuichi Sekine wherein either is a specially interested party.
 2. The Company introduced the Executive Officer System in June, 2006.



Number of shares of the Company owned by the candidate: 1,700

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

Apr. 1981 Joined the Company
 Apr. 2010 General Manager of Cement Sales Administration D.
 May. 2011 General Manager of Tokyo Branch Office
 Jun. 2012 Executive Officer
 Apr. 2014 Managing Executive Officer
 Jun. 2016 Director
 Jun. 2018 Senior Managing Executive Officer (to the present)
 Jun. 2019 Representative Director (to the present)

[Responsible for Real Estate Utilization and Management D., Cement Sales Administration D., International Business D. and Physical Distribution D.]

■ The reason for nomination as a director candidate

Mr. Toshihiko Onishi has abundant experience and accomplishment obtained by engaging primarily in cement marketing over a long time.

The Company believes that using, for management of the Company, his broad knowledge in relation to cement marketing gained through his experience and accomplishment in the forefront of cement marketing would result in strengthening functions of the Board of Directors. The Company therefore proposes the election of Mr. Toshihiko Onishi to be a Director.

(Notes) 1. No relationship exists between the Company and Mr Toshihiko Onishi wherein either is a specially interested party.

3

Ryoji Doi

(Apr. 8, 1961)

Reappointment



Number of shares of the Company owned by the candidate: 1,000

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

- Apr. 1986 Joined Ministry of International Trade and Industry (current Ministry of Economy, Trade and Industry)
- Jul. 2015 Director-General, Business Support Department of The Small and Medium Enterprise Agency
- Oct. 2016 Executive Officer of the Company
- Oct. 2016 General Manager of Production and Technical D.
- Jun. 2017 Managing Executive Officer (to the present)
- Jun. 2017 General Manager of Tochigi Production Works
- Jun. 2019 Director (to the present)

[Responsible for Production and Technical D., Maintenance and Engineering D., Mineral Resources and Products Div., Environment Div. and Cement / Concrete Research Lab.]

■ The reason for nomination as a director candidate

Mr. Ryoji Doi has abundant experience and accomplishment obtained by engaging primarily in industrial policy and related matters at Ministry of Economy, Trade and Industry over a long time, and in cement production business at the Company. The Company believes that using his advanced knowledge concerning production engineering gained through his experience and accomplishment for management of the Company would result in strengthening functions of the Board of Directors. The Company therefore proposes the election of Mr. Ryoji Doi to be a Director.

- (Notes)
1. No relationship exists between the Company and Mr. Ryoji Doi wherein either is a specially interested party.
 2. Attendance rate at the Board of Directors meeting for Mr. Ryoji Doi is calculated based on his attendance to the total 13 meetings held after he was appointed as a Director up to March 31, 2020.

4

Mikio Konishi

(May 2, 1958)

Reappointment



Number of shares of the Company owned by the candidate: 1,000

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

- Apr. 1981 Joined the Company
- May 2011 General Manager of Advanced Materials Div.
- Apr. 2013 General Manager of New Technology Research Lab.
- Jun. 2015 Executive Officer
- Jun. 2018 Director (to the present)
- Jun. 2018 Managing Executive Officer (to the present)

[Responsible for Intellectual Property D., Optoelectronics Business Div., Advanced Materials Div. and New Technology Research Lab.]

■ The reason for nomination as a director candidate

Mr. Mikio Konishi has abundant experience and accomplishment in project operation, and research and development, in which he fully applies his technological knowledge obtained by engaging primarily in advanced materials business, and research and development over a long time.

The Company believes that applying his multiple points of view based on his experience and accomplishment to management of the Company would result in strengthening functions of the Board of Directors. The Company therefore proposes the election of Mr. Mikio Konishi to be a Director.

- (Notes)
1. No relationship exists between the Company and Mr. Mikio Konishi wherein either is a specially interested party.

5

Hirotsune Morohashi

(Aug. 19, 1959)

Reappointment



Number of shares of the Company owned by the candidate: 1,000

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

Apr. 1982 Joined the Company
 Jun. 2012 General Manager of Osaka Branch Office Executive Officer
 Jun. 2013 Executive Officer
 Jun. 2016 General Manager of Tokyo Branch Office
 Jun. 2017 Managing Executive Officer (to the present)
 Jun. 2019 Director (to the present)

[Responsible for Personnel D., Corporate Planning D., Administration D. and Construction Materials D.]

■ The reason for nomination as a director candidate

Mr. Hirotsune Morohashi has abundant experience and accomplishment obtained by engaging primarily in cement marketing and human resources over a long time. The Company believes that using, for management of the Company, his broad knowledge gained through his experience and accomplishment in the forefront of cement marketing and human resources would result in strengthening functions of the Board of Directors. The Company therefore proposes the election of Mr. Hirotsune Morohashi to be a Director.

- (Notes) 1. No relationship exists between the Company and Mr. Hirotsune Morohashi wherein either is a specially interested party.
 2. Attendance rate at the Board of Directors meeting for Mr. Hirotsune Morohashi is calculated based on his attendance to the total 13 meetings held after he was appointed as a Director up to March 31, 2020.

6

Hideki Aoki

(Apr. 25, 1959)

Reappointment



Number of shares of the Company owned by the candidate: 1,200

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

Apr. 1982 Joined the Company
 Jun. 2010 General Manager of Gifu Production Works
 Jun. 2015 Executive Officer
 Feb. 2016 General Manager of Ako Production Works (to the present)
 Jun. 2018 Managing Executive Officer (to the present)
 Jun. 2019 Director (to the present)

■ The reason for nomination as a director candidate

Mr. Hideki Aoki has abundant experience and accomplishment obtained by primarily in cement production business over a long time. The Company believes that using his advanced knowledge concerning cement production engineering gained through his experience and accomplishment for management of the Company would result in strengthening functions of the Board of Directors. The Company therefore proposes the election of Mr. Hideki Aoki to be a Director.

- (Notes) 1. No relationship exists between the Company and Mr. Hideki Aoki wherein either is a specially interested party.
 2. Attendance rate at the Board of Directors meeting for Mr. Hideki Aoki is calculated based on his attendance to the total 13 meetings held after he was appointed as a Director up to March 31, 2020.



Number of shares of the Company owned by the candidate: 3,900

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

- Apr. 1969 Appointed as Public Prosecutor
- Feb. 2003 Superintending Prosecutor of the Takamatsu High Public Prosecutors Office
- Jun. 2004 Superintending Prosecutor of the Hiroshima High Public Prosecutors Office
- Aug. 2005 Superintending Prosecutor of the Osaka High Public Prosecutors Office
- May 2006 Registered as Attorney at law and joined a law firm (to the present)
- Jun. 2008 Director of the Company (to the present)

[Important concurrent positions]

Outside Director of Heiwa Real Estate Co., Ltd. (expected to retire on Jun. 24, 2020) and Outside Director of Canon Inc.

■ The reason for nomination as a director candidate

The Company formed a view that Mr. Kunitaro Saida would properly fulfil the duties of Outside Director from an objective standpoint and by utilising his long experience and substantial knowledge acquired through his service as Superintending Prosecutor of the Osaka and other High Public Prosecutors Offices, and an outside director and an outside company auditor of other companies. The Company therefore proposes the election of Mr. Kunitaro Saida to be a Director.

- (Notes)
1. No relationship exists between the Company and Mr. Kunitaro Saida wherein either is a specially interested party.
 2. Mr. Kunitaro Saida is a candidate for Outside Director.
 3. Mr. Kunitaro Saida will have served as an Outside Director of the Company for 12 years at the closing of the Meeting.
 4. Mr. Kunitaro Saida has concluded, with the Company, an agreement to limit the liability for damages based on Paragraph 1 of Article 423 of the Companies Act. The maximum amount of such liability based on the agreement is the minimum limit provided by relevant laws and regulations.
 5. Mr. Kunitaro Saida has been reported to the Tokyo Stock Exchange, Inc. as an Independent Director.



Number of shares of the Company owned by the candidate: 100

Attendance rate at the Board of Directors' meetings: 100%

■ Brief record, position, principal duties and important concurrent positions

Apr. 1993 Contract caster of Shizuoka Station, Japan Broadcasting Corporation,
 Oct. 2000 Contract reporter of Shizuoka Broadcasting System Co., Ltd.
 Apr. 2009 Freelance announcer (to the present)
 Jun. 2018 Director of the Company (to the present)

■ The reason for nomination as a director candidate

Ms. Mitsuko Makino had been engaging in broadcasting as a newscaster for Japan Broadcasting Corporation, has interviewed managers of small and medium-sized businesses from various industries, has conducted a number of training programs/seminars regarding occupational safety education and communication for business, and has acquire knowledge about the field sites of the cement-related industry in the course of conducting construction related occupational safety education.


The Company formed a view that Ms. Mitsuko Makino would fulfil the duties of Outside Director from an objective standpoint and by utilising the above experience and substantial knowledge. The Company therefore proposes the election of Ms. Mitsuko Makino to be a Director.

- (Notes)
1. No relationship exists between the Company and Ms. Mitsuko Makino wherein either is a specially interested party.
 2. Ms. Mitsuko Makino is a candidate for Outside Director.
 3. Ms. Mitsuko Makino will have served as an Outside Director of the Company for 2 years at the closing of the Meeting.
 4. Ms. Mitsuko Makino has concluded, with the Company, an agreement to limit the liability for damages based on Paragraph 1 of Article 423 of the Companies Act. The maximum amount of such liability based on the agreement is the minimum limit provided by relevant laws and regulations.
 5. Ms. Mitsuko Makino has been reported to the Tokyo Stock Exchange, Inc. as an Independent Director.

Item 3: Election of 3 Company Auditors

Mr. Fuminori Tomozawa resigned as company auditor when he passed away on November 8, 2019, and at the closing of the Meeting, the term of office will expire for Mr. Kaname Ito and Mr. Kazuo Suzuki. The Company, therefore, proposes the election of 3 company auditors. The board of company auditors has consented to this proposition.

The candidates for the position are as follows:

1	Kaname Ito	(May 10, 1959)	Reappointment
	■ Brief record, position, principal duties and important concurrent positions		
	Apr. 1982 Joined the Company Jun. 2008 General Manager of Internal Audit D. Jun. 2012 General Manager of Secondary Battery Material Business Promoting D. Apr. 2013 General Manager of Battery Materials Business Div. Jun. 2013 General Manager of General Affairs D., Hachinohe Cement Co., Ltd. Jun. 2016 Company Auditor (to the present)		
	■ The reason for nomination as a company auditor candidate Mr. Kaname Ito has abundant experience and accomplishment obtained by engaging primarily in finance and accounting, and business planning over a long time. The Company believes that he would fulfil the duties of Company Auditor with appropriate expertise on finance and accounting based on the above experience and accomplishment. The Company therefore proposes the election of Mr. Kaname Ito to be a Company Auditor.		
Number of shares of the Company owned by the candidate: 800			
Attendance rate at the Board of Directors' meeting: 94%			
Attendance rate at the Board of Company Auditors' meetings: 92%			
	(Notes) 1. No relationship exists between the Company and Mr. Kaname Ito wherein either is a specially interested party.		



Number of shares of the Company owned by the candidate: 900

Attendance rate at the Board of Directors' meetings: 94%

Attendance rate at the Board of Company Auditors' meetings: 92%

■ Brief record, position, principal duties and important concurrent positions

Jan. 1973 Joined Tetsuzo Ota & Co. (currently Ernst & Young ShinNihon LLC)
 Mar. 1977 Registered as Certified Public Accountant (to the present)
 May 1995 Representative Partner
 May 2004 Executive Director
 May 2008 Managing Director
 Sep. 2008 Senior Advisor
 Jul. 2009 Established Suzuki CPA accounting office (to the present)
 Jun. 2010 Company Auditor of the Company (to the present)

■ The reason for nomination as a company auditor candidate

The Company formed a view that Mr. Kazuo Suzuki would fulfil the duties of Outside Company Auditor properly from an objective standpoint drawing on substantial knowledge of corporate management and his long experience developed through his service as a Certified Public Accountant. The Company therefore proposes the election of Mr. Kazuo Suzuki to be a Company Auditor.

- (Notes)
1. No relationship exists between the Company and Mr. Kazuo Suzuki wherein either is a specially interested party.
 2. Mr. Kazuo Suzuki is a candidate for Outside Company Auditor.
 3. Mr. Kazuo Suzuki previously belonged to by Ernst & Young ShinNihon LLC, the Company's accounting auditor. Although there has been a transactional relationship such as the payment of an audit fee between the Company and Ernst & Young ShinNihon LLC, Mr. Kazuo Suzuki had no involvement in the Company's audits while he was at Ernst & Young ShinNihon LLC, and in addition, the ratio of the total amount of the audit fee paid to Ernst & Young ShinNihon LLC by the Sumitomo Osaka Cement Group is less than 0.1% against the consolidated sales of the Company and against the total revenue of Ernst & Young ShinNihon LLC respectively. Mr. Kazuo Suzuki is, therefore, sufficiently independent from the Company.
 4. Mr. Kazuo Suzuki will have served as an Outside Company Auditor of the Company for 10 years at the conclusion of the Meeting.
 5. Mr. Kazuo Suzuki and the Company have concluded an agreement to limit the liability for damages based on Paragraph 1 of Article 423 of the Companies Act. The maximum amount of such liability based on the agreement is the minimum limit provided by relevant laws and regulations.
 6. Mr. Kazuo Suzuki has been reported to the Tokyo Stock Exchange, Inc. as an Independent Auditor.



Number of shares of the
Company owned by the
candidate: 0

■ Brief record, position, principal duties and important concurrent positions

Dec. 2012 Registered as Attorney at law (to the present)

Dec. 2012 Joined Inoue Harutaka Law Office (currently Inoue & Sakurai Law Office)

Dec. 2015 Established Mitsui Taku Law Office (to the present)

■ The reason for nomination as a company auditor candidate

The Company formed a view that Mr. Taku Mitsui would fulfil the duties of Outside Company Auditor properly from an objective standpoint drawing on substantial knowledge of corporate governance and his experience developed through his service as an Attorney at law in the fields of corporate law. The Company therefore proposes the election of Mr. Taku Mitsui to be a Company Auditor.

- (Notes)
1. No relationship exists between the Company and Mr. Taku Mitsui wherein either is a specially interested party.
 2. Mr. Taku Mitsui is a candidate for Outside Company Auditor.
 3. The Company is scheduled to conclude an agreement to limit the liability for damages based on Article 423 (1) of the Companies Act with Mr. Taku Mitsui. The maximum amount of such liability based on the agreement will be the minimum limit provided by relevant laws and regulations.
 4. Mr. Taku Mitsui has been reported to the Tokyo Stock Exchange, Inc. as an Independent Auditor.

Item 4 : Determination of the Amount and Details of Stock Remuneration for Directors

1. Reasons for the proposal and reasons for justifying the remuneration plan

Remuneration for Directors of the Company is currently basic remuneration only; therefore, the Company proposes to introduce a stock remuneration plan (hereinafter referred to as “the Plan”) for Directors of the Company (excluding Outside Directors, with the same applying hereinafter) and requests approval of the Plan. The Company also requests shareholders to allow the Board of Directors to lay out the details of the Plan within the framework described in 2. below.

The purpose of the Plan is to clarify the correlation between Directors’ remuneration and the Company’s stock value, and encourage Directors to share the benefits and risks arising from stock price fluctuations with shareholders and, as a result, enhance their awareness of contributing to the improvement of medium- to long-term business performance as well as the increase in corporate value; therefore, the Company believes the introduction of the Plan is appropriate.

Under the Plan, stock remuneration will be paid, in addition to the limit of the Directors’ remuneration (up to 40 million yen in total per month, excluding the portion for his or her employee’s salary) that has been approved by the 131st Annual General Meeting of Shareholders held on June 29, 1994, to Directors who will be in office during the three years from the end of this Shareholders’ Meeting until the end of the General Meeting of Shareholders that is scheduled to be held in June 2023 (hereinafter referred to as “the applicable period”).

The number of Directors eligible for the Plan will be six if the Proposal No. 2 “Election of Eight Directors” is approved as originally proposed.

2. Amount, contents, etc. of the remuneration under the Plan

(1) Overview of the Plan

The Plan is a stock remuneration plan where a trust established by the Company contributing money (hereinafter referred to as “the Trust”) acquires the Company’s shares and delivers them to each Director. The number of shares of the Company corresponding to the number of points granted to each Director by the Company is delivered to each Director through the Trust.

As a general rule, each Director shall receive the delivery of the Company’s shares at the time of his/her retirement as Director.

(i)	Persons eligible for the Plan	Directors of the Company (excluding Outside Directors)
(ii)	Applicable period	From the end of this Shareholders’ Meeting until the end of the Shareholders’ Meeting that is scheduled to be held in June 2023
(iii)	Maximum amount of money contributed by the Company as funds to acquire the Company’s shares to be delivered to eligible persons described in (i) above during the applicable period specified in (ii) above	150 million yen in total
(iv)	Method of acquiring the Company’s shares	Disposal of treasury shares or acquisition through an exchange (including off-floor trading)
(v)	Maximum number of points to be granted to eligible persons	10,000 points per fiscal year

	described in (i) above	
(vi)	Criteria for granting points	Points are granted according to positions etc.
(vii)	Timing of the delivery of the Company's shares to eligible persons described in (i) above	At the time of retirement, in principle

(2) Maximum amount of money contributed by the Company

The initial trust period of the Trust shall be approximately three years. Under the Plan, during the applicable period, the Company shall contribute up to 150 million yen in total as remuneration for Directors who will be in office during the eligible period, which will be a source of funds to acquire the Company's shares to be delivered to Directors, and shall establish the Trust with Directors who satisfy certain requirements as its beneficiaries. The Trust shall acquire shares of the Company using the money entrusted by the Company either through disposal of treasury shares or in the exchange (including off-floor trading).

(Note) The money actually entrusted by the Company to the trust shall be the sum of the above-mentioned funds to acquire the Company's shares and the estimated amount of necessary expenses such as trust fees and trust administrator fees.

Each time the applicable period expires, it may be extended by a period of up to three years by a resolution of the Board of Directors, and the trust period of the Trust may also be extended accordingly (including a case where the trust period is effectively extended by transferring the trust assets of the Trust to a new Trust whose purpose is the same as that of the Trust previously established by the Company, with the same applying hereinafter.) to continue the Plan. In such a case, during the extended applicable period, the Company shall additionally contribute to the Trust up to the amount calculated by multiplying the number of years extended by 50 million yen for a source of funds to additionally acquire the Company's shares that will be delivered to Directors under the Plan; thus, the Company shall continue to grant points described in (3) below and deliver shares of the Company.

Furthermore, even if the Company does not continue the Plan without extending the applicable period, if there are any Directors who have already been granted points but have not yet retired at the expiration of the trust period, the Company may extend the trust period of the Trust until those Directors retire and the delivery of the Company's shares is completed.

(3) Calculation method and maximum number of shares of the Company to be delivered to Directors

(i) Method of granting points to Directors

In accordance with the Share Delivery Rules set forth by the Board of Directors, the Company shall grant points to each Director according to his/her position, etc. on the point granting date during the trust period specified in the Share Delivery Rules.

However, the total number of points to be granted by the Company to Directors shall be up to 10,000 points per fiscal year.

(ii) Delivery of the Company's shares corresponding to the number of points granted

Directors shall receive the delivery of the Company's shares according to the number of points granted in (i) above based on the procedures described in (iii) below.

One point shall correspond to one share of the Company. However, if an event occurs where it is considered reasonable to adjust the number of the Company's shares to be delivered, such as a stock split and a reverse stock split, the Company shall make a reasonable adjustment according to the ratio of such stock split or reverse stock split.

(iii) Delivery of the Company's shares to Directors

The delivery of shares of the Company to each Director described in (ii) above shall be

made from the Trust after each Director performs the prescribed beneficiary determination procedures at the time of his/her retirement.

However, a certain percentage of those shares of the Company may be sold and converted into cash within the Trust in order for the Company to withhold income taxes, and in such a case, cash may be distributed instead of the Company's shares. Moreover, if the Company's shares in the Trust are converted to cash such as when a tender offer is accepted and settled with respect to such shares, cash may be distributed instead of the Company's shares.

(4) Exercise of voting rights

Pursuant to the instructions of the trust administrator, who is independent of the Company and its Officers, the voting rights pertaining to the Company's shares held in the Trust shall without exception not be exercised, which ensures neutrality in the management of the Company with respect to the exercise of the voting rights of such shares.

(5) Handling of dividends

Dividends on the Company's shares held in the Trust shall be received by the Trust and be used to acquire the Company's shares and to pay trust fees to the trustee of the Trust etc.

For your reference

For an outline of the Plan, please refer to the "Notice Concerning Introduction of Stock Remuneration Plan for Directors" (Japanese only) dated May 22, 2020.