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(Stock Exchange Code 6506)
May 8, 2019

To Shareholders with Voting Rights:

Hiroshi Ogasawara
Representative Director, President
YASKAWA Electric Corporation
2-1 Kurosakishiroishi, Yahatanishi-ku
Kitakyushu, Japan

**NOTICE OF
THE 103RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 103rd Annual General Meeting of Shareholders of YASKAWA Electric Corporation (the “Company”). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing, or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders that appear later in this document. If exercising your voting rights in writing, please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:00 p.m. on Monday, May 27, 2019, Japan time. If exercising your voting rights via the Internet, please access the website designated by the Company (<https://soukai.mizuho-tb.co.jp/>), and exercise your voting rights by 5:00 p.m. on Monday, May 27, 2019, Japan time.

- 1. Date and Time:** Tuesday, May 28, 2019, at 10:00 a.m. Japan time (Open at 9:00 a.m.)
- 2. Venue:** Head Office of the Company
2-1 Kurosakishiroishi, Yahatanishi-ku, Kitakyushu, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report and Consolidated Financial Statements for the Company’s 103rd Fiscal Year (March 1, 2018 - February 28, 2019), and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the Company’s 103rd Fiscal Year (March 1, 2018 - February 28, 2019)
 - Proposals to be resolved:**
 - Proposal 1:** Election of 6 Directors (Excluding Directors who are Members of Audit and Supervisory Committee)
 - Proposal 2:** Election of 5 Directors who are Members of Audit and Supervisory Committee
 - Proposal 3:** Revision of the Amount of Performance-based Stock Remuneration, etc., for Directors (Excluding Directors who are Members of Audit and Supervisory Committee)

4. Matters related to exercise of Voting Rights

- (1) If you exercise your voting rights twice, once by the Voting Rights Exercise Form and once via the Internet, we will treat your Internet vote as the valid exercise of the voting rights, regardless of the time or date of arrival of your vote.
If you exercise your voting rights several times via the Internet, we will treat the most recent vote as the valid exercise of the voting rights.
- (2) If you wish to exercise your voting rights by proxy, please appoint a proxy who is a shareholder of the Company possessing voting rights. The proxy will be requested to submit a document certifying the status as proxy at the reception desk upon arrival at the meeting.

END

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.

In the case where the Reference Documents for the General Meeting of Shareholders, the Business Report, Non-consolidated Financial Statements, or Consolidated Financial Statements are revised, the revised versions will be posted on the Company's website.

The Company's website (<https://www.yaskawa.co.jp/>)

Reference Documents for General Meeting of Shareholders

Proposals and References

Proposal 1: Election of 6 Directors (Excluding Directors who are Members of Audit and Supervisory Committee)



The terms of office of all 6 Directors (Excluding Directors who are Members of Audit and Supervisory Committee; the same shall apply hereinafter in this Proposal) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 6 Directors is proposed. The candidates are as below.



The Audit and Supervisory Committee has expressed an opinion to the effect that each candidate is qualified to serve as a Director of the Company, in light of the nomination procedures applied by the Nomination Advisory Committee and the execution of duties and performance results of each candidate in the current fiscal year.

The areas of expertise that the Company expects each candidate to bring to the Board of Directors are provided on page 11.

Candidates for Director

No.	Name	Current Positions and Responsibilities, etc.	
1	Junji Tsuda	Representative Director; Chairman of the Board	Reappointment
2	Hiroshi Ogasawara	Representative Director; President; In charge of Human Resources Development; Manager, ICT Strategy Div.	Reappointment
3	Shuji Murakami	Representative Director; Corporate Executive Vice President; In charge of CSR & Compliance; In charge of Administration; General Manager, Corporate Planning Div.	Reappointment
4	Yoshikatsu Minami	Director; Corporate Senior Vice President; General Manager, Production Management & Operations Div.; General Manager, Export Administration Div.	Reappointment
5	Koichi Takamiya	Director; Corporate Senior Vice President; General Manager, Sales Div.; Chairman, Yaskawa Electric Taiwan Corporation; Chairman, YASKAWA TSUSHO (SHANGHAI) CO., LTD.	Reappointment
6	Masahiro Ogawa	Corporate Vice President; General Manager, Robotics Div.; General Manager, Control Technology Div., Robotics Div.; Chairman, YASKAWA SHOUGANG ROBOT CO., LTD.; President & CEO, Robotic Biology Institute Inc.	New
		Reappointment: Candidate for reappointment as Director	
		New: New candidate for Director	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	 <p>Junji Tsuda (March 15, 1951) <u>Reappointment</u></p>	<p>March 1976 Joined the Company June 2005 Director; General Manager, Drives Div., Motion Control Div. June 2009 Managing Director; General Manager, Robotics Div. March 2010 President (Representative Director) March 2013 Representative Director; Chairman of the Board; President March 2016 Representative Director; Chairman of the Board (to present)</p> <p>[Significant concurrent position] Outside Director, TOTO LTD.</p>	43,709
<p>[Reasons for nominating him as a candidate for Director] As a corporate chief executive, Mr. Junji Tsuda has led the management of the Company by assuming such posts as Representative Director and President. As his rich knowledge and experience are essential for enhancing the Company's corporate value, the Company nominates him as a candidate for Director. Subject to his election as a Director at this General Meeting of Shareholders, he will be reappointed to the post of Representative Director and Chairman of the Board.</p>			
2	 <p>Hiroshi Ogasawara (September 19, 1955) <u>Reappointment</u></p>	<p>March 1979 Joined the Company June 2006 Director March 2007 Director; General Manager, Drives Div. March 2011 Director; General Manager, Motion Control Div. June 2013 Director; Corporate Senior Vice President March 2014 Director; Corporate Senior Vice President; General Manager, Technology & Development Div. March 2015 Representative Director; Corporate Executive Vice President; General Manager, Technology & Development Div. March 2016 Representative Director; President; General Manager, Technology & Development Div. March 2017 Representative Director; President; In charge of Human Resources Development; Manager, Diversity Management Div. March 2018 Representative Director; President; In charge of Human Resources Development; Manager, ICT Strategy Div. (to present)</p>	26,421
<p>[Reasons for nominating him as a candidate for Director] Mr. Hiroshi Ogasawara was appointed to the post of Representative Director and President in 2016 and has led the management of the Company. As his rich knowledge and experience are essential for enhancing the Company's corporate value, the Company nominates him as a candidate for Director. Subject to his election as a Director at this General Meeting of Shareholders, he will be reappointed to the post of Representative Director and President.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Shuji Murakami (April 21, 1959) <u>Reappointment</u>	March 1982 Joined the Company June 2008 Director; Manager, Corporate Planning Div. June 2012 Director; Corporate Vice President March 2014 Director; Corporate Senior Vice President March 2016 Representative Director; Corporate Executive Vice President March 2017 Representative Director; Corporate Executive Vice President; In charge of CSR & Compliance; In charge of Administration; General Manager, Corporate Planning Div. (to present)	34,612
		[Reasons for nominating him as a candidate for Director] Mr. Shuji Murakami was appointed to the post of Representative Director and Corporate Executive Vice President in 2016 and has led the management of the Company. As his rich knowledge and experience are essential for enhancing the Company's corporate value, the Company nominates him as a candidate for Director. Subject to his election as a Director at this General Meeting of Shareholders, he will be reappointed to the post of Representative Director and Corporate Executive Vice President.	
4	 Yoshikatsu Minami (October 31, 1959) <u>Reappointment</u>	December 1983 Joined the Company June 2008 Director June 2012 Corporate Vice President; General Manager, Robotics Div. June 2015 Director; Corporate Senior Vice President March 2017 Director; Corporate Senior Vice President; In charge of ICT strategy; General Manager, Production Management & Operations Div.; General Manager, Export Administration Div. March 2018 Director; Corporate Senior Vice President; General Manager, Production Management & Operations Div.; General Manager, Export Administration Div. (to present)	22,227
		[Reasons for nominating him as a candidate for Director] Prior to being appointed to Director, Mr. Yoshikatsu Minami garnered experience at business departments and overseas subsidiaries supervising departments, etc. As his rich knowledge and experience are essential for enhancing the Company's corporate value, the Company nominates him as a candidate for Director.	

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 Koichi Takamiya (July 12, 1960) <u>Reappointment</u>	March 1983 Joined the Company June 2010 Director March 2011 Director; Chairman, YASKAWA EUROPE GmbH (to present) June 2012 Corporate Vice President March 2015 Corporate Vice President; General Manager, Corporate Marketing Div. June 2016 Director; Corporate Senior Vice President March 2017 Director; Corporate Senior Vice President; General Manager, Corporate Marketing Div.; General Manager, Tokyo Office March 2018 Director; Corporate Senior Vice President; General Manager, Sales Div. (to present) September 2018 Director; Chairman, YASKAWA ELECTRIC KOREA CORPORATION (to present) [Significant concurrent positions] • Chairman, Yaskawa Electric Taiwan Corporation • Chairman; YASKAWA TSUSHO (SHANGHAI) CO., LTD.	16,159
		[Reasons for nominating him as a candidate for Director] Prior to being appointed to Director, Mr. Koichi Takamiya garnered experience at sales departments and overseas subsidiaries supervising departments, etc. As his rich knowledge and experience are essential for enhancing the Company's corporate value, the Company nominates him as a candidate for Director.	
6	 Masahiro Ogawa (August 25, 1964) <u>New</u>	March 1987 Joined the Company December 2010 Chairman, YASKAWA AMERICA, Inc. June 2012 Corporate Vice President March 2016 Corporate Vice President; General Manager, Robotics Div. March 2019 Corporate Vice President; General Manager, Robotics Div.; General Manager, Control Technology Div., Robotics Div. (to present) [Significant concurrent positions] • Chairman, YASKAWA SHOUGANG ROBOT CO., LTD. • President & CEO, Robotic Biology Institute Inc.	6,158
		[Reasons for nominating him as a candidate for Director] Mr. Masahiro Ogawa has garnered experience at business departments and overseas subsidiaries supervising departments, etc. As his rich knowledge and experience are essential for enhancing the Company's corporate value, the Company nominates him as a candidate for Director.	

- (Notes) 1. There are no special interests between each candidate for Director and the Company.
 2. The number of shares of the Company held by each candidate includes the shares he holds through YASKAWA Electric Officers' Shareholding Association.

Proposal 2: Election of 5 Directors who are Members of Audit and Supervisory Committee

Among the 6 Directors who are Members of Audit and Supervisory Committee, the terms of office of 5 Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of 5 Directors who are Members of Audit and Supervisory Committee is proposed. The candidates for Directors who are Members of Audit and Supervisory Committee are as below.

The Audit and Supervisory Committee has given its consent to the submission of this proposal.

The areas of expertise that the Company expects each candidate to bring to the Board of Directors are provided on page 11.

Candidates for Directors who are Members of Audit and Supervisory Committee

No.	Name	Current Positions and Responsibilities, etc.	
1	Koichi Tsukahata	Director; Full-time Member of Audit and Supervisory Committee	Reappointment
2	Yuji Nakayama	Director; Corporate Vice President; In charge of Human Resources & General Affairs Div. and audit	New
3	Yoshiki Akita	Outside Director; Member of Audit and Supervisory Committee	Reappointment /Outside/Independent
4	Junichi Sakane	Outside Director; Member of Audit and Supervisory Committee	Reappointment /Outside/Independent
5	Hideo Tsukamoto		New/Outside/Independent



Reappointment: Candidate for reappointment as a Director who is Member of Audit and Supervisory Committee


New: New candidate for Director who is Member of Audit and Supervisory Committee

Outside: Candidate for Outside Director who is Member of Audit and Supervisory Committee

Independent: Independent Director as stipulated by the stock exchange, etc.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions		Number of shares of the Company held
1	 <p>Koichi Tsukahata (September 22, 1960) <u>Reappointment</u></p>	<p>March 1985 March 2009 June 2010 March 2013 March 2018 May 2018</p>	<p>Joined the Company Motion Control Div.; General Manager, Yahata Factory Deputy General Manager, Motion Control Div. Trustee; Director, President; YASKAWA ELECTRIC (SHENYANG) CO., LTD. Trustee; In charge of audit Director; Member of Audit and Supervisory Committee (full-time; to present)</p>	7,273
<p>[Reasons for nominating him as a candidate for Director who is Member of Audit and Supervisory Committee] The Company believes that Mr. Koichi Tsukahata is qualified as a Member of Audit and Supervisory Committee to oversee the management of the Company based on the extensive experience and insight he has gained through his career, such as serving as a divisional Deputy General Manager and managing the Company's local subsidiaries overseas.</p>				
2	 <p>Yuji Nakayama (May 17, 1960) <u>New</u></p>	<p>March 1983 June 2010 June 2012 June 2013 March 2017 March 2019</p>	<p>Joined the Company Director; General Manager, Accounting Div. Corporate Vice President Director; Corporate Vice President Director; Corporate Vice President; General Manager, Human Resources & General Affairs Div. Director; Corporate Vice President; In charge of Human Resources & General Affairs Div. and audit (to present)</p>	20,956
<p>[Reasons for nominating him as a candidate for Director who is Member of Audit and Supervisory Committee] The Company believes that Mr. Yuji Nakayama is qualified as a Member of Audit and Supervisory Committee to oversee the management of the Company based on the extensive experience and insight he has gained through his career in administrative departments of the Company's local subsidiaries overseas, and accounting departments, etc.</p>				

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	 Yoshiki Akita (February 12, 1952) <u>Reappointment/</u> <u>Outside/</u> <u>Independent</u>	September 1984 Registered as a Certified Public Accountant March 2006 Outside Director; Bell-Park Co., Ltd. (to present) September 2007 Representative Director and Chairman and Executive Director; Layers Consulting Co., Ltd. (to present) June 2012 Outside Director of the Company June 2015 Outside Director; Member of Audit and Supervisory Committee (to present) [Significant concurrent positions] Representative Director and Chairman and Executive Director; Layers Consulting Co., Ltd. Outside Director; Bell-Park Co., Ltd. [Number of years in service] 7 years (at the conclusion of this General Meeting of Shareholders)	11,744
[Reasons for nominating him as a candidate for Outside Director who is Member of Audit and Supervisory Committee] The Company believes that the rich expertise, experience, insight, etc., Mr. Yoshiki Akita has gained as a Certified Public Accountant and representative director of a consulting firm are very useful for the Company and that he is able to oversee the management of the Company from an objective viewpoint as an Outside Director.			
4	 Junichi Sakane (August 29, 1955) <u>Reappointment/</u> <u>Outside/</u> <u>Independent</u>	April 1980 Joined Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) February 2004 Joined KROSAKI HARIMA CORPORATION; General Manager, Kimitsu Branch June 2008 Corporate Officer; General Manager, Kimitsu Branch; KROSAKI HARIMA CORPORATION June 2015 Director; Managing Corporate Officer; KROSAKI HARIMA CORPORATION June 2017 Outside Director; Member of Audit and Supervisory Committee of the Company (to present) June 2018 Director; Managing Corporate Officer; In charge of Ceramics Business Division; In charge of Research & Development Division; General Manager, Technology Management Division; In charge of Safety, Health, Environment & Disaster Preparedness; KROSAKI HARIMA CORPORATION April 2019 Director; KROSAKI HARIMA CORPORATION (to present) President and Representative Director, Shin-Nippon Thermal Ceramics Corporation (to present) [Significant concurrent positions] President and Representative Director; Shin-Nippon Thermal Ceramics Corporation Director; KROSAKI HARIMA CORPORATION * He is scheduled to retire from the post of Director of KROSAKI HARIMA CORPORATION on June 27, 2019. [Number of years in service] 2 years (at the conclusion of this General Meeting of Shareholders)	0
[Reasons for nominating him as a candidate for Outside Director who is Member of Audit and Supervisory Committee] The Company believes that the abundant knowledge, experience and insight of Mr. Junichi Sakane as a management professional derived from his career as an officer of business corporations, etc., will be very useful for the Company and that he will be able to oversee the management of the Company from an objective viewpoint as an Outside Director.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
5	 Hideo Tsukamoto (July 25, 1980) <u>New/</u> <u>Outside/</u> <u>Independent</u>	April 2003 Entered the Legal Training and Research Institute, Supreme Court of Japan October 2004 Graduated from the Legal Training and Research Institute, Supreme Court of Japan (57th Term); Registered as an Attorney (member of Daini Tokyo Bar Association); Joined Anderson Mori Law Office (currently Anderson Mori & Tomotsune LPC) November 2010 Worked at Civil Affairs Bureau, the Ministry of Justice (in charge of planning and formulation of Revised Companies Act) January 2013 Partner, Anderson Mori & Tomotsune LPC (to present) April 2014 Part-time lecturer, Faculty of Law, The University of Tokyo January 2016 Expert Member, Case Study Committee, The Japan Audit & Supervisory Board Members Association (to present) December 2017 Member (2nd term), Corporate Governance System (CGS) Workshop, the Ministry of Economy, Trade and Industry (to present) June 2018 Outside Audit & Supervisory Board Member, JA MITSUI LEASING, LTD. (to present) [Significant concurrent positions] Partner, Anderson Mori & Tomotsune LPC Outside Audit & Supervisory Board Member, JA MITSUI LEASING, LTD.	0
[Reasons for nominating him as a candidate for Outside Director who is Member of Audit and Supervisory Committee] Although Mr. Hideo Tsukamoto has never been directly involved in corporate management other than as outside director or outside corporate auditor, the Company believes that the rich expertise, experience, and specialized knowledge in corporate governance he has gained as an Attorney are very useful for the Company and that he is able to oversee the management of the Company from an objective viewpoint as an Outside Director.			

(Notes)

- There are no special interests between each candidate for Director and the Company.
- Mr. Yoshiki Akita, Mr. Junichi Sakane and Mr. Hideo Tsukamoto are candidates for Outside Director. The Company has designated all the current Outside Directors as Independent Directors as stipulated by the Tokyo Stock Exchange and has filed them with the Exchange. If the reelection of Mr. Yoshiki Akita and Mr. Junichi Sakane is approved, the Company will continue to designate them as Independent Directors. Mr. Hideo Tsukamoto meets the requirements for Independent Directors as stipulated by the Exchange, and the Company will designate him as an Independent Director if his election is approved.
- Mr. Yoshiki Akita, Mr. Junichi Sakane and Mr. Hideo Tsukamoto, candidates for Outside Director, do not correspond to any of the following with regard to the independence of Outside Directors, besides the qualifications described in 1 above. Therefore, the Company believes that their independence will be ensured.
 - A person who works for or once worked for organizations that are the Company's major shareholders.
 - A person who works for or once worked for the Company's main bank or other principal lenders of the Company.
 - A person who works for or once worked for the Company's lead managing underwriter.
 - A person who works for or once worked for organizations that are the Company's main business partners.
 - A person who works for or once worked for the Company's audit corporation.
 - A person with whom the Company engages, or has engaged in the past, in a material transaction such as a consulting and advisory contract.
- The Company has, in accordance with the provisions of Article 427, Paragraph 1, of the Companies Act, entered into a contract with each of the current Directors who are Members of Audit and Supervisory Committee for limitation of liabilities for damages stipulated in Article 423, Paragraph 1 of the same Act. The maximum amount of liability under the contract shall be the minimum liability amount as provided in the provisions of Article 425, Paragraph 1, of the same Act. If the reelection of Mr. Koichi Tsukahata, Mr. Yoshiki Akita and Mr. Junichi Sakane is approved, the Company will renew the contract with them. If the election of Mr. Yuji Nakayama and Mr. Hideo Tsukamoto is approved, the Company will enter into a liability limitation contract with them under the same conditions.
- The number of shares of the Company held by each candidate includes the shares he holds through YASKAWA Electric Officers' Shareholding Association.

(Reference) Composition of the Board of Directors [effective May 28, 2019, subject to approval of Proposals 1 and 2]

The Board of Directors of the Company shall be composed of persons with a high degree of knowledge and experience in areas related to corporate management.

Among such areas, those of critical importance for corporate management are classified below, and each Director is expected to demonstrate their abilities to the fullest extent.

The table of the Board of Directors' composition below was prepared on the assumption that all the Proposals regarding the election of Directors are approved as proposed at this General Meeting of Shareholders.

Directors		Areas of expertise that the Company expects each Director to bring to the Board of Directors							● Male ○ Female	
		Corporate management/ Business strategy	Corporate governance	Finance accounting	Legal affairs	Sales marketing	Manufacturing R&D IT	Global		
Junji Tsuda	(Age: 68)		●	●			●		●	●
Hiroshi Ogasawara	(Age: 63)		●	●	●		●	●	●	●
Shuji Murakami	(Age: 60)		●	●	●	●			●	●
Yoshikatsu Minami	(Age: 59)		●	●			●	●		●
Koichi Takamiya	(Age: 58)		●	●			●		●	●
Masahiro Ogawa	(Age: 54)		●	●			●	●	●	●
Yuji Nakayama	(Age: 59)	Member of Audit and Supervisory Committee	●	●	●				●	●
Koichi Tsukahata	(Age: 58)	Member of Audit and Supervisory Committee	●	●					●	●
Yoshiki Akita	(Age: 67)	Member of Audit and Supervisory Committee	●	●	●	●			●	●
Junichi Sakane	(Age: 63)	Member of Audit and Supervisory Committee	●	●				●	●	●
Junko Sasaki	(Age: 59)	Member of Audit and Supervisory Committee	●	●			●	●	●	○
Hideo Tsukamoto	(Age: 38)	Member of Audit and Supervisory Committee	●	●		●			●	●

(Note) The table above does not cover all the expertise each candidate possesses. Ages are as of this General Meeting of Shareholders.

Proposal 3: Revision of the Amount of Performance-based Stock Remuneration, etc., for Directors (Excluding Directors who are Members of Audit and Supervisory Committee)

1. Reasons for Proposal

The Company obtained the approval of shareholders at the 101st Annual General Meeting of Shareholders held on June 15, 2017, (hereinafter referred to as the “Last Shareholders’ Meeting”) and introduced a performance-based stock remuneration plan called the “Board Benefit Trust (BBT)” (hereinafter referred to as the “Remuneration Plan”) for Directors (excluding Directors who are Members of Audit and Supervisory Committee; hereinafter the same shall apply in this proposal), with intent to raise the motivation of Directors to achieve the Company’s medium-term business plan and encourage their contribution to the improvement of the Company’s medium- to long-term performance and to the enhancement of the corporate value, by having them share not only the benefit of high stock prices, but also the downside price risk, together with the Company’s shareholders. In this proposal, the Company wishes to obtain approval of the shareholders for partial amendments to the Remuneration Plan as provided in Section 2 below.

Lately, the Company has succeeded in achieving “Dash 25”, the mid-term business plan for FY2016 - FY2018. In order to continue realizing increases in corporate value, it is of crucial importance to have Directors contribute to the enhancement of corporate value in the mid-term business plan that began in the current fiscal year, and set a higher standard for the mid-term business plan than the previous plan and achieving the goals set out therein.

With the intent to achieve the current mid-term business plan, it is proposed that the Remuneration Plan be changed to a system based on the degree of achievement, and that the amount of remuneration for Directors be revised to an amount commensurate with more aggressive goals. Through these revisions, the Company would like to further boost motivation of Directors for and their active engagement in achieving the plan.

In light of the purposes of the Remuneration Plan stated above, the Company considers the contents of this Proposal appropriate.

Shareholders are also requested to delegate decisions to the Board of Directors on the details of the Remuneration Plan partially amended under this Proposal, within the scope set out in Section 2 below.

If Proposal 1 is approved as proposed, the number of Directors to whom the Remuneration Plan applies shall be six (6).

The Audit and Supervisory Committee expressed its opinion that, in consideration of the purpose and contents of the Remuneration Plan and the results of deliberation of the Remuneration Advisory Committee, the partial amendments to the Remuneration Plan in this Proposal are appropriate.

In addition, the Company plans to make similar changes to the scheme for Corporate Vice Presidents who are also eligible for the Remuneration Plan.

2. Details of the Amended Remuneration Plan

The Remuneration Plan is a performance-based stock remuneration plan whereby shares of the Company are acquired through a trust using funds contributed by the Company (hereinafter, the trust established pursuant to the Remuneration Plan shall be referred to as the “Trust”), and shares of the Company and cash equivalents of the shares at their market value (hereinafter collectively referred to as the “Company Shares”) are awarded or paid through the Trust to the Directors in accordance with the Rules on Directors’ Stock Remuneration established by the Company.

In principle, a Director shall receive an award of Company Shares at the time the Director retires.

It is proposed that partial amendments described in the following items be made to the terms of the Remuneration Plan, which were approved at the Last Shareholders Meeting.

(1) Conditions for Granting Points

The Company grants points to Directors in accordance with the degree of achievement of the targets set out in the mid-term business plan.

(2) Amount of Trust Money (Amount of Remuneration, etc.)

The Company shall, subject to the approval of this Proposal, continue the Remuneration Plan applicable to a three-fiscal year period from the 104th Fiscal Year to the 106th Fiscal Year (hereinafter, the three-fiscal year period shall be referred to as the “Applicable Period,” and the respective period counted in fiscal years (2 fiscal years at minimum and 4 fiscal years at maximum) after the Applicable Period has passed, as predetermined by the Board of Directors each time, shall be referred to as the “Subsequent Applicable Period”) and each Subsequent Applicable Period thereafter (hereinafter, the “Applicable Period” and

“Subsequent Applicable Period” shall collectively be referred to as the “Applicable Period”). To that end, the Company shall contribute a certain amount in cash to continue the Trust, and the Trust shall use the funds to acquire the Company’s shares in order to award the Company Shares to the Directors.

The maximum amount of contribution the Company may make to the Trust for each Applicable Period shall be an amount calculated by multiplying ¥250 million by the number of fiscal years in the Applicable Period. Therefore, the maximum amount of contribution for the Applicable Period shall be ¥750 million.

However, if the Trust’s assets include shares of the Company (excluding shares equivalent to the number of points granted to the Directors and not yet awarded to the Directors) and cash (hereinafter collectively referred to as the “Remaining Shares”) when the Company makes an additional contribution to the Trust in any Applicable Period, the maximum amount of additional contribution that the Company may make in the Applicable Period shall be an amount calculated by deducting the value of the Remaining Shares (in the case of the Company’s shares, book value on the last date of the Applicable Period immediately before the period) from the aforementioned maximum amount.

When the Company resolves to make any additional contributions, it shall disclose the fact in an appropriate and timely manner.

(3) Number of Shares Acquired During the Applicable Period

The Trust shall use the funds contributed as mentioned in (2) above to acquire the Company’s shares through the trading markets or by way of disposals of the Company’s treasury shares. During the Applicable Period, a maximum of 250,000 shares shall be acquired without delay after the additional contributions are made.

Notice of the details of the acquisition of shares of the Company by the Trust shall be issued in an appropriate and timely manner.

(Reference) Comparison of the plan before and after the amendments

	Before the amendments	After the amendments
(1) Conditions for granting points	On the premise of achieving the targets in the med-term business plan	In accordance with the degree of achievement of the targets set out in the medium-term business plan
(2) Amount of trust money (amount of remuneration, etc.)	Maximum amount of contribution per fiscal year: ¥150 million (the last Applicable Period: ¥150 million per fiscal year × 2 fiscal years = ¥300 million)	Maximum amount of contribution per fiscal year: ¥250 million (Applicable Period: ¥250 million per fiscal year × 3 fiscal years = ¥750 million)
(3) Number of shares acquired during the Applicable Period	Maximum number of shares to be acquired in the last Applicable Period: 320,000 shares (for Directors and Corporate Vice Presidents)	Maximum number of shares to be acquired in the Applicable Period: 250,000 shares (for Directors)

END