

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

The Company regards the distribution of profit to shareholders as the important issue. With this basic policy, the Company will carry out stable payment of dividends taking into consideration reinforcement of corporate structure, development of future business, the Company's performance, and capital balancing.

In consideration of the Company's performance in this fiscal year and future business environment, the Company would like to set the term-end dividend as follows.

1. Type of dividends

Cash

2. Matter related to distribution of property dividends and the total amount

¥50 per share of common shares of the Company Total amount: ¥4,238,425,100

3. Effective date of the appropriation of surplus

June 22, 2018



Proposal No. 2:**Election of Seven (7) Directors (excluding those who are Members of the Supervisory Committee)**



The terms of office of all seven (7) Directors (excluding those who are Members of the Supervisory Committee; the same applies hereafter in this proposal) will expire at the close of this General Meeting of Shareholders. Therefore, it is proposed that seven (7) Directors be elected.


This proposal was passed through the deliberation process of the Nomination and Remuneration Advisory Committee, which includes two (2) Independent Outside Directors, and was decided on by the Board of Directors. The Company has received a report from the Supervisory Committee stating that the candidates and the procedure for the election were appropriate.

The candidates for Directors are as follows.


Candidate No.	Name	Current Status and Assignment at the Company	
1	Keizo Morikawa	Chairman, Representative Director	Reappointment
2	Hiroshi Kiriya	President, Representative Director, Chief Executive Officer	Reappointment
3	Masayoshi Noji	Senior Executive Officer Responsible for Business Portfolio Management Dept., CSR Management Dept., and Legal Dept.	New appointment
4	Yasuhiro Suzuki	Senior Executive Officer Responsible for Corporate Planning Dept., Human Resource and General Affairs Dept., and IT system Dept.	New appointment
5	Takayuki Uematsu	Senior Executive Officer Responsible for Corporate Communication Dept., Finance Dept., and Deputy Responsible for Accounting Dept.	New appointment
6	Musabbeh Al Kaabi	Outside Director	Reappointment Outside
7	Khalifa Al Suwaidi	Outside Director	Reappointment Outside

1	Keizo Morikawa	Reappointment	January 29, 1948	
Career Summary and Status			Status of Significant Concurrent Position(s)	
April 1971	Joined Daikyo Oil Co., Ltd.	None		
June 2000	Director, COSMO OIL CO., LTD.			
June 2002	Managing Director			
June 2004	Senior Managing Director			
June 2006	Representative Senior Managing Director			
June 2008	Executive Vice President, Representative Director			
June 2010	Representative Director, Executive Vice President			
June 2012	President, Representative Director, Chief Executive Officer			
October 2015	President, Representative Director, Chief Executive Officer of the Company			
June 2017	Chairman, Representative Director (current position)			
Reasons for choosing the person as candidate				


2	Hiroshi Kiriya	Reappointment	June 20, 1955	
Career Summary and Status			Status of Significant Concurrent Position(s)	
April 1979	Joined Daikyo Oil Co., Ltd.	Director, MARUZEN PETROCHEMICAL CO., LTD.		
June 2011	Senior Executive Officer, General Manager, Corporate Planning Dept. and Change Promotion Dept., COSMO OIL CO., LTD.			
June 2012	Senior Executive Officer			
June 2013	Director, Senior Executive Officer			
October 2015	Director, Senior Managing Executive Officer of the Company			
June 2016	Representative Director, Executive Vice President			
June 2017	President, Representative Director, Chief Executive Officer (current position)			
Reasons for choosing the person as candidate		Hiroshi Kiriya has been responsible for the Corporate Planning Dept. for a long time, and he is deeply versed in domestic and international energy business. Also, he possesses abundant expertise and experience regarding overall corporate management. In addition, he has shouldered management of the Group as President, Representative Director since June 2017. In light of these experience, the Company proposes Hiroshi Kiriya maintain his position as Director.		


3	Masayoshi Noji	New appointment	March 22, 1962	
Career Summary and Status		Assignment at the Company		
April 1984	Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)	Business Portfolio Management Dept.		
May 2013	Joined COSMO OIL CO., LTD. Assistant General Manager, Project Development Dept.	CSR Management Dept. Legal Dept.		
June 2014	General Manager, Power & Gas Business Dept.	Status of Significant Concurrent Position(s)		
July 2014	Executive Officer, General Manager, Power & Gas Business Dept.	None		
June 2015	Executive Officer, General Manager, Power Dept.			
October 2015	Executive Officer, General Manager, Power Dept. of the Company			
April 2016	Executive Officer, General Manager, Business Portfolio Management Dept.			
June 2016	Senior Executive Officer, General Manager, Business Portfolio Management Dept.			
April 2018	Senior Executive Officer (current position)			
Reasons for choosing the person as candidate	<p>After many years with Mizuho Bank, Masayoshi Noji joined COSMO OIL CO., LTD. in 2013, and assumed the office of Executive Officer in 2014. He has since contributed in the promotion of the company's wind power generation business and the administration of the Group companies. The Company believes the demonstration of his expertise as a Director should lead to improvements in its corporate value, and thus proposes his election as Director.</p>			


Number of Shares of the Company Held: 4,200 shares

4	Yasuhiro Suzuki	New appointment	October 14, 1961	
Career Summary and Status		Assignment at the Company		
April 1985	Joined Daikyo Oil Co., Ltd.	Corporate Planning Dept.		
June 2013	General Manager, Human Resource Dept., COSMO OIL CO., LTD.	Human Resource and General Affairs Dept.		
June 2015	General Manager, Human Resource and General Affairs Dept.	IT system Dept.		
October 2015	General Manager, Human Resource and General Affairs Dept. of the Company	Status of Significant Concurrent Position(s)		
June 2016	Executive Officer, General Manager, Human Resource and General Affairs Dept.	Director, MARUZEN PETROCHEMICAL CO., LTD.		
April 2017	Executive Officer, General Manager, Corporate Planning Dept.			
April 2018	Senior Executive Officer (current position)			
Reasons for choosing the person as candidate	<p>Yasuhiro Suzuki has been engaged in the departments of sales and administration such as human resources and corporate planning since he joined Daikyo Oil Co., Ltd., and he is familiar with the general operations of the Company. The Company believes the demonstration of his broad expertise as a Director should lead to improvements in its corporate value, and thus proposes his election as Director.</p>			

Number of Shares of the Company Held: 2,200 shares

5	Takayuki Uematsu	New appointment	December 13, 1962	 <p>Number of Shares of the Company Held: 1,800 shares</p>
Career Summary and Status			Assignment at the Company	
November 1992	Joined COSMO OIL CO., LTD.		Corporate Communication Dept.	
June 2014	Assistant General Manager, Accounting and Finance Dept.		Finance Dept.	
June 2015	General Manager, Finance Dept.		Deputy Assignment at the Company	
October 2015	General Manager, Finance Dept. of the Company		Accounting Dept.	
June 2016	Executive Officer, General Manager, Finance Dept.			
April 2018	Senior Executive Officer (current position)		Status of Significant Concurrent Position(s)	
			None	
Reasons for choosing the person as candidate	Takayuki Uematsu has been engaged in the departments of finance and accounting almost entirely throughout his career since he joined COSMO OIL CO., LTD., and he fully knows the financial and accounting condition of the Company. The Company believes the demonstration of his expertise as a Director should lead to improvements in its corporate value, and thus proposes his election as Director.			

6	Musabbeh Al Kaabi	Reappointment Outside Director	September 27, 1971	 <p>Number of Shares of the Company Held: 0 shares</p> <p>Record of attendance to Board of Directors Meetings: 7/7</p>
Career Summary and Status			Status of Significant Concurrent Position(s)	
October 1997	Joined Abu Dhabi National Oil Company		Chief Executive Officer, Petroleum and Petrochemicals, Mubadala Investment Company	
July 2007	Manager, Exploration Division			
October 2013	Chief Growth Officer, Mubadala Petroleum			
December 2014	Chief Executive Officer			
February 2017	Chief Executive Officer, Petroleum and Petrochemicals, Mubadala Investment Company (current position)			
June 2017	Outside Director of the Company (current position)			
Reasons for choosing the person as candidate	Musabbeh Al Kaabi was engaged in the Oil Exploration and Production Business at the Abu Dhabi National Oil Company, and has experience serving as an officer at many corporations in the energy industry outside of Japan. The Company believes him capable of properly executing the duties of an Outside Director with his international viewpoint regarding the petroleum industry, and thus proposes his election as Outside Director.			

7	Khalifa Al Suwaidi	Reappointment Outside Director	January 16, 1977	
Career Summary and Status		Status of Significant Concurrent Position(s)		
September 2000	Joined Abu Dhabi Polymers Company	Executive Director, Refining & Petrochemicals, Mubadala Investment Company		Number of Shares of the Company Held: 0 shares Record of attendance to Board of Directors Meetings: 7/7
October 2008	Senior Vice President, Corporate Planning & Support Unit, Abu Dhabi National Chemical Company			
October 2010	Deputy Chief Executive Officer			
February 2016	Acting Chief Executive Officer			
March 2017	Executive Director, Refining & Petrochemicals, Mubadala Investment Company (current position)			
June 2017	Outside Director of the Company (current position)			
Reasons for choosing the person as candidate	Khalifa Al Suwaidi has worked at Abu Dhabi National Chemical Company for many years and possesses abundant knowledge and management experience regarding petrochemicals. The Company believes that he will provide proper oversight of management as an Outside Director, and thus proposes his election as Outside Director.			


- (Notes) 1. No special interests exist between the Company and any of the candidates.
2. Musabbeh Al Kaabi and Khalifa Al Suwaidi are the candidates for Outside Directors. They are currently the Outside Directors and the terms of office of them will be one (1) year at conclusion of this Meeting.
 3. As Musabbeh Al Kaabi and Khalifa Al Suwaidi were elected at the 2nd Ordinary General Meeting of Shareholders held on June 22, 2017, the record of attendance to Board of Directors meetings is different from that of the other candidates for Directors.
 4. Musabbeh Al Kaabi served for Abu Dhabi National Oil Company (ADNOC) and ADNOC is the Company's specified related operator.
 5. The Company has entered into agreements with Musabbeh Al Kaabi and Khalifa Al Suwaidi to limit the liability provided for in Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the said act. The maximum amount of the liability for damages is the minimum liability amount as provided for in Article 425, Paragraph 1 of the said act. If the reappointment of Musabbeh Al Kaabi and Khalifa Al Suwaidi is approved, the Company plans to renew the agreements.

Proposal No. 3: Election of One (1) Director who is Member of the Supervisory Committee

Katsuhisa Ohtaki, a Director who is Member of the Supervisory Committee, will resign at the close of this General Meeting of Shareholders. Therefore, it is proposed that one (1) Director who is Member of the Supervisory Committee be newly elected.

The proposal at the Meeting had already been agreed upon by the Supervisory Committee.

The candidates for Directors who are Members of the Supervisory Committee are as follows.

Kenichi Taki		New appointment	February 26, 1957		
Career Summary and Status		Assignment at the Company			
April 1975	Joined Daikyo Oil Co., Ltd.	Accounting Dept.			
June 2008	General Manager, Internal Auditing Office, COSMO OIL CO., LTD.	Status of Significant Concurrent Position(s)			
June 2012	Executive Officer, General Manager, Accounting Dept.				
June 2014	Senior Executive Officer, General Manager, Accounting & Finance Dept.	Director (Audit and Supervisory Committee Member), KYOEI TANKER CO., LTD.			Number of Shares of the Company Held: 9,200 shares Record of attendance to Board of Directors Meetings: 8/8
June 2015	Senior Executive Officer, General Manager, Accounting Dept.				
October 2015	Senior Executive Officer, General Manager, Accounting Dept. of the Company				
April 2016	Senior Executive Officer				
June 2016	Director, Senior Executive Officer (current position)				
Reasons for choosing the person as candidate	Kenichi Taki is thoroughly familiar with the Company's accounting situation as his career has been almost entirely within the Accounting Dept. since joining Daikyo Oil Co., Ltd., and he possesses knowledge gained through his work regarding the wide range of operations within the Company. The Company believes it is appropriate that he demonstrates his expertise as a Director who is Member of the Supervisory Committee, and thus proposes his election.				

(Note) No special interests exist between the Company and Kenichi Taki.

Proposal No. 4:**Election of One (1) Substitute Director who is Member of the Supervisory Committee**

The Company received a request from Takehiko Kitawaki, who was elected as Substitute Director who is a Member of the Supervisory Committee at the 2nd Ordinary General Meeting of Shareholders held on June 22, 2017, for his resignation as Substitute Director who is a Member of the Supervisory Committee as of the opening of this General Meeting of Shareholders. Accordingly, the Company has decided to revoke his appointment as of the opening of this General Meeting of Shareholders.


Therefore, in order to prepare for cases where there is a vacancy which results in a shortfall in the number of Directors who are Members of the Supervisory Committee provided in laws and regulations, the Company requests the election of one (1) Substitute Director who is Member of the Supervisory Committee in advance.

The Company requests the election of Hiroshi Matsushita as a substitute for Director who is a Member of the Supervisory Committee (excluding Outside Director).

A resolution for the election of Substitute Directors who are Members of the Supervisory Committee shall cease to be effective by the resolution of the Board of Directors with the consent of the Supervisory Committee, only before the Substitute Directors who are Members of the Supervisory Committee assume office as Directors who are Members of the Supervisory Committee.

The proposal at the Meeting had already been agreed upon by the Supervisory Committee.

The candidates for Substitute Directors who are Members of the Supervisory Committee are as follows.

Hiroshi Matsushita		September 19, 1963	
Career Summary and Status		Status of Significant Concurrent Position(s)	
April 1986	Joined COSMO OIL CO., LTD.	None	Number of Shares of the Company Held: 1,000 shares
June 2013	General Manager, Secretariat		
October 2015	General Manager, Secretariat of the Company		
April 2018	Executive Officer, General Manager, Human Resource and General Affairs Dept. (current position)		
Reasons for choosing the person as candidate	After having experience with the departments of sales, corporate planning, and human resources, Hiroshi Matsushita has served as Executive Officer of the Company since April 2018, and he possesses a broad knowledge of the Company's operations. The Company thus proposes his election as Substitute Director who is Member of the Supervisory Committee.		

(Note) No special interests exist between the Company and Hiroshi Matsushita.

Proposal No. 5:**Determination of Amounts of Remuneration, etc. for Directors (excluding those who are Members of the Supervisory Committee)**

Remuneration for executives of the Company is composed of basic remuneration, which is a set amount, and incentive remuneration, which is linked to consolidated performance indices. If the proposal No. 6 “Determination of Amount and Other Details of the Performance-linked Share-based Compensation for Directors, etc.” is approved and adopted as originally proposed, the incentive remuneration will be composed of yearly incentive remuneration (hereinafter referred to as the “Bonuses”) linked to consolidated performance indices for each fiscal year and long-term incentive remuneration (hereinafter referred to as the “Stock Remuneration”) linked to the individual performance for the target period.

The amounts of remuneration, etc. for Directors (excluding those who are Members of the Supervisory Committee; the same applies hereafter in this proposal) shall not amount to more than ¥500 million per year (including no more than ¥50 million per year for Outside Directors) (excluding salaries paid as the employee portion for the Directors who also work as employees), as stipulated in the 1st Ordinary General Meeting of Shareholders held on June 21, 2016.

However, with regard to the amounts of remuneration, etc. for Directors after the close of this meeting, the Company proposes that the amount of monetary remuneration that is the sum of the basic remuneration and the Bonuses be set at no more than ¥600 million per year (including no more than ¥50 million per year for Outside Directors), taking into consideration economic conditions, business environment, and other factors.

The amounts of remuneration, etc. for Directors will not include the salaries paid as the employee portion for the Directors who also work as employees. Since remuneration etc. for Outside Directors is limited to the structure for basic remuneration, which is a set amount, Outside Directors are not provided with Bonuses or Stock Remuneration.

Also, the Company has received a report from the Supervisory Committee stating that this proposal, which passed through the deliberation process of the Nomination and Remuneration Advisory Committee, which includes two (2) Independent Outside Directors, was decided on by the Board of Directors, and it is appropriate.

At the present, the number of Directors is seven (7) persons (including two (2) Outside Directors), and if Proposal No. 2 is approved and adopted as proposed, the number of Directors will be seven (7) persons (including two (2) Outside Directors).

1. Reasons for proposing and considering the compensation as reasonable

Following the transition to a holding company structure in FY2015, for the purpose of raising awareness about making contributions to the medium to long-term improvements in corporate earnings and value, the Company has adopted a share-based compensation plan for Directors (hereinafter the “Company’s Directors,” excluding Outside Directors, Directors who are Members of the Supervisory Committee, and non-residents of Japan) and Executive Officers (the “Company’s Executive Officers,” excluding non-residents of Japan) (collectively referred to as the “Company’s Directors, etc.”) since FY2015 in accordance with the Articles of Incorporation of the Company, whereby the Company’s shares are delivered in proportion to the level of achievement of performance targets (the “Former Plan”). The Company now requests your approval of the introduction of the new share-based compensation plan for the Company’s Directors, etc., that replaces the Former Plan (the “Plan”) so that it can function as a plan to bring the Company’s Directors, etc., together on the same page to aim for financial or non-financial goals in the Company-wide strategies and to set their minds to commit to the long-term improvements in corporate value through consistently deepening the continuous process of sharing interests with our shareholders.

Through the Plan, the Company shall continue to integrate both management of the compensation of the Company’s Directors, etc. and management of the executive compensation of Directors of the Group’s core business companies (The core business companies indicate Cosmo Oil Co., Ltd., Cosmo Oil Marketing Company, Limited, and Cosmo Energy Exploration & Production Co., Ltd.; hereinafter the “Eligible Business Companies”) (“Eligible Companies” refers to the Company and the Eligible Business Companies). The Directors of the Eligible Business Companies (excluding Outside Directors and non-residents of Japan) are hereinafter referred to as the “Directors of Eligible Business Companies” (“Eligible Directors, etc.” refers to the Directors of Eligible Business Companies and the Company’s Directors, etc.).

With this Proposal, the Company requests your approval of providing the Company’s Directors, etc., with share-based compensation, separately from the maximum remuneration for Directors (no more than ¥600 million per year; including no more than ¥50 million per year for Outside Directors) (excluding salaries paid as the employee portion for the Directors who also work as employees) subject to the approval of Proposal No. 5 as proposed at this General Meeting of Shareholders.

If Proposal No. 2 “Election of Seven (7) Directors (excluding those who are Members of the Supervisory Committee)” is approved and adopted as proposed, the numbers of eligible Company’s Directors and the Directors of Eligible Business Companies for the Plan will be five (5) and thirteen (13), respectively.

As stated above, Executive Officers are also eligible for the Plan (there will be two Executive Officers who do not concurrently serve as Director of Eligible Company), and the compensation under the Plan includes compensation for the Company’s Executive Officers. In this Proposal, however, the Company presents a proposal concerning the sum of compensation under the Plan, as the amount and other details of compensation for Directors, given the possibility that the Company’s Executive Officers may be newly appointed as Director of Eligible Company during the applicable period of the Trust (as defined in 2. (2) below).

The Plan shall continue to be adopted with the aim of heightening awareness with respect to contributing to improving the business performance and increasing corporate value over the medium to long term. Accordingly, the Company believes it reasonable to adopt the Plan. This Proposal is presented based upon the results of the review by the Nomination and Remuneration Advisory Committee on the validity of the introduction of the Plan and the consent of the all Directors who are Members of the Supervisory Committee.

2. The amount and other details of compensation etc. under the Plan

(1) Outline of the Plan

The Plan is a share-based compensation plan, under which the Company’s shares are acquired through trusts set by the Company every year with the amount of compensation for the Eligible Directors, etc., to be contributed by the Eligible Companies as the underlying asset and the Company’s shares and the money in the amount equivalent to the exchange value of the Company’s shares (the “Company’s shares, etc.”) are delivered and provided to the Eligible Directors, etc. (“Delivery, etc.”). (The details are as described in (2) onwards.)

(i) Persons eligible for the Delivery, etc. of the Company's shares etc. under this proposal	<ul style="list-style-type: none"> • The Company's Directors (excluding Outside Directors, Directors who are Members of the Supervisory Committee, and non-residents of Japan) • The Company's Executive Officers (excluding non-residents of Japan) • Directors of the three Eligible Business Companies of the Group (excluding Outside Directors and non-residents of Japan)
(ii) Maximum amount of money contributed by the Eligible Companies (as described in (2) below)	<ul style="list-style-type: none"> • Each trust covers a period of three fiscal years, up to a total of ¥900 million for each period (of which, the Company's portion amounts to ¥400 million)
(iii) Maximum number of the Company's shares etc. to be delivered and provided to the Eligible Directors, etc. (as described in (3) below)	<ul style="list-style-type: none"> • For each of the Trusts (as defined in (2) below), a maximum of 850,000 points (including 350,000 points for the Company's Directors, etc.) are granted to the Eligible Directors, etc., during a period of three fiscal years
(iv) Methods for acquiring the Company's shares (as described in (2) below)	<ul style="list-style-type: none"> • The maximum number of points to be granted to the Eligible Directors, etc., for each trust and for each period is equivalent to approximately 1.0% (including the Company portion of approx. 0.4%) of the total number of the Company's shares issued (as of March 31, 2018, excluding treasury shares). • The Company's shares will not be diluted, as they are planned to be obtained from the stock market.
(v) Details of the terms of achieving performance targets (as described in (3) below)	<ul style="list-style-type: none"> • Fluctuate within a range of 0 – 200% according to TOPIX growth, consolidated net D/E ratio, etc., vs. the TSR (Total Shareholder Return) of each period.
(vi) Timing of Delivery, etc. of the Company's shares etc. (as described in (4) below)	<ul style="list-style-type: none"> • After a period of three fiscal years, in principle

(2) Maximum amount of moneys contributed by each Eligible Company

Under the Plan, the Company contributes money every year up to ¥400 million to an incentive plan for a period of three consecutive fiscal years (initially spanning three fiscal years from the fiscal year ending March 31, 2019 through the year ending March 31, 2021; the "Applicable Period") as compensation for the Company's Directors, etc., and creates a trust of approximately three years with the Eligible Directors, etc., who meet beneficiary requirements as a beneficiary (the "Trust") (including the renewal of the trust by making changes or additional trusts, where necessary, to the existing trust, instead of creating a new trust; the same applies hereafter), combining with the money contributed by the Eligible Business Companies as compensation for the Directors of Eligible Business Companies (the total of money contributed by the Eligible Companies shall be up to ¥900 million). More specifically, a maximum of three trusts can exist concurrently as long as the Trust is renewed.

Under the Trust, the Company's shares are acquired from the stock market in accordance with a trust administrator's directions with trusted money as the underlying asset. The Eligible Companies grant points to the Eligible Directors, etc., during the trust period (as described in (3) below) and the Company's shares, etc., are delivered and provided.

In addition, the Trust may be renewed when its trust period expires, by making changes and additional trusts, where necessary, to the existing trust. In this case, the period of the Trust is extended three more years; the Eligible Business

Companies make additional contributions to the Company up to the limit of trust money approved at the respective general meetings of shareholders as the underlying asset for compensation for the Directors of Eligible Business Companies for each extended period of trust; and the Company combines the money contributed by the Eligible Business Companies with the money of up to ¥400 million as the underlying asset for compensation for the Company's Directors, etc., to create a trust and continues to grant points to the Eligible Directors, etc., during the extended period of trust.

However, where these additional contributions are made, if there are any of the Company's shares and money remaining in the trust assets on the last day of the trust period before the extension (the "Remaining Shares, etc."), the sum of (the acquisition value of) the Remaining Shares, etc., and the additional contributions to the trust money shall be up to ¥900 million. The extension of the trust period is not limited to once, and the Trust may be renewed likewise hereafter.

(3) Maximum number of the Company's shares etc. to be delivered and provided to the Eligible Directors, etc.

The compensation under the Plan consists of a "performance-linked portion" that the Company's shares, etc., are delivered and provided according to the level of achievement of performance targets over the Applicable Period with its main objective of giving an incentive for the Company's sustainable growth and medium to long-term improvements in corporate value and a "non-performance-linked portion" that a certain number of the Company's shares, etc., are delivered and provided with its main objective of encouraging shareholdings during the term of office so that interests are shared with our shareholders.

For each of the Trusts, 50% of the base points that are determined based on the ranking of positions and the remaining 50% are separately granted to the Eligible Directors, etc., as a "performance-linked portion" and as a "non-performance-linked portion," respectively, on the first July 1 during the Applicable Period (or, as an exception, on September 1, 2018 for the Trust to be created in 2018).

To those who meet beneficiary requirements during a certain period of time after the Applicable Period, the respective base points of the "performance-linked portion" and the "non-performance-linked portion" are converted to stock delivery points using the following calculation method, and the Company's shares, etc., in the number corresponding to a total of these stock delivery points are delivered and provided.

The "performance-linked portion" is converted to stock delivery points after the Applicable Period by being multiplied by a coefficient corresponding to the term of office during the Applicable Period and a performance-linked coefficient corresponding to the level of achievement of performance targets over the Applicable Period. The performance-linked coefficient fluctuates within a range of 0 – 200% in proportion to the level of achievement of performance targets, etc., which shall be evaluated using indicators such as TSR (Total Shareholder Return) vs. TOPIX growth, consolidated net D/E ratio, etc.

The "non-performance-linked portion" is converted to stock delivery points after the Applicable Period by being multiplied by a coefficient corresponding to the term of office during the Applicable Period.

However, for the Eligible Directors, etc., who pass away or become a non-resident of Japan during the trust period, their base points are immediately converted to stock delivery points by the predetermined calculation method, in proportion to the level of achievement of performance targets, etc.: (i) in the term of office during the Applicable Period; or (ii) up until the month prior to the date of death or becoming a non-resident of Japan.

One (1) point shall be one (1) Company share. But in the event of a split, reverse split, etc., of the Company's shares during the trust period, the number of the Company's shares per one (1) point (including the number of shares subject to the exchanges) shall be adjusted according to the ratio of split, reverse split, etc., of the Company's shares.

The total number of stock delivery points to be granted to the Company's Directors, etc., during the period of each Trust shall be up to 350,000 points for each of the Applicable Periods of three fiscal years (the total number of stock delivery points to be granted to the Eligible Directors, etc., during the period of each Trust shall be up to 850,000 points for each of the Applicable Periods). This ceiling on the total number of the points has been set considering the limit of trust money as stated in (2) above, by reference to the price of the Company's shares, etc.

(4) Timing of Delivery etc. of the Company's shares etc. to the Eligible Directors, etc.

The Eligible Directors, etc., who meet beneficiary requirements shall receive the Delivery, etc., of the Company's shares, etc., from the Trust in the number corresponding to the number of the stock delivery points as calculated in (3) above, by taking the predefined procedure to determine beneficiaries after the Applicable Period. In this case, the Eligible Directors, etc., receive the Company's shares worth 50% of the stock delivery points (the number of fractional shares is rounded down) and the

Company's shares corresponding to the number of remaining stock delivery points in the money from the Trust, after the exchange within the Trust, in the amount equivalent to such exchange.

In addition, when the Eligible Directors, etc., who meet beneficiary requirements are to become a non-resident of Japan during the trust period, such Eligible Directors, etc., shall receive the money, which is worth the number of the stock delivery points that is calculated after the decision of becoming a non-resident of Japan, from the Trust after the exchange of the Company's shares within the Trust, in the amount equivalent to such exchange, by taking the predefined procedure to determine beneficiaries.

When the Eligible Directors, etc., who meet beneficiary requirements pass away during the trust period, the heirs of such Eligible Directors, etc., shall receive the money, which is worth the number of the stock delivery points that is calculated after the death, from the Trust after the exchange of the Company's shares within the Trust, in the amount equivalent to such exchange, by taking the predefined procedure to determine beneficiaries.

(5) Exercising voting rights related to the Company's shares

Voting rights related to the Company's shares under the Trust may not be exercised during the trust period to ensure neutrality of the Company's management.

(6) Handling of dividends of surplus of the Company's shares

Dividends of surplus of the Company's shares held in the Trust will be received by the Trust and assigned to the Trust's fees and expenses.

(7) Other details of the Plan

Other details of the Plan shall be determined by the Board of Directors each time the Trust is established, the trust agreement is modified, or additional contributions are made to the Trust.