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Securities Code: 2733

June 10, 2019

To our shareholders:

Hiroaki Suzuki, Representative Director and President
ARATA CORPORATION
6-3-2 Toyo, Koto-ku, Tokyo

Notice of the 17th Annual General Meeting of Shareholders

You are cordially invited to attend the 17th Annual General Meeting of Shareholders of ARATA CORPORATION (the “Company”), which will be held as indicated below.

If you are unable to attend the meeting in person, you may exercise your voting rights in one of the following ways. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights accordingly.

Exercise of Voting Rights

Voting by attending the General Meeting of Shareholders

Please bring the enclosed voting form to the meeting and submit it at the reception desk.

Please bring this notice of convocation with you when you attend the meeting on the day.

Voting in writing

Please indicate your approval or disapproval of the proposals in the enclosed voting form and then return the form to the Company so that your vote is received by 5:30 p.m. on Tuesday, June 25, 2019 (JST).

Voting via the Internet, etc.

Please submit your approval or disapproval of the proposals by 5:30 p.m. on Tuesday, June 25, 2019.

- 1. Date and Time:** 10:00 a.m. Wednesday, June 26, 2019
- 2. Venue:** Marunouchi Hall, Marunouchi Building 7th fl.
2-4-1 Marunouchi, Chiyoda-ku, Tokyo

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 17th fiscal year (from April 1, 2018 to March 31, 2019), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 17th fiscal year (from April 1, 2018 to March 31, 2019)

Matters to be resolved

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| Proposal No. 1 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 2 | Election of Nine Directors |
| Proposal No. 3 | Election of One Substitute Audit & Supervisory Board Member |
| Proposal No. 4 | Revision of Calculation Method for Amount of Share-based Remuneration, etc. for Directors and Other Content Thereof |

- If you are attending the meeting, please submit the enclosed voting form at the reception desk.
- If the Reference Documents for the General Meeting of Shareholders, the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements are revised, revised contents will be posted on the Company’s website.

Company website: <http://www.arata-gr.jp/company/en/data.html>

Reference Documents for General Meeting of Shareholders

Proposal No. 1 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

In order to give flexibility to the operation of meetings of the Board of Directors, the convener and chair of meetings of the Board of Directors shall be changed from the Representative Director to the Director nominated beforehand by the Board of Directors.

2. Details of the amendments

The content of the change shall be as set forth below:

(Changed parts are indicated by underlining.)

Current Articles of Incorporation	Proposed Amendments
(Convener and Chairmanship of Meeting of the Board of Directors) Article 26 Unless otherwise provided for by laws and regulations, the <u>Representative Director</u> shall convene meetings of the Board of Directors and chair the meetings. In cases where <u>there is a plurality of Representative Directors, or the Representative Director</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a meeting of the Board of Directors and chair the meeting.	(Convener and Chairmanship of Meeting of the Board of Directors) Article 26 Unless otherwise provided for by laws and regulations, the <u>Director nominated beforehand by the Board of Directors</u> shall convene meetings of the Board of Directors and chair the meetings. In cases where <u>the Chairman</u> is prevented from so acting, another Director who is designated in accordance with an order of priority determined in advance by the Board of Directors shall convene a meeting of the Board of Directors and chair the meeting.

Proposal No. 2 Election of Nine Directors

The terms of office of all nine currently serving Directors will expire at the conclusion of this meeting. In that regard, the Company proposes the election of nine Directors to expedite business decision-making and to enhance the management system in the Board of Directors.

The candidates for Director are as follows:

Candidate No.	Name	Current position and responsibility in the Company		Number of times of attendance at Board of Directors meetings
1	Nobuyuki Hatanaka	Representative Director and Chairman & CEO	Reelection	11/12 times
2	Hiroaki Suzaki	Representative Director and President & COO	Reelection	12/12 times
3	Yoichi Suzuki	Representative Director and Executive Vice President, and General Manager of Administration	Reelection	12/12 times
4	Toshiyuki Omote	Director and Senior Managing Executive Officer, and General Manager of Sales	Reelection	10/10 times
5	Yuzo Ono	Director and Managing Executive Officer, General Manager of Logistics, and Manager of Logistics Solutions	Reelection	12/12 times
6	Takahiro Furiyoshi	Director and Managing Executive Officer, General Manager of Business Development, Manager of Development Strategy, and Manager of EC Business	Reelection	9/12 times
7	Haruki Kataoka	Director, Chairman and CEO of Japell Co., Ltd.	Reelection	10/12 times
8	Yoshihisa Aoki	Outside Director	Outside Reclection	12/12 times
9	Hideo Ishii	Outside Director	Outside Reclection	9/10 times

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned	
1	Nobuyuki Hatanaka August 1, 1949 Reelection Tenure as Director 13 years	Apr. 1972	Joined Tomen Corporation	461,854 shares
		Jun. 1974	Joined Syukosha Corporation	
		Dec. 1998	Representative Director and President	
		Jan. 2002	Chairman and Executive Director of Ito-Yasu Corporation	
		Apr. 2004	Representative Director and President of SISCO CORPORATION	
		Oct. 2006	Representative Director and Executive Vice President of the Company	
		Apr. 2007	Representative Director and President	
		Apr. 2017	Representative Director and Chairman & CEO (current position)	
<p>Reasons for nomination as candidate for Director After assuming the office as Representative Director and President in 2007, Nobuyuki Hatanaka was responsible for the Company's management. He strove for expansion and growth of the Company's business with his superior management skills and leadership, and led the Company to its current growth path. In 2017 He took the office as Representative Director and Chairman & CEO, and has been responsible for overseeing the entire Arata Group. He has fulfilled an appropriate role in important business decisions and supervision of business operations. The Company therefore judges that he is the right person to enhance corporate values of the Group, and nominates him as a candidate for Director.</p>				
2	Hiroaki Suzaki October 25, 1955 Reelection Tenure as Director 3 years	Apr. 1978	Joined Daika Corporation	5,400 shares
		Apr. 2008	Executive Officer and General Manager of Products Department of Sales Division of the Company	
		Apr. 2014	Managing Executive Officer and President of Chubu Branch	
		Jun. 2016	Director and Managing Executive Officer, and President of Chubu Branch	
		Jan. 2017	Director and Executive Vice President, and Acting General Manager of Sales Management	
		Apr. 2017	Representative Director and President & COO	
		Apr. 2018	Representative Director and President & COO, and General Manager of Sales Management	
		Apr. 2019	Representative Director and President & COO (current position)	
<p>Reasons for nomination as candidate for Director Hiroaki Suzaki has worked in the sales and the product divisions since joining the Company, and has extensive business experience and knowledge in the Company. He has assumed the office as Representative Director and President & COO since 2017, has led the Company's management since then. He has steadily built excellent business records and has produced successful results. In addition, he has pushed ahead with the Company's new medium-term management plan that started from the fiscal year ended March 2018, and has worked on the management issues and challenges in the business. As he is expected to demonstrate a strong leadership, which will contribute to future business growth of the Company, the Company judges that he is the right person to enhance corporate values of the Company, and nominates him as a candidate for Director.</p>				

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	Yoichi Suzuki April 23, 1953 Reelection Tenure as Director 17 years	Jun. 1980 Joined Ito-I Corporation Apr. 2002 Director and Advisory Member of the Company Jun. 2004 Senior Managing Director and General Manager of Operations Apr. 2007 Representative Director and Senior Managing Executive Officer, General Manager of Administration, and Head of Internal Control Office Apr. 2009 Representative Director and Executive Vice President, and General Manager of Administration Apr. 2015 Representative Director and Executive Vice President, General Manager of Administration and General Manager of Systems Apr. 2018 Representative Director and Executive Vice President, and General Manager of Administration (current position)	61,703 shares
<p>Reasons for nomination as candidate for Director Since joining the Company, Yoichi Suzuki has worked mainly in administrative divisions and has extensive business experience and knowledge in the Company. He assumed the office as a Representative Director in 2007, and has strengthened the management base such as administrative, business planning and system divisions. In his current role as Representative Director and Executive Vice President, and General Manager of Administration, he has worked on an enhancement of the administrative divisions, an improvement of the CSR systems and promotion of IR activities. The Company therefore judges that he is the right person to enhance corporate values of the Company, and nominates him as a candidate for Director.</p>			
4	Toshiyuki Omote October 20, 1956 Reelection Tenure as Director 1 year	Apr. 1979 Joined Daika Corporation Apr. 2004 Manager in charge of Wide-Area Mass Sales Department of East Japan of Sales Division of the Company Oct. 2006 Manager of Wide-Area Mass Sales Department of Sales Division Apr. 2010 Executive Officer and Manager of Wide-Area Mass Sales Department of Sales Division Apr. 2015 Managing Executive Officer and Manager of Wide-Area Mass Sales Department 1 of Sales Division Apr. 2018 Managing Executive Officer and General Manager of Sales Jun. 2018 Director and Managing Executive Officer, and General Manager of Sales Apr. 2019 Director and Senior Managing Executive Officer, and General Manager of Sales (current position)	3,000 shares
<p>Reasons for nomination as candidate for Director Since joining the Company, Toshiyuki Omote has held several managerial positions in the sales division. Since 2010 he has served as Executive Officer and Manager of Wide-Area Mass Sales Department of Sales Division, and has played a part in strengthening the Company's sales activities and in achieving growth of its business. In his current role as Director and Senior Managing Executive Officer, and General Manager of Sales, he works on the strategies for expanding its business and profits through strengthening its sales capabilities, as he has been doing to date. The Company therefore judges that he is the right person to enhance corporate values of the Company, and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
5	Yuzo Ono March 14, 1955 Reelection Tenure as Director 4 years	Mar. 1980 Joined Yuho Corporation (Formerly Sunvic Corporation) Jun. 2003 Director Apr. 2008 Executive Officer and Branch Manager of Fukuoka Branch of the Company Apr. 2011 Executive Officer and President of Kyushu Branch Office Apr. 2014 Managing Executive Officer, Head of Logistics Office, and Head of Business Process Reform Office Jun. 2015 Director and Managing Executive Officer, General Manager of Logistics, and Head of Business Planning Office Apr. 2018 Director and Managing Executive Officer, General Manager of Logistics, and Manager of Logistics Solutions (current position)	27,704 shares
<p>Reasons for nomination as candidate for Director Yuzo Ono has worked in the sales, business planning and logistics divisions since joining the Company, and has extensive business experience and knowledge in the Company. From 2011 he had been responsible for the management of Kyushu Branch Office, and since 2015 he has performed the role as Head of Business Planning Office which is central to the development of the medium-term management plan that ends in the fiscal year ending March 2020. In his current role as Director and Managing Executive Officer, and General Manager of Logistics, he has striven for realization of a low-cost operation, which is achieved through an improvement of the accuracy and efficiency of the operations of the Company's logistics functions. The Company therefore judges that he is the right person to enhance corporate values of the Company, and nominates him as a candidate for Director.</p>			
6	Takahiro Furiyoshi July 17, 1965 Reelection Tenure as Director 4 years	Apr. 1989 Joined Procter & Gamble Far East, Inc. Mar. 1993 Joined Daika Corporation Apr. 2010 General Manager of Wide-Area Mass Sales Department of the Company Apr. 2014 Executive Officer, General Manager of Tokyo Metropolitan Area, and President of Kanto Branch Jun. 2015 Director and Managing Executive Officer, and General Manager of Sales Apr. 2017 Director and Managing Executive Officer, and General Manager of Business Development Apr. 2019 Director and Managing Executive Officer, General Manager of Business Development, Manager of Development Strategy, and Manager of EC Business (current position)	21,850 shares
<p>Reasons for nomination as candidate for Director Since joining the Company Takahiro Furiyoshi has worked in the sales division, is well vested in things on logistics sites, and has specialist knowledge in the field. Since 2015, he has been engaged as General Manager of Sales in strengthening sales activities and has played a significant part in expansion of the business. Since 2017, he has been engaged as Director and Managing Executive Officer, and General Manager of Business Development in development of new business and growth of the overseas business, which will be the pillars of its future operations. The Company therefore judges that he is the right person to enhance corporate values of the Company, and nominates him as a candidate for Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Haruki Kataoka August 12, 1949 Reelection Tenure as Director 11 years	Sep. 1974 Joined Japell Co., Ltd. Jun. 2007 President and CEO Jun. 2008 Director of the Company (current position) Jun. 2016 Chairman and CEO of Japell Co., Ltd. (current position) Apr. 2017 Chairman and CEO of Japell Partnership Service Co., Ltd. (current position) (Significant concurrent positions outside the Company) Chairman and CEO of Japell Partnership Service Co., Ltd. Chairman and CEO of Japell Co., Ltd.	39,300 shares
	<p>Reasons for nomination as candidate for Director Since 2007, Haruki Kataoka has served as President and CEO of Japell Co., Ltd., the leading specialist wholesaler of pet products and a subsidiary of the Company, and has played a part in the company's business growth with his strong leadership. He has also contributed to the development of the pet industry as a whole. Since 2008, as a Director of the Company he has offered appropriate advice on execution of the business based on his abundant knowledge and experience. The Company therefore judges that he is the right person to enhance corporate values of the Company, and nominates him as a candidate for Director.</p>		
8	Yoshihisa Aoki January 17, 1952 Reelection Outside Tenure as Director 2 years	Apr. 1974 Joined ITOCHU Corporation Apr. 2006 Managing Executive Officer Jun. 2009 Managing Director Apr. 2010 Representative Director, Senior Managing Executive Officer, and President of Food Company Mar. 2017 Administrative Officer (current position) Jun. 2017 Outside Director of the Company (current position) Mar. 2019 Outside Director of Otsuka Holdings Co., Ltd. (current position) (Significant concurrent positions outside the Company) Outside Director of Otsuka Holdings Co., Ltd.	- shares
	<p>Reasons for nomination as candidate for outside Director As a Representative Director at ITOCHU Corporation's Food Company, Yoshihisa Aoki has extensive experience and deep insight into global corporate management. He has served as outside Director of the Company since 2017, has offered adequate advice on the entire range of management, and has been engaged in enhancement of the Company's corporate governance. The Company therefore judges that he is the right person to enhance corporate values of the Company, and nominates him as a candidate for outside Director.</p>		

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
9	Hideo Ishii October 6, 1954 Reelection Outside Tenure as Director 1 year	<p>Apr. 1978 Joined the Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)</p> <p>Apr. 2002 General Manager of Human Resources Department and Head of Human Resources Training Office of Business Planning Group of Mizuho Securities Co., Ltd.</p> <p>Apr. 2004 General Manager of Head Office Sales Department 1 of Mizuho Corporate Bank, Ltd.</p> <p>Apr. 2006 General Manager of Fukuoka Sales Department</p> <p>Apr. 2007 Executive Officer and General Manager of Fukuoka Sales Department</p> <p>Apr. 2008 Managing Executive Officer of Kowa Real Estate Co., Ltd. (currently Nippon Steel Kowa Real Estate Co., Ltd.)</p> <p>Jul. 2008 Managing Director</p> <p>Apr. 2010 Senior Managing Director</p> <p>Oct. 2012 Senior Managing Director of Nippon Steel Kowa Real Estate Co., Ltd.</p> <p>Jun. 2013 Director and President of Japan Investor Solutions & Technologies Co., Ltd.</p> <p>Mar. 2018 Outside Director and Audit and Supervisory Committee Member of ROYAL HOLDINGS Co., Ltd. (current position)</p> <p>Jun. 2018 Outside Director of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Outside Director and Audit and Supervisory Committee Member of ROYAL HOLDINGS Co., Ltd.</p>	- shares
<p>Reasons for nomination as candidate for outside Director</p> <p>Hideo Ishii has rendered distinguished services in the various industries, such as banking and real estate, and in the field of corporate pensions. At Japan Investor Solutions & Technologies Co., Ltd., he served as Director and President and has experience in overseeing the entire business of a company. As for corporate management, he is a capable person who can make a judgment and express opinions from objective viewpoints on execution of the Company's business. The Company therefore nominates him as a candidate for outside Director.</p>			

- Notes
1. There is no special interest between any of the candidates and the Company.
 2. Yoshihisa Aoki and Hideo Ishii are candidates for outside Director.
 3. The Company has entered into a limited liability agreement with Yoshihisa Aoki and Hideo Ishii under the provisions of Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. The maximum liability for damages based on this agreement is limited to the amount prescribed in Article 425, paragraph 1 of the Companies Act. If the reappointment of Yoshihisa Aoki and Hideo Ishii is approved, the Company plans to continue this agreement with them.
 4. The Company has submitted notification to the Tokyo Stock Exchange that Yoshihisa Aoki and Hideo Ishii have been appointed as independent officers as provided for by the aforementioned exchange. If Yoshihisa Aoki and Hideo Ishii are reappointed, the Company plans to continue to report them as independent officers.

Proposal No. 3 Election of One Substitute Audit & Supervisory Board Member

The Company requests approval for the prior election of one substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations.

The Audit and Supervisory Committee has already given its consent to this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Career summary and major positions, etc. (Significant concurrent positions outside the Company)	Number of the Company's shares owned
<p>Shuichi Okada July 20, 1970</p> <p>New election Outside</p> <p>Tenure as Audit & Supervisory Board Member - years</p>	<p>Apr. 2000 Registered with the Daini Tokyo Bar Association as an attorney at law</p> <p>Apr. 2006 Partner of Kano & Okada Law Office (current position)</p> <p>Apr. 2010 Member of Monitoring Committee for Ministry of Agriculture, Forestry and Fisheries Tender Offers, etc.</p> <p>Apr. 2012 Judicial commissioner of Tokyo Summary Court (current position)</p> <p>Apr. 2013 Advisor of Consumer Affairs Consulting Service of Tokyo Metropolitan Comprehensive Consumer Center</p> <p>Apr. 2017 Deputy Chair of the Daini Tokyo Bar Association</p> <p>(Significant concurrent positions outside the Company) Partner of Kano & Okada Law Office Judicial commissioner of Tokyo Summary Court</p>	<p>- shares</p>
<p>Reasons for nomination as candidate for substitute outside Audit & Supervisory Board Member</p> <p>Shuichi Okada has had an extensive career as an attorney at law, and possesses a high level of specialist insight. Accordingly, the Company judges that he can be expected to utilize such capabilities in the Company's auditing system and nominates him as a candidate for substitute outside Audit & Supervisory Director. He has never been involved in the management of a company. However, the Company judges he will appropriately fulfill his duties as outside Audit & Supervisory Board Member based on the above reasons.</p>		

- Notes
1. There is no special interest between the candidate and the Company.
 2. Shuichi Okada is a candidate for substitute outside Audit & Supervisory Board Member.
 3. If Shuichi Okada assumes the office of Audit & Supervisory Board Member, the Company plans to submit notification to the Tokyo Stock Exchange concerning his appointment as an independent officer as provided for by the aforementioned exchange.
 4. If the election of Shuichi Okada is approved, the Company plans to enter into a limited liability agreement with him under the provisions of Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. The maximum amount of liability for damages under this agreement is limited to the amount provided for under Article 425, paragraph 1 of the Companies Act.

Proposal No. 4 Revision of Calculation Method for Amount of Share-based Remuneration, etc. for Directors and Other Content Thereof

1. Reasons for the proposal and reasons why this is suitable

The Company introduced a share-based remuneration plan for Directors (excluding outside Directors; the same applies hereinafter) and Executive Officers, etc. of the Company called “Board Benefit Trust (BBT)” (hereinafter referred to as the “Plan”) with the approval of our shareholders at the 12th Annual General Meeting of Shareholders held on June 27, 2014 (hereinafter the resolution at the aforementioned Annual General Meeting of Shareholders is referred to as the “Original Resolution”). The Company introduced the plan with the purpose to enhance their awareness to contribute to the improvement of the Company’s business performance and corporate value over the medium and long term by further clarifying the linkage of the remuneration for Directors and Executive Officers, etc. and the Company’s share value, and by their sharing not only the benefit of a rise in share prices but also the risks of a decline in share prices with the Company’s shareholders.

The Company plans to continue the Plan, but also would like to revise it in part, and therefore requests approval of this proposal. It should be noted that the details of the Plan shall be entrusted to the Board of Directors, within the range stated in 2. below.

This proposal has the objective described above, and therefore the Company believes the content of this proposal is appropriate.

Currently, there are nine Directors who are eligible for the Plan, and if Proposal No. 2 “Election of Nine Directors” is approved and adopted as originally proposed, there will still be nine Directors eligible for the Plan.

2. Specific Calculation Method for Amount of Remuneration, etc. for and Specific Content of the Plan (Underlining indicates changes to the Original Resolution.)

(1) Outline of the Plan

The Plan is a share-based remuneration plan under which the Company’s shares are acquired through a trust (hereinafter referred to as the “Trust”) using money contributed by the Company as the funds, and Directors and Executive Officers, etc. of the Company are provided with the Company’s shares and an amount of money equivalent to the market value of the Company’s shares (hereinafter referred to as “Company’s Shares, etc.”) through the Trust in accordance with the Regulations on Providing Shares to Officers established by the Board of Directors of the Company. Directors and Executive Officers, etc. of the Company shall receive the Company’s Shares, etc. upon their retirement from office, in principle.

(2) Persons eligible for the Plan

Directors and Executive Officers, etc. of the Company (outside Directors are not covered by the Plan)

(3) Trust amount

The Company, based on the Original Resolution, contributed approximately 368 million yen at the time of the commencement of the Trust as the funds required in order for the Trust to acquire, in advance for a certain specific period of time, such number of shares of the Company as is reasonably expected to be required to provide under the Plan, and established the Trust with the beneficiaries as people such as Directors and Executive Officers, etc. who have retired from office and fulfill the beneficiary requirements set forth in the Regulations on Providing Shares to Officers.

The Company shall, after the partial revision of the Plan by resolution on this proposal, continue the Trust in order to provide the Company’s Shares, etc. in accordance with (5) and (6) below, and shall make additional contribution to the Trust as the funds required in order for the Trust to acquire, in advance for a certain specific period of time, such number of shares as is reasonably expected to be required to provide going forward in such a manner. The Trust, as described in (4) below, shall acquire shares of the Company using money contributed by the Company as the funds.

Specifically, if this proposal is approved, the Company will make additional contribution to the Trust, of the required funds described above for the five fiscal years from the fiscal year ending March 31, 2020 to the year ending March 31, 2024 (hereinafter referred to as the “Next Applicable Period”).

In addition, even after the Next Applicable Period has elapsed, the Company shall make additional contributions to the Trust, of the funds deemed necessary in order for the Trust to acquire in advance such number of shares as is reasonably expected to be required to provide Directors and Executive Officers, etc. under the Plan for, in principle, each five fiscal year period (hereinafter referred to as “Each Applicable Period”) until the termination of the Plan. However, in the case of making such additional contribution, if the Company’s shares (excluding a number of the Company’s shares equivalent to points granted to Directors and Executive Officers, etc. that have not yet been provided to them) and money remain in the Trust (such shares and money are collectively referred to as the “Remaining Shares, etc.”) on the day immediately preceding the start date of Each Applicable Period, the Remaining Shares, etc. shall be appropriated as funds for the providing under the Plan or the acquisition of shares during the subsequent applicable period, and therefore, the amount of additional contribution shall be calculated for Each Applicable Period in consideration of the Remaining Shares, etc. When the Company decides to make additional contribution, it shall make a disclosure in a timely and appropriate manner.

Furthermore, as the maximum number of points to be granted to Directors and Executive Officers, etc. under the Plan will be a total of 70,000 points per fiscal year, as stated in (5) below, the Company, for Each Applicable Period, shall contribute to the Trust the funds reasonably expected to be required for the acquisition of not more than a reasonable number of shares, for which an adjustment from 350,000 shares has been performed as described above, in consideration of the Remaining Shares, etc. For reference purposes, if the closing price of 3,815 yen of the Company’s shares on March 29, 2019, is applied, approximately 1,335 million yen would be required in order to acquire 350,000 shares.

- (4) Method of acquisition of the Company’s shares and number of shares to be acquired by the Trust
The Trust shall acquire the Company’s shares through the stock market on which the Company’s shares are listed or by way of subscribing to the disposition of the Company’s treasury shares, using the money contributed in accordance with (3) above as the funds.
For the Next Applicable Period, up to 320,000 shares shall be acquired, in consideration of the Remaining Shares, etc.
- (5) Specific calculation method of the number of the Company’s Shares, etc. to be provided to Directors and Executive Officers, etc.
Directors and Executive Officers, etc. shall be granted points for each fiscal year in the number determined by their position in accordance with the Regulations on Providing Shares to Officers. The upper limit of total points granted to Directors and Executive Officers, etc. for each fiscal year shall be 70,000 points (of which, 30,000 points for Directors). This has been decided by comprehensively taking into account the current share price level of the Company, as well as the trend and outlook in the number of Directors and Executive Officers, etc. of the Company, and other factors, and the Company judges it is appropriate.
Each point granted to the Directors and Executive Officers, etc. shall be converted into one common share of the Company at the time of providing shares as explained in (6) below (provided, however, in the case where the Company’s shares become the subject of a share split, allotment of shares without contribution, consolidation of shares, etc., the upper limit number of points and accumulated number of points granted, or the conversion rate shall be adjusted in a reasonable manner in proportion to the relevant share split ratio or others).
The number of points of Directors and Executive Officers, etc. serving as basis for the calculation of the number of shares to be provided shall be calculated by multiplying the total number of points granted to the applicable Director or Executive Officer, etc. until the time of their retirement from office by the prescribed coefficient established for each reason for retirement from office (the coefficient is not to exceed 1) (hereinafter, the points calculated in this manner are referred to as “Defined Number of Points”).
- (6) The providing of the Company’s Shares, etc. and specific calculation method for the amount of remuneration, etc.

If a Director or Executive Officer, etc. of the Company retires from office and fulfills the beneficiary requirements stipulated in the Regulations on Providing Shares to Officers, the Director or Executive Officer, etc. may receive the Company's shares from the Trust after his/her retirement from office in accordance with the "Defined Number of Points" as specified in (5) above, by completion of the prescribed beneficiary vesting procedures. However, if a Director or Executive Officer, etc. fulfills the requirements stipulated in the Regulations on Providing Shares to Officers, he/she will receive provision of money equivalent to the market value of the Company's shares instead of the Company's shares for a certain percentage of the points. For this case, the Trust may sell the Company's shares in order to provide money.

The basis for the amount of remuneration, etc. to be received by Directors shall be an amount determined by multiplying the total number of points granted to each Director by the book value of one share of the Company's shares held by the Trust at the time points are granted (provided, however, in the case where the Company's shares become the subject of a share split, allotment of shares without contribution, consolidation of shares, etc., a reasonable adjustment shall be made according to a relevant share split ratio or others). If money is exceptionally provided pursuant to the Regulations on Providing Shares to Officers and the provision is deemed appropriate, an amount of money to which the money concerned is added shall be provided.