

THE FOLLOWING IS AN ENGLISH TRANSLATION PREPARED FOR THE CONVENIENCE OF THE SHAREHOLDERS AND INVESTORS. THE OFFICIAL TEXT IN JAPANESE OF THE NOTICE OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS HAS BEEN PREPARED IN ACCORDANCE WITH STATUTORY PROVISIONS AND MAILED TO THE RESPECTIVE SHAREHOLDERS SEPARATELY. SHOULD THERE BE ANY INCONSISTENCY BETWEEN THE TRANSLATION AND THE OFFICIAL TEXT IN TERMS OF THE CONTENTS OF THE NOTICE, THE LATTER SHALL PREVAIL. THE COMPANY ACCEPTS NO LIABILITY FOR ANY MISUNDERSTANDING CAUSED BY THE TRANSLATION FOR ANY REASON WHATSOEVER.

Securities Code: 6869
June 3, 2019

Notice of the 52nd Ordinary General Meeting of Shareholders

Dear Shareholders:

We would hereby like to inform you that the 52nd Ordinary General Meeting of Shareholders (this "Meeting") will be held as follows, and we would be grateful if you could attend this Meeting.

If you are unable to attend this Meeting, you are entitled to vote in writing, or via our online voting website. Please refer to the reference materials contained herein, indicate your approval or disapproval of the items to be resolved in this Meeting on the enclosed ballot form and return it to us by 5:35 p.m. on Thursday, June 20, 2019. As an alternative, you may exercise your voting rights on our designated voting website (<https://evote.tr.mufg.jp/>).

Yours faithfully,

Hisashi Ietsugu,
Chairman and CEO
SYSMEX CORPORATION
1-5-1, Wakinohama-Kaigandori,
Chuo-ku, Kobe, Hyogo Prefecture
651-0073, Japan

- 1. Date and Time:** Friday, June 21, 2019, at 10 a.m.
- 2. Venue:** "SHOUN" Room, 4th Floor, Kobe Seishin Oriental Hotel,
5-6-3, Kojidai, Nishi-ku, Kobe, Hyogo Prefecture, Japan
- 3. Agenda:**
- Items to be reported:**
1. Business Report, Consolidated Financial Statements for the 52nd fiscal year (from April 1, 2018 to March 31, 2019), as well as Auditing Reports on Consolidated Financial Statements by the Accounting Auditors and by the Audit and Supervisory Committee
 2. Non-consolidated Financial Statements for the 52nd fiscal year (from April 1, 2018 to March 31, 2019)
- Items to be resolved:**
- Bill No. 1:** Appropriation of Surplus
- Bill No. 2:** Election of Nine (9) Directors (excluding Directors Who Are Audit and Supervisory Committee Members)
- Bill No. 3:** Election of One (1) Director Who Is Substitute Audit and Supervisory Committee Member
- Bill No. 4:** Determination of Amounts of Remuneration as Stock Options to Directors (excluding Directors Who Are Audit and Supervisory Committee Members and Members of the Managing Board (Outside)) and Other Terms Thereof

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- * **If you are attending this Meeting, please submit the enclosed ballot form to the reception desk at the meeting venue.**
 - * **The following matters, however, are posted on our website (<https://www.sysmex.co.jp>) in accordance with applicable laws and regulations and the provision of Article 15 of the Articles of Incorporation, and are not included in this Notice of Convocation:**
 - 1) **Statement of changes in equity and Notes to the Consolidated Financial Statements**
 - 2) **Statement of changes in equity and Notes to the Non-consolidated Financial Statements**
 - * **Amendments to the Reference Materials, Business Report, Non-consolidated Financial Statements or Consolidated Financial Statements, if any, will be posted on our website (<https://www.sysmex.co.jp>).**

Reference Materials for the Shareholders' Meeting

Bill No. 1 Appropriation of Surplus

Issues related to the year-end dividend:

Under the Company's basic policy to pay continuous and stable dividends to our shareholders in consideration of our consolidated performance, we will target a consolidated dividend payout ratio of 30%. Based on this policy, the Company would like to pay a year-end dividend of 36 yen per share.

Together with the interim dividend of 34 yen per share, the annual dividend will be 70 yen per share, an increase of 4 yen per share from the previous fiscal year.

(1) Type of dividend

Cash

(2) The appropriation of dividends and its total amount

36 yen per share of the Company's common stock

Total dividend amount 7,513,497,504 yen

(3) Effective date for dividend

June 24, 2019

Bill No. 2 Election of Nine (9) Directors (excluding Directors Who Are Audit and Supervisory Committee Members)

The terms of office of all nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this Bill) will expire at the conclusion of this Meeting.

Accordingly, the Company requests the election of nine (9) Directors.

The candidates for Directors are as follows:

Candidate number	Name		Positions, duties and important concurrent positions	Attendance to the Meetings of the Board of Directors
1	Reelection	Hisashi Ietsugu	Chairman and CEO (Important concurrent position) Chairman of the Kobe Chamber of Commerce and Industry	13/13
2	Reelection	Yukio Nakajima	Member of the Managing Board and Senior Executive Officer Senior Managing Director, CFO (Duties) Corporate Business Planning and Administration	13/13
3	Reelection	Kaoru Asano	Member of the Managing Board and Senior Executive Officer Senior Managing Director COO LS Business Unit and CTO (Duties) Corporate R&D	13/13
4	Reelection	Kenji Tachibana	Member of the Managing Board and Senior Executive Officer Senior Managing Director COO IVD Business Unit	13/13
5	Reelection	Junzo Yamamoto	Member of the Managing Board and Senior Executive Officer Managing Director (Duties) Manufacturing and SCM	13/13
6	New election	Iwane Matsui	Senior Executive Officer Managing Director (Duties) Global Marketing	–
7	New election	Hiroshi Kanda	Senior Executive Officer Managing Director (Duties) IVD Business IVD Business Unit	–

Candidate number	Name		Positions, duties and important concurrent positions	Attendance to the Meetings of the Board of Directors
8	Reelection Member of the Managing Board (Outside) Independent	Masayo Takahashi	Member of the Managing Board (Outside)	12/13
9	New election Member of the Managing Board (Outside) Independent	Kazuo Ota	—	—

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
1	<p data-bbox="355 658 579 748"><u>Reelection</u> Hisashi Ietsugu (September 17, 1949)</p> <p data-bbox="355 775 544 882">Attendance to the Meetings of the Board of Directors 13/13</p>	<p data-bbox="595 394 1233 450">September 1986 Joined the Company, Member of the Managing Board of the Company</p> <p data-bbox="595 454 1233 533">March 1990 Member of the Managing Board and Senior Executive Officer, Managing Director of the Company</p> <p data-bbox="595 537 1233 616">February 1996 Member of the Managing Board and Senior Executive Officer, Managing Director of the Company (Representative Director)</p> <p data-bbox="595 620 1233 728">April 1996 Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company (Representative Director)</p> <p data-bbox="595 732 1233 766">June 1996 President and CEO of the Company</p> <p data-bbox="595 770 1233 804">April 2013 Chairman and CEO of the Company</p> <p data-bbox="595 808 1233 864">April 2018 Chairman and CEO of the Company (current)</p> <p data-bbox="595 869 1233 902">(Important concurrent position)</p> <p data-bbox="595 907 1233 940">Chairman of the Kobe Chamber of Commerce and Industry</p> <p data-bbox="595 945 1233 1144">(Reasons for Nomination) Holding the positions of Chairman and CEO of the Company, Hisashi Ietsugu has managed the entire Sysmex Group (the “Group”) and provided strong leadership for many years. He is appointed as a candidate for a Member of the Managing Board of the Company because he will be essential for increasing the corporate value of the Group with his sense of balance, enabling appropriate supervision and decision-making of the entire management based on his insight and abundant experience and achievements as a corporate manager.</p>	610,300

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
2	<p data-bbox="357 712 469 741">Reelection</p> <p data-bbox="357 745 520 797">Yukio Nakajima (July 30, 1950)</p> <p data-bbox="357 824 544 931">Attendance to the Meetings of the Board of Directors 13/13</p>	<p data-bbox="596 349 708 378">April 1973</p> <p data-bbox="596 383 708 412">April 1996</p> <p data-bbox="596 439 708 468">April 1997</p> <p data-bbox="596 495 708 524">June 1999</p> <p data-bbox="596 573 708 602">April 2005</p> <p data-bbox="596 685 708 714">April 2007</p> <p data-bbox="596 741 708 770">April 2009</p> <p data-bbox="596 819 708 848">April 2013</p> <p data-bbox="596 909 708 938">April 2018</p> <p data-bbox="596 999 683 1028">(Duties)</p> <p data-bbox="596 1021 1075 1050">Corporate Business Planning and Administration</p>	94,500
		<p data-bbox="596 1055 858 1084">(Reasons for Nomination)</p> <p data-bbox="596 1077 1370 1292">Yukio Nakajima has been involved in planning and administration departments of the Group, including Corporate Business Planning, Corporate Business Administration, IR, HR and General Affairs for many years and has contributed to the strengthening of the Company's management base. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 1999 and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.</p>	

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
3	<p data-bbox="357 640 544 730"><u>Reelection</u> Kaoru Asano (October 19, 1958)</p> <p data-bbox="357 757 544 869">Attendance to the Meetings of the Board of Directors 13/13</p>	<p data-bbox="596 349 1222 909"> August 1987 Joined the Company April 2005 Executive Vice President of Central Research Laboratories of the Company April 2009 Executive Officer, Manager of Central Research Laboratories of the Company April 2011 Executive Officer, Executive Vice President of R&D Strategic Planning of the Company April 2013 Senior Executive Officer of the Company June 2014 Member of the Managing Board and Senior Executive Officer of the Company April 2015 Member of the Managing Board and Senior Executive Officer, Managing Director of the Company April 2017 Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company April 2018 Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO LS Business Unit and CTO of the Company (current) </p> <p data-bbox="596 913 759 965">(Duties) Corporate R&D</p>	49,900
		<p data-bbox="596 969 1369 1153">(Reasons for Nomination) Kaoru Asano has been involved in research and technology development of the Group for many years and has contributed to the business development. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 2014 and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.</p>	

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held	
4	<u>Reelection</u> Kenji Tachibana (December 12, 1957) Attendance to the Meetings of the Board of Directors 13/13	March 1980	Joined the Company	28,200
		April 1998	President of Sysmex Singapore Pte Ltd (presently Sysmex Asia Pacific Pte Ltd.)	
		April 2004	Senior Vice President of Business Planning of the Company	
		April 2007	Executive Vice President of International Business Management of the Company	
		April 2011	Executive Officer, Executive Vice President of IVD Business Development of the Company	
		April 2013	Senior Executive Officer of the Company	
		June 2014	Member of the Managing Board and Senior Executive Officer of the Company	
		April 2015	Member of the Managing Board and Senior Executive Officer, Managing Director of the Company	
		April 2017	Member of the Managing Board and Senior Executive Officer, Senior Managing Director of the Company	
		April 2018	Member of the Managing Board and Senior Executive Officer, Senior Managing Director, COO IVD Business Unit of the Company (current)	
(Reasons for Nomination) Kenji Tachibana has been involved in business strategy development and international businesses of the Group and has contributed to the strategic and global business development. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 2014 and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.				

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
5	<p><u>Reelection</u> Junzo Yamamoto (August 30, 1955)</p> <p>Attendance to the Meetings of the Board of Directors 13/13</p>	<p>March 1980 Joined the Company</p> <p>April 2007 Executive Vice President of Production of the Company</p> <p>April 2011 Executive Officer, Executive Vice President of Instrument Production of the Company</p> <p>April 2015 Senior Executive Officer of the Company</p> <p>April 2017 Senior Executive Officer, Managing Director of the Company</p> <p>June 2017 Member of the Managing Board and Senior Executive Officer, Managing Director of the Company (current)</p> <p>(Duties) Manufacturing and SCM</p> <p>(Reasons for Nomination) Junzo Yamamoto has been involved in instrument production and supply chains of the Group for many years and has contributed to the strengthening of the bases of the production system. He is appointed as a candidate for a Member of the Managing Board of the Company because he has served as such Member since June 2017 and his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.</p>	28,600
6	<p><u>New election</u> Iwane Matsui (January 1, 1961)</p>	<p>April 1985 Joined the Company</p> <p>July 2001 President of Sysmex Europe GmbH</p> <p>April 2007 Executive Vice President of Customer Support of the Company</p> <p>April 2009 Executive Vice President of IVD Business Strategy of the Company</p> <p>April 2011 Executive Officer, Executive Vice President of Corporate Business Planning of the Company</p> <p>April 2013 Executive Officer, Executive Vice President of International Business Management of the Company</p> <p>April 2017 Senior Executive Officer of the Company</p> <p>April 2019 Senior Executive Officer, Managing Director of the Company (current)</p> <p>(Duties) Global Marketing</p> <p>(Reasons for Nomination) Iwane Matsui has been involved in promoting businesses such as domestic and international sales and marketing serving as a sales manager for domestic sales and as a representative of several overseas regional headquarters of the Group for many years, and has contributed to global business development. He is appointed as a candidate for a Member of the Managing Board of the Company because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group.</p>	200

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
7	<p data-bbox="359 685 496 712"><u>New election</u></p> <p data-bbox="359 714 504 770">Hiroshi Kanda (July 3, 1957)</p>	<p data-bbox="598 349 711 376">April 1980</p> <p data-bbox="598 378 711 405">April 2004</p> <p data-bbox="598 407 711 434">April 2006</p> <p data-bbox="598 463 711 490">April 2010</p> <p data-bbox="598 519 711 546">April 2012</p> <p data-bbox="598 598 711 624">April 2013</p> <p data-bbox="598 714 711 741">April 2017</p> <p data-bbox="598 792 711 819">April 2019</p> <p data-bbox="598 853 683 880">(Duties)</p> <p data-bbox="598 882 927 909">IVD Business IVD Business Unit</p> <p data-bbox="791 349 1214 853"> Joined the Company Chairman of Sysmex Shanghai Ltd. Senior Vice President of IVD Business Strategy Development of the Company Executive Vice President of Sales and Marketing West Japan of the Company ICH Business Unit and Executive Vice President of Hemostasis Product Engineering Development of the Company Executive Officer, ICH Business Unit and Executive Vice President of Hemostasis Product Engineering Development of the Company Senior Executive Officer and Executive Vice President of ICH Business Development of the Company Senior Executive Officer, Managing Director of the Company (current) </p>	54,000
		<p data-bbox="598 913 855 940">(Reasons for Nomination)</p> <p data-bbox="598 943 1342 1097"> Hiroshi Kanda has been involved in promoting businesses such as product planning and market development of the Group for many years and has contributed to global business development. He is appointed as a candidate for a Member of the Managing Board of the Company because his abundant experience and wide-ranging insight will be essential for increasing the corporate value of the Group. </p>	

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
8	<p>Reelection Member of the Managing Board (Outside) Independent</p> <p>Masayo Takahashi (June 23, 1961)</p> <p>Attendance to the Meetings of the Board of Directors 12/13</p>	<p>October 1992 Ph.D. of Medicine and Assistant professor of Ophthalmology, Kyoto University Hospital</p> <p>January 1995 Post-doc, in Laboratory of Genetics, the Salk Institute, San Diego, the United States</p> <p>January 1997 Assistant professor of Ophthalmology, Kyoto University Hospital</p> <p>October 2001 Associate professor, Team Leader of retinal regeneration project, Translational Research Center, Kyoto University Hospital</p> <p>April 2006 Team Leader, Laboratory for Retinal Regeneration Research, RIKEN Center for Developmental Biology, Japan</p> <p>April 2012 Project Leader, Laboratory for Retinal Regeneration Research, RIKEN Center for Developmental Biology, Japan</p> <p>November 2014 Project Leader, Laboratory for Retinal Regeneration Research, RIKEN Center for Developmental Biology, Japan (presently RIKEN Center for Biosystems Dynamics Research, Japan) (current)</p> <p>June 2016 Joined the Company, Member of the Managing Board of the Company (current)</p> <p>(Reasons for Nomination and Term of Office) Masayo Takahashi is appointed as a candidate for a Member of the Managing Board (Outside) in the hope that she would utilize her abundant experience and deep insight relating to advanced medical research, medical ethics and other fields as a clinician and researcher for management of the Company. Please note that Masayo Takahashi has never been involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as a Member of the Managing Board (Outside) based on the above reasons. Her term of office as a Member of the Managing Board (Outside) will be three years at the conclusion of this Meeting. The Company has reported Masayo Takahashi as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc.</p>	N/A

Candidate number	Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held
9	<div style="border: 1px solid black; padding: 2px; display: inline-block;">New election</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Member of the</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Managing Board</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">(Outside)</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> Kazuo Ota (January 13, 1955)	April 1978 Joined Kawasaki Heavy Industries, Ltd. April 2012 General Manager of Planning & Control Division, Aerospace Company of Kawasaki Heavy Industries, Ltd. April 2013 Executive Officer, General Manager of Planning & Control Division, Aerospace Company of Kawasaki Heavy Industries, Ltd. April 2015 Managing Executive Officer, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd. June 2015 Senior Vice President, General Manager of Corporate Planning Division, In Charge of Finance & Human Resources (Corporate) of Kawasaki Heavy Industries, Ltd. December 2016 Senior Vice President, President of Motorcycle & Engine Company of Kawasaki Heavy Industries, Ltd. April 2018 Director, Managing Executive Officer, President of Motorcycle & Engine Company of Kawasaki Heavy Industries, Ltd. April 2019 Director of Kawasaki Heavy Industries, Ltd. (current)	N/A
(Reasons for Nomination) Kazuo Ota is appointed as a candidate for a Member of the Managing Board (Outside) in the hope that he would utilize his abundant experience and deep insight in corporate management for management of the Company. The Company plans to report Kazuo Ota as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc.			

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Masayo Takahashi and Kazuo Ota are to be elected as Members of the Managing Board (Outside).
 3. In accordance with the Company's Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Masayo Takahashi to limit her liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act. If her reelection is approved, the Company intends to continue the agreement with her. The Company also plans to enter into the same agreement with Kazuo Ota, if his election is approved.
 4. Kazuo Ota will retire from the Director of Kawasaki Heavy Industries, Ltd. at the conclusion of the Ordinary General Meeting of Shareholders of the company to be held on June 26, 2019.

Bill No. 3 Election of One (1) Director Who Is Substitute Audit and Supervisory Committee Member

In preparation for an insufficient number of Directors who are Audit and Supervisory Board Members as stipulated in laws and regulations, the Company requests the election of one (1) Director serving as a substitute Audit and Supervisory Committee Member.

Please note that the approval of the Audit and Supervisory Committee has been obtained for this Bill.

The candidate for a Director serving as a substitute Audit and Supervisory Committee Member is as follows:

Name (date of birth)	Brief personal history, positions, duties and important concurrent positions	Number of Company shares held	
<div style="border: 1px solid black; padding: 2px; width: fit-content;">New election</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Member of the Managing Board (Outside)</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Independent</div> Susumu Nishiura (February 13, 1947)	April 1969	N/A	
	June 1998		Joined TOA Electric Co., Ltd. (“TOA”; presently TOA Corporation)
	October 2004		Member of the Managing Board of TOA
			Member of the Managing Board and Senior Executive Officer, Managing Director of TOA
	June 2008		Member of the Managing Board and Senior Executive Officer, Senior Managing Director of TOA
June 2010	Retired from Member of the Managing Board and Senior Executive Officer, Senior Managing Director of TOA		
June 2013	Joined the Company, Member of the Managing Board of the Company (current)		
(Reasons for Nomination and Term of Office) Susumu Nishiura is appointed as a candidate for a Member of the Managing Board (Outside) who is a substitute Audit and Supervisory Committee Member, in the hope that he would utilize his abundant experience and deep insight in corporate management for audit, etc. of the Company. He is currently a Member of the Managing Board (Outside), and his term of office as a Member of the Managing Board (Outside) will be six years at the conclusion of this Meeting. Please note that he will retire from Member of the Managing Board (Outside) at the conclusion of this Meeting.			

- Notes:
1. There is no special interest between the candidate and the Company.
 2. Susumu Nishiura is to be elected as a Member of the Managing Board (Outside) who is a substitute Audit and Supervisory Committee Member.
 3. In accordance with the Company’s Articles of Incorporation and Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Susumu Nishiura to limit his liability for damages as provided for by Article 423, Paragraph 1 of the Companies Act.
If Susumu Nishiura assumes the position of a Member of the Managing Board (Outside) who is an Audit and Supervisory Committee Member, the Company plans to enter into the same agreement with him.
 4. The Company has reported Susumu Nishiura as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc.
If Susumu Nishiura assumes the position of a Member of the Managing Board (Outside) who is an Audit and Supervisory Committee Member, the Company plans to report him as an Independent Member of the Managing Board to the Tokyo Stock Exchange, Inc.

Bill No. 4: Determination of Amounts of Remuneration as Stock Options to Directors (excluding Directors Who Are Audit and Supervisory Committee Members and Members of the Managing Board (Outside)) and Other Terms Thereof

The amount of remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) of the Company was set by a resolution at the 49th Ordinary General Meeting of Shareholders held on June 24, 2016 at no more than 1,000 million yen annually (of which, the amount of remuneration for Members of the Managing Board (Outside) is to be set at no more than 50 million yen annually, and in which the employee salary portion of Directors concurrently serving as employees of the Company is not included). The Company requests an approval for the allotment of share options as stock options in the range of up to 800 million yen annually to Directors (excluding Directors who are Audit and Supervisory Committee Members and Members of the Managing Board (Outside)), separately from said amount of remuneration, in order to enhance the corporate value by raising motivation and willingness of Directors to improve business performance, taking into consideration various factors.

The allotment of the stock options in this bill shall be carried out according to the following procedure for the purposes of further enhancing the corporate value by raising the motivation and willingness of Directors to improve business performance, and the Company believes the specific details of the stock options are appropriate.

Directors who will be allotted share options will be granted remunerations equivalent to the amounts to be paid in, and will be able to set off the amounts to be paid in for the share options against the remuneration claims. The amounts of remuneration as stock options will be calculated by multiplying the fair value of each share option determined on the allotment date of share options by the total number of share options to be allotted.

At present there are seven Directors (excluding Directors who are Audit and Supervisory Committee Members and Members of the Managing Board (Outside)), and if the Bill No. 2 is approved and passed as proposed, the number of Directors to be subject to this bill (excluding Directors who are Audit and Supervisory Committee Members and Members of the Managing Board (Outside)) will remain seven.

Details of share options as stock options for Directors (excluding Directors who are Audit and Supervisory Committee Members and Members of the Managing Board (Outside)) of the Company

(1) Class and number of shares to be delivered upon exercise of share options

The shares to be delivered upon exercise of share options shall be the Company's common shares, and the number of shares to be delivered upon exercise of each share option (hereinafter the "Number of Shares Granted") shall be 10 shares.

However, after the date of resolution at this General Meeting of Shareholders, in the case that the Company splits its common shares (including the allotment of the Company's common shares to shareholders without contribution; the same applies hereinafter) or consolidates its common shares, the Number of Shares Granted for the share options, that have not been exercised at the time of such share split or consolidation, shall be adjusted using the following formula.

$$\text{Number of Shares Granted after adjustment} = \text{Number of Shares Granted before adjustment} \times \text{Ratio of split or consolidation}$$

In addition, upon the occurrence of any unavoidable event that requires the adjustment of the Number of Shares Granted other than those set forth above, the Company may adjust the Number of Shares Granted as deemed necessary by the Board of Directors.

Fractional shares less than one share resulting from the above adjustment shall be rounded

down.

(2) Total number of share options

The number of share options to be allotted within one year from the date of the ordinary general meeting of shareholders for each business year shall not exceed 25,000 units.

(3) Amount to be paid in for share options

The amount to be paid in for each share option shall be determined by the Board of Directors based on the fair value of the share options, which is computed by a fair calculation method including the Black-Scholes model, upon the allotment of the share options.

The recipient of the allotment of share options (hereinafter the “Share Options Holder”) shall not be required to pay in money as the remuneration claims from the Company shall be offset against the amount to be paid.

(4) Amount of property to be contributed upon exercise of share options

Amount of property to be contributed when share options are exercised shall be the amount to be paid in per share to be delivered by exercising the share options (hereinafter the “Exercise Price”), multiplied by the Number of Shares Granted concerning the relevant share options.

The Exercise Price shall be obtained by multiplying 1.05 by the average closing price in regular trading of the Company’s common shares on the Tokyo Stock Exchange on each day of the previous month of the date when the share options are allotted (hereinafter the “Allotment Date”), provided that the date when the trade was not effective is not included. Resulting fractions of less than one yen shall be rounded up. However, in the case such amount is lower than the closing price of the Allotment Date (when no closing price is published on that day, closing price of the nearest previous date shall be applied), it shall be the closing price of the Allotment Date.

If the following circumstances arise after the Allotment Date for the share options, the Exercise Price shall be adjusted as respectively described.

- (i) In the event that the Company conducts a share split or consolidation of the Company’s common shares, an adjustment shall be made to the Exercise Price using the following formula, and any fractions of less than one yen due to the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{1}{\text{Ratio of split or consolidation}}$$

- (ii) In the event that the Company issues new shares or disposes of treasury shares at a price below the market price of the Company’s common shares (excluding issuance of new shares and disposal of treasury shares based on the exercise of share options and the transfer of treasury shares due to the share exchange), an adjustment shall be made to the Exercise Price using the formula below, and any fractions of less than one yen resulting from the adjustment shall be rounded up.

$$\text{Exercise Price after adjustment} = \text{Exercise Price before adjustment} \times \frac{\text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount to be paid in per share}}{\text{Market price per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

In the formula above, “Number of shares already issued” shall be the number obtained by subtracting the number of treasury shares owned by the Company from the total number of issued shares. In the event that the Company disposes of treasury shares, “Number of shares newly issued” shall be read as “Number of treasury shares to be disposed of” and “Amount to

be paid in per share” shall be read as “Disposal amount per share.”

- (iii) In the event that the Company merges with another company, implements a company split, or in equivalent cases necessitating an adjustment of the Exercise Price, the Exercise Price shall be adjusted to the extent necessary and reasonable.

(5) Exercise period of share options

The exercise period of share options shall be determined by resolution of the Board of Directors to decide the subscription requirements for share options within the range from the date of exactly two years after the date of such resolution of the Board of Directors to the date of exactly eight years after the date of such resolution.

If the last day of the exercise period falls on the Company’s holiday, the last day shall be the immediately preceding business day.

(6) Conditions for exercise of share options

At the time of exercising the share options, each Share Options Holder is required to be in any of the position of director, executive officer, advisor or employee of the Company or its subsidiaries. However, this does not apply in cases of resignation due to expiration of term of office, reaching the mandatory retirement age, or any other due reason. Other conditions for exercise of share options shall be determined by the Board of Directors to decide the subscription requirements for share options.

(7) Restriction on acquisition of share options by transfer

Acquisition of share options by transfer shall require approval of the Board of Directors.

(8) Other details of share options

Any other details related to share options shall be decided by the Board of Directors to decide the subscription requirements for share options.