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(Securities Code 6418)

June 4, 2019

To Our Shareholders

Yojiro Kamihigashi
President and Representative Director
Japan Cash Machine Co., Ltd.
2-3-15 Nishiwaki, Hirano-ku, Osaka

Convocation Notice of the 66th Ordinary General Meeting of Shareholders

Japan Cash Machine Co., Ltd. (hereinafter referred to as the “Company”) hereby notifies you that the 66th Ordinary General Meeting of Shareholders will be held as follows. Your attendance is respectfully requested.

If you are unable to attend the meeting, you may exercise your voting right in writing. Please refer to the documents for the Ordinary General Meeting of Shareholders attached and vote on the proposals using the form enclosed herein to exercise your voting right. The form should be returned to the Company on or before 5:30 p.m. on Tuesday, June 25, 2019.

1. Date and time: 10:00 a.m., Wednesday, June 26, 2019

2. Location: Miyako City Osaka Tennoji (formerly known as Tennoji Miyako Hotel), Yoshino Room (6th floor)
1-2-8, Matsuzaki-cho, Abeno-ku, Osaka

3. Meeting Agenda:

Reports:

1. Reports on the Business Report, the Consolidated Financial Statements and the Results of the Audit of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Board for the 66th Fiscal Year (from April 1, 2018 to March 31, 2019) .
2. Reports on the Non-Consolidated Financial Statements for the 66th Fiscal Year (from April 1, 2018 to March 31, 2019)

Resolutions:

Proposal 1: Election of Eight (8) Directors

Proposal 2: Election of One (1) Audit & Supervisory Board Member

Proposal 3: Payment of Bonuses to Directors

Proposal 4: Determination of Remuneration for Allotting Restricted Stock to Directors

Proposal 1: Election of eight (8) Directors

The term of office of all eight (8) directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company has proposed to elect eight (8) directors, inclusive of one (1) External Director.

The candidates are as follows:

No.		Name	Current Position and Responsibility in the Company	Attendance Ratio of the Board of Directors meetings (66 th Fiscal Year)
1	Reappointment	Koichiro Kamihigashi	Chairman	100.0% (18 out of 18 meetings)
2	Reappointment	Yojiro Kamihigashi	President and Representative Director	100.0% (18 out of 18 meetings)
3	Reappointment	Tsuyoshi Takagaki	Director and Senior Executive Officer, Executive General Manager of Corporate Planning Division	100.0% (18 out of 18 meetings)
4	Reappointment	Yasuhiko Yoshimura	Director, In charge of Equipment for the Amusement Industry Business	100.0% (18 out of 18 meetings)
5	Reappointment	Yoshihiro Iuchi	Director and Senior Executive Officer, Executive General Manager of Global Strategy Division	100.0% (14 out of 14 meetings)
6	New appointment	Mitsuhiro Ueno	External Audit & Supervisory Board Member (full-time)	— % (— out of — meetings)
7	New appointment	Norihito Nakatani	Senior Executive Officer, Executive General Manager of Production Division and R&D 2 Division	— % (— out of — meetings)
8	Reappointment External Independent	Koji Yoshikawa	External Director	100.0% (18 out of 18 meetings)

Note1: Attendance ratio of the Board of Directors meetings of Mr. Yoshihiro Iuchi indicates after his appointment for Director on June 27, 2018.

2: Mr. Mitsuhiro Ueno attended at the Board of Directors meetings 100.0% (18 out of 18 meetings) as the Audit & Supervisory Board Member.

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Important concurrent positions)	Number of the Company's Shares Held
1	<p>Koichiro Kamihigashi (December 15, 1957)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reappointment</div> <p>Number of years served as Director 32 years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Attendance Ratio of the Board of Directors meetings (66th Fiscal Year) 100.0% (18/18)</p>	<p>Apr. 1978 Joined Japan Cash Machine Co., Ltd. May 1987 Director Jun. 1991 Executive Director Jun. 1994 President and Representative Director Apr. 2007 Director Jun. 2007 Chairman (present)</p> <p>(Important Concurrent Position) President and Representative Director of Johto Investment and Development, Inc.</p>	2,707,246
	<p>Reason for selecting the candidate for Director</p> <p>Mr. Koichiro Kamihigashi has long been a member of the Board, actively participating in the management of the Company as Director, including the President and Representative Director. Based on the accumulated management experience, he is currently overseeing decision-making processes and business execution activities from a broader perspective as the Chairman of the Board. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.</p>		
	<p>Special interests between the candidate and the Company</p> <p>There is no special interest between the candidate and the Company.</p>		

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Important concurrent positions)	Number of the Company's Shares Held
2	<p>Yojiro Kamihigashi (June 5, 1959)</p> <p>Reappointment</p> <p>Number of years served as Director 26 years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Attendance Ratio of the Board of Directors meetings (66th Fiscal Year) 100.0% (18/18)</p>	<p>Oct. 1984 Joined Japan Cash Machine Co., Ltd.</p> <p>Jun. 1993 Director</p> <p>May 1995 Director General Manager of Overseas Sales Department</p> <p>Jun. 2006 Director Executive Officer Executive General Manager of International Division</p> <p>Apr. 2007 President and Representative Director (present)</p>	1,458,283
	<p>Reason for selecting the candidate for Director</p> <p>Mr. Yojiro Kamihigashi has ample management experience at overseas subsidiaries. Capitalizing on this experience, he currently exerts his effective leadership in the management of the Company group's global business development. He plays an important decision-making role, while overseeing business execution activities. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.</p>		
	<p>Special interests between the candidate and the Company</p> <p>There is no special interest between the candidate and the Company.</p>		
3	<p>Tsuyoshi Takagaki (September 13, 1961)</p> <p>Reappointment</p> <p>Number of years served as Director 6 years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Attendance Ratio of the Board of Directors meetings (66th Fiscal Year) 100.0% (18/18)</p>	<p>Aug. 1997 Joined Japan Cash Machine Co., Ltd.</p> <p>Jun. 2007 Executive Officer Deputy Executive General Manager of Administration Division</p> <p>Oct. 2011 Senior Executive Officer Executive General Manager of Human Resources, General Affairs and Corporate Planning Division</p> <p>Jun. 2013 Director and Senior Executive Officer (present)</p> <p>Dec. 2013 Executive General Manager of Corporate Planning Division (present)</p>	800
	<p>Reason for selecting the candidate for Director</p> <p>Since joining the Company, Mr. Tsuyoshi Takagaki has worked for the development of the Company group, taking charge of general affairs, legal, compliance, and human resources. He currently makes effective business decisions based on his experiences accumulated through his career, while also currently supervises execution of effective business activities as Director. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.</p>		
	<p>Special interests between the candidate and the Company</p> <p>There is no special interest between the candidate and the Company.</p>		

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Important concurrent positions)	Number of the Company's Shares Held
4	<p>Yasuhiko Yoshimura (November 26, 1961)</p> <p>Reappointment</p> <p>Number of years served as Director 6 years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Attendance Ratio of the Board of Directors meetings (66th Fiscal Year) 100.0% (18/18)</p>	<p>Aug. 1996 Joined Sammy Industry Co., Ltd. (currently Sammy Corporation)</p> <p>Apr. 2007 Executive Officer of Sammy Corporation President and Representative Director of Sammy Systems Corporation</p> <p>May 2009 President and Director of JCM Systems Co., Ltd.</p> <p>May 2010 President and Representative Director of JCM Systems Co., Ltd. (present)</p> <p>Jun. 2013 Director (present)</p> <p>(Important Concurrent Position) President and Representative Director of JCM Systems Co., Ltd. Representative Director of Electronic Authentication System Association</p>	400
	<p>Reason for selecting the candidate for Director</p> <p>Mr. Yasuhiko Yoshimura has long-standing experience and a strong track record in amusement equipment business and its related area. He currently serves strategic decision-making and supervisory function for the execution of business activities, from the viewpoint of managing the amusement equipment business as President and Representative Director of JCM Systems Co., Ltd. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.</p>		
	<p>Special interests between the candidate and the Company</p> <p>There is no special interest between the candidate and the Company.</p>		
5	<p>Yoshihiro Iuchi (March 21, 1960)</p> <p>Reappointment</p> <p>Number of years served as Director 1 year (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Attendance Ratio of the Board of Directors meetings since his appointment on June 27, 2018 (66th Fiscal Year) 100.0% (14/14)</p>	<p>Mar. 2004 Joined Japan Cash Machine Co., Ltd.</p> <p>Jun. 2007 Executive Officer Deputy Executive General Manager of International Division</p> <p>Nov. 2010 Representative Director of JCM Gold (H.K.) Ltd.</p> <p>Jun. 2016 Senior Executive Officer In Charge of Production</p> <p>Jun. 2018 Director and Senior Executive Officer, Executive General Manager of Global Strategy Division (present)</p>	7,500
	<p>Reason for selecting the candidate for Director</p> <p>Since joining the Company, Mr. Yoshihiro Iuchi has engaged mainly in overseas sales activities, and then worked as the representative Director of a subsidiary company that controls overseas production. Currently, he serves as Director with playing a useful role of overseeing appropriate decision making and business execution from a global perspective. Since it is expected that he will continue to perform his duties appropriately and will contribute to adding up corporate value to the Company, we consider him a suitable candidate for Director. Accordingly, he is a proposed candidate for Director.</p>		
	<p>Special interests between the candidate and the Company</p> <p>There is no special interest between the candidate and the Company.</p>		

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Important concurrent positions)	Number of the Company's Shares Held
6	<p data-bbox="248 192 443 248">Mitsuhiro Ueno (May 28, 1954)</p> <div data-bbox="181 271 507 327" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">New appointment</div>	<p data-bbox="549 163 1270 219">Apr. 1978 Joined The Daiwa Bank, Ltd. (currently Resona Bank, Ltd.)</p> <p data-bbox="549 219 1238 275">May 2000 Branch Manager of Senri-Chuo branch, The Daiwa Bank, Ltd.</p> <p data-bbox="549 275 1270 331">Oct. 2003 Operating Officer in charge of Loan Division and Loan Planning Division, The Kinki Osaka Bank, Ltd.</p> <p data-bbox="549 331 979 365">Aug. 2006 Director, Fitch Ratings Ltd.</p> <p data-bbox="549 365 1238 443">Apr. 2011 Director of Personal Banking Division of Tokyo Branch, Australia and New Zealand Banking Group Ltd.</p> <p data-bbox="549 443 1222 477">Apr. 2016 Corporate Adviser, Japan Cash Machine Co., Ltd.</p> <p data-bbox="549 477 1270 533">Jun. 2016 External Audit & Supervisory Board Member(Full-time) (present)</p>	—
	<p data-bbox="181 555 679 589">Reason for selecting the candidate for Director</p> <p data-bbox="181 589 1477 779">Mr. Mitsuhiro Ueno, as External Audit & Supervisory Board Member (Full-time), has provided valuable advices and suggestions to the Company group since 2016, availing himself of knowledge and experiences in corporate management nurtured at financial institutions. It is expected that, he will contribute to improvement and reinforcement of global governance and risk management function of the Company group by making use of his recent audit experiences in the Company in addition to his knowledge and experiences. Accordingly we consider him a suitable candidate for a newly appointed Director.</p> <p data-bbox="181 779 1461 835">As he is currently External Audit & Supervisory Board Member (Full-time), he is scheduled to resign from this position at the conclusion of this Shareholders Meeting.</p>		
	<p data-bbox="181 846 807 880">Special interests between the candidate and the Company</p> <p data-bbox="181 880 919 913">There is no special interest between the candidate and the Company.</p>		

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Important concurrent positions)	Number of the Company's Shares Held
7	<p data-bbox="212 188 427 246">Norihito Nakatani (February 20, 1960)</p> <div data-bbox="180 264 454 320" style="border: 1px solid black; padding: 2px; width: fit-content;">New appointment</div>	<p data-bbox="518 188 1273 573"> Oct. 1990 Joined Japan Cash Machine Co., Ltd. Jun. 2007 Executive Officer, Deputy Executive General Manager of SCM Division May 2008 Deputy Executive General Manager of Engineering Division Nov. 2010 Representative Director of JCM China Co., Ltd. Jun. 2015 In charge of Production of Creating and Manufacturing Division Jun. 2016 Executive General Manager of Production Division (present) Jun.2017 Executive General Manager of R&D 2 Division (present) Jun. 2018 Senior Executive Officer (present), Executive Director of JCM Systems Co., Ltd. (present) </p>	6,355
	Reason for selecting the candidate for Director Since joining the company, Mr. Norihito Nakatani has been engaged mainly in production-related operations and then experienced Representative Director of a subsidiary that oversees overseas production, and is currently responsible for production and R & D. Since he has made an achievement and experience in contributing to the development of the Group through the enhancement of functions he was in charge of, we consider him a suitable candidate for a newly appointed Director.		
Special interests between the candidate and the Company There is no special interest between the candidate and the Company.			

No.	Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Important concurrent positions)	Number of the Company's Shares Held			
	<p>Koji Yoshikawa (February 8, 1950)</p> <table border="1" data-bbox="193 255 443 396"> <tr><td>Reappointment</td></tr> <tr><td>External</td></tr> <tr><td>Independent</td></tr> </table> <p>Number of years served as Director 5 years (at the conclusion of this Ordinary General Meeting of Shareholders)</p> <p>Attendance Ratio of the Board of Directors meetings (66th Fiscal Year) 100.0% (18/18)</p>	Reappointment	External	Independent	<p>Apr. 1978 Appointed Public Prosecutor, Osaka District Public Prosecutors Office</p> <p>Apr. 2000 Deputy Manager, Special Investigation Department, Osaka District Public Prosecutors Office</p> <p>Apr. 2004 Prosecutor, Supreme Public Prosecutors Office</p> <p>Jul. 2005 Deputy Chief Public Prosecutor, Osaka District Public Prosecutors Office</p> <p>Jan. 2009 Chief Public Prosecutor, Kobe District Public Prosecutors Office</p> <p>Jan. 2010 Resigned from Prosecutor</p> <p>Mar. 2010 Registered as Attorney</p> <p>Jun. 2014 External Director of the Company (present)</p> <p>(Important Concurrent Position) Attorney (Baba Law Firm) External Audit & Supervisory Board Member of NCS&A Co., Ltd.</p>	—
Reappointment						
External						
Independent						
8	<p>Reason for selecting the candidate for External Director</p> <p>Although Mr. Koji Yoshikawa has not been directly involved in the management of a company, he has extensive knowledge and expertise as a judicial officer. He has been giving appropriate advice to the Company group that operates compliance-oriented management, such as maintaining casino gaming licenses in the U.S. Since it is expected that he will contribute to strengthening the function of supervising the execution of duties of other Directors and management transparency, we consider him an appropriate candidate for External Director of the Company. Accordingly, he is a proposed candidate for External Director.</p> <p>Matters regarding independence</p> <p>The Company nominates this candidate as an Independent Director based on the regulations of the Tokyo Stock Exchange and has reported such to the Exchange. It should also be mentioned that the Company has its own standards for judging independence, separately from those stipulated by the Exchange, and this candidate also fulfills the standards of the Company.</p> <p>Special interests between the candidate and the Company</p> <p>There is no special interest between the candidate and the Company.</p> <p>Regarding agreements limiting the liability</p> <p>The Company concluded a contract with this candidate to limit his liability for damages under Article 423 (1) of the Companies Act based on the stipulation in Article 427 (1) of the same. The maximum amount of the liability for damages under the said contract shall be ten million yen or the minimum amount of the liability prescribed by Article 425 (1) of the Companies Act, whichever is higher. If the reelection of this candidate is approved, we plan to continue the contract.</p>					

Independence Standards for External Officers
(External Directors and External Audit & Supervisory Board Members)

The Company defines the standards for the independence of External Directors and External Audit & Supervisory Board Members of the Company (hereinafter referred to collectively as “external officers”) as follows. Based on an investigation by the Company to an extent possible, it is considered that an external officer is sufficiently independent of the Company if none of the following criteria is applicable.

1. A person who executes business (including managing director, executive officer, and employee, but excluding Audit & Supervisory Board Member, hereinafter referred to collectively as “executor”) of the Company or its consolidated subsidiaries (hereinafter referred to generally as “the Company group”) or has been an executors of the Company group for the past ten years
2. An entity whose major sales destination is the Company group (referring to groups that provide products or services for the Company group, including both direct partners and their parent company, subsidiaries, and business group composed of subsidiaries of the same parent company, and the same applies hereinafter, with a transaction volume in the latest fiscal year of more than 2% of the annual consolidated sales of them) or their executors
3. An entity that is a major sales destination of the Company group (referring to groups to which the Company group provides products or services with a transaction volume in the latest fiscal year of more than 2% of the annual consolidated sales of the Company group) or their executors
4. Legal expert, accounting expert, consultant, or advisor who receives a substantial amount of cash or economic benefits (more than five million yen annually for individuals and twelve million yen for an organization in cash or economic benefits during the latest fiscal year excluding Director’s compensation) from the Company group apart from Director’s compensation (if a corporate body or an association is a recipient of the economic benefit, its members)
5. A person who belongs to the audit corporation that carries out statutory audits of the Company group
6. A person who receives donations or funding exceeding a certain fixed amount from the Company (10 million yen annually on average over the past three fiscal years (if a corporate body or an association is the recipient of the donation or funding, its executors))
7. An executor who belongs to a major financial institution from which the Company group receives loans (financial institutions that provide loans equivalent to more than 2% of the consolidated asset of the Company group as of the end of the latest fiscal year) or their parent company or subsidiary
8. A major shareholder of the Company group (those who directly and indirectly own 10% or more of the total voting rights in terms of the holding ratio of voting rights in the latest fiscal year) or if the major shareholder is a corporate body, executor of the corporate body
9. An executor of another company who is concurrently an External Director of the Company group (if an executor of the Company group is an External Director of another company whose executor is also an external officer of the Company)
10. Those to which 2 - 9 above are applicable for the past five years
11. Spouse and relative by affinity within the second degree of kinship of those who apply to any of the above 1 - 10 (limited to those who have an important position, including Director (excluding External Director), executive officer, and senior management employee above general manager, attorney belonging to legal company, certified public accountant belonging to an audit corporation or an accounting firm, councilor, director, and supervisor, belonging to a incorporated foundation, incorporate association, or incorporated educational institution, or others of equivalent importance from an objective and reasonable point of view)
12. Apart from the above, those who have a particular reason for not being able to carry out the duties of an independent external officer, such as those with a conflict of interest with the Company

It should also be mentioned that even when one applies to any of the above 2 - 11, if the person fulfills the conditions to be an external officer under the Companies Act, and if the Company considers the person appropriate to be an independent external officer, it is possible for this person, as an exception, to be a candidate for independent external officer with the reasons for the nomination articulated.

Proposal 2: Election of One (1) Audit & Supervisory Board Member

As Mr. Mitsuhiro Ueno will resign at the conclusion of this Ordinary General Meeting of Shareholders, the Company has proposed to elect an Audit & Supervisory Board Member to fill this vacancy. His term of office will be the same as that of his predecessor pursuant to the Company's Articles of Incorporation.

The Company's Audit & Supervisory Board has already consented to this proposal.

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

Name (Date of Birth)	Career Summary, Position and Responsibility in the Company (Important concurrent positions)	Number of the Company's Shares Held
<p>Michimasa Teraoka (May 17, 1960)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">New appointment</div>	<p>Jun. 1980 Joined Japan Cash Machine Co., Ltd. Jun. 2006 Executive Officer, Deputy Executive General Manager of Administration Division Jun. 2007 Senior Executive Officer, Executive General Manager of Administration Division Jun. 2014 Executive Director of JCM Systems Co., Ltd. Jun. 2017 Senior Executive Officer (present), General Manager of Domestic Related Business Management Department in Corporate Planning Division Jun. 2018 In Charge of Risk Management and Internal Audit (present)</p>	42,418
<p>Reason for nomination as a candidate for Audit & Supervisory Board Member Since joining the company, Mr. Michimasa Teraoka has been engaged in management operations centering on finance and accounting for many years and has rich experience and achievements regarding these operations. He is currently responsible for risk management and internal audit, and has extensive familiarity with business operations of the whole Company Group. We, therefore, consider him a suitable candidate for a newly appointed Audit & Supervisory Board Member.</p>		
<p>Special interests between the candidate and the Company There is no special interest between the candidate and the Company.</p>		

Proposal 3: Payment of Bonuses to Directors

The Company will offer a total of 18 million yen for six (6) Directors (excluding External Directors) as of the end of this term, based on comprehensive consideration of business performance during this term and past Directors' remuneration. Furthermore, it is proposed that the determination of the amounts to be paid to each Director be entrusted to the decision of the Board of Directors.

Proposal 4: Determination of Remuneration for Allotting Restricted Stock to Directors

It was approved at the 54th Ordinary General Meeting of Shareholders held on June 27, 2007 that the amount of remuneration, etc. for Directors shall be up to 20 million yen a month (excluding employee salaries of Directors who concurrently serve as employees), and in addition to the above remuneration framework, at the 62nd Ordinary General Meeting of Shareholders held on June 25, 2015, the amount of remuneration related to subscription rights for stock options as stock-based rewards for Directors was approved to be up to 70 million yen per year.

As part of our review of our executive remuneration system, we intend to introduce a restricted stock remuneration plan (the "Plan") for Directors (excluding External Directors; hereinafter referred to as "Eligible Directors") with purpose of providing incentives to Eligible Directors to improve their willingness to serve to increases in share price and corporate value more than ever before, and share the benefits and risks of share price fluctuations with our shareholders.

Accordingly, apart from the current remuneration framework of Directors, the Company intends to set the total amount of monetary remuneration claims for allotting restricted stock to the Eligible Directors at a maximum of 70 million yen per year (excluding employee salaries of Directors who concurrently serve as employees) as the same amount as the current stock option plan. The Board of Directors shall determine the specific timing and distribution of payment to each Eligible Director.

In addition, the Eligible Directors will pay all monetary remuneration claims provided by the Company under the Plan as properties contributed in kind and will be issued or disposed of in respect of our common stock, and the total number of shares of common stock to be newly issued or disposed of by us under the Plan will be up to 100,000 shares per year (provided, however, that, in the event of a stock split of our common stock (including the allotment of our common stock without contribution) or a reverse stock split which takes effect on the effective date after the date on which the Proposal is approved, the total number of shares shall be adjusted to the extent reasonable as needed from the effective date in accordance with the split ratio, merger ratio, etc.).

The amount to be paid per share will be determined by the Board of Directors on the basis of the closing price of the shares of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the relevant resolution of each Board of Directors (if the transaction is not completed on the same day, the closing price on the latest trading day prior to that day) to the extent that it is not particularly favorable to the Eligible Directors. In addition, the issuance or disposition of the Company's common stock under the Plan, the Company and the Eligible Directors shall enter into a Restricted Stock Allotment Agreement (the "Allotment Agreement"), which shall include the following details.

Subject to the approval of this Proposal, the Company will abolish the provisions on the amount of remuneration related to subscription rights for stock options as stock-based rewards and abolish the said stock option plan, and will not allot subscription rights for stock options as stock-based rewards to Directors in the future.

Currently, the number of Directors is eight. However, if the first Proposal "Election of Right (8) Directors" is approved, the number of Eligible Directors to the resolution will be seven, excluding External Director.

(1) Restriction Period

The Eligible Director shall not transfer, or establish the right of lien to the Shares of the Company's Common Stock allotted by the Company (hereinafter referred to as the "Allotted Shares") in a period stipulated by the Board of Directors within the range of three (3) to thirty (30) years from the date of allotment (hereinafter referred to as the "Restriction Period") to any third party (hereinafter referred to as the "Restriction of Transfer").

(2) Treatment at Retirement

In the event that, prior to the expiration of the Restriction Period, the Eligible Director loses any of the positions of Directors, executive officers who do not hold concurrent position as Director, auditors, employees, advisors or counselors or the other equivalent positions of the Company or the Company's subsidiaries, the Company will acquire the Allotted Shares without charge, except for the expiration of the Eligible Director's term of office, death or any other reason whatsoever as the Company's Board of Directors meeting deems justifiable.

(3) Lifting of Restriction on Transfer

The Company will terminate the Restriction of Transfer of the Allotted Shares upon the timing of Restriction Period expired provided that the Eligible Directors remained Directors, executive officers who do not hold concurrent position as Director, auditors, employees, advisors or counselors or the other equivalent positions of the Company or the Company's subsidiaries during the Restriction Period. Provided, however, that in the event that the Eligible Director loses any of positions of Directors, executive officers who do not hold concurrent position as Director, auditors, employees, advisors or counselors or the other equivalent positions of the Company or the Company's subsidiaries prior to the expiration of the Restriction Period, due to the expiration of the Eligible Director's term of office, death or any other reason as the Company's Board of Directors deems justifiable, the number of the Allotted Shares to lift the Restriction of Transfer and the timing of the lifting of the Restriction of Transfer shall be reasonably adjusted as necessary. In addition, the Company will naturally acquire the Allotted Shares, which has not yet been lifted, without charge at the time immediately after the Restriction of Transfer has been lifted in accordance with the provisions above.

(4) Treatment of Organizational Restructuring, etc.

In the event that, during the Restriction Period, the merger agreement in which the Company become an extinguished company, the share exchange agreement or the share exchange project in which the Company become a wholly-owned subsidiary, or any other organizational restructuring-related matters are approved at the Company's general meeting of shareholders (or by the Company's Board of Directors in case such organizational restructuring is not subject to approval by the Company's general meeting of shareholders), the Company will lift the Restriction of Transfer of the Allotted Shares in the number reasonably determined based on the period from the date of commencement of the Restriction Period to the date of approval of such organizational restructuring, prior to the effective date of such organizational restructuring, by a resolution of the Company's Board of Directors meeting. In this case, the Company will naturally acquire, without charge, the Allotted Shares for which the Restriction of Transfer has not been lifted at the time immediately after the Restriction of Transfer has been lifted.

(5) Other Matters

Other matters relating to the Allotment Agreement shall be determined by the Board of Directors.