

Securities Code: 6457
June 5, 2015

To our shareholders,

Hirokazu Onoe
President
GLORY LTD.
3-1, Shimoteno 1-chome,
Himeji City, Hyogo

Notice of the 69th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 69th Ordinary General Meeting of Shareholders of GLORY LTD. (the “Company”), which will be held as described below (the “Shareholders Meeting”).

In the event that you are unable to attend the Shareholders Meeting in person, you are kindly requested to review the attached Reference Materials for the Shareholders Meeting, and exercise your voting rights by stating your approval or disapproval for each of the proposals in the enclosed Voting Card. Please return the Voting Card to the Company, or vote via the Company’s voting site* at <<http://www.evotep.jp/>>. Whichever method you use, we ask that you please exercise your voting rights no later than 5:15 p.m., Thursday, June 25, 2015 (Tokyo time).

*Available only in the Japanese language.

1. **Date & Time** Friday, June 26, 2015, 10:00 a.m.
2. **Place** Conference Room
GLORY LTD. Headquarters
3-1 Shimoteno 1-chome,
Himeji City, Hyogo

3. **Agenda**

Matters to be reported:

1. The Business Report, the Consolidated Financial Statements and the Reports of Independent Auditors and the Board of Corporate Auditors on the Consolidated Financial Statements for the 69th term (from April 1, 2014 to March 31, 2015)
2. The Financial Statements for the 69th term (from April 1, 2014 to March 31, 2015)

Proposals to be acted upon:

- Proposal No. 1 Distribution of Retained Earnings
- Proposal No. 2 Partial Amendments to the Articles of Incorporation
- Proposal No. 3 Election of Nine (9) Directors
- Proposal No. 4 Election of Four (4) Corporate Auditors
- Proposal No. 5 Payment of Bonuses to Directors
- Proposal No. 6 Amount and Specific Content of Performance-Based Stock Compensation for Directors

This is a partial translation of the original Japanese text of the “Notice of the 69th Ordinary General Meeting of Shareholders” prepared for the convenience of shareholders. Should there be any discrepancy between any part of this translation and the original Japanese text, the latter shall prevail.

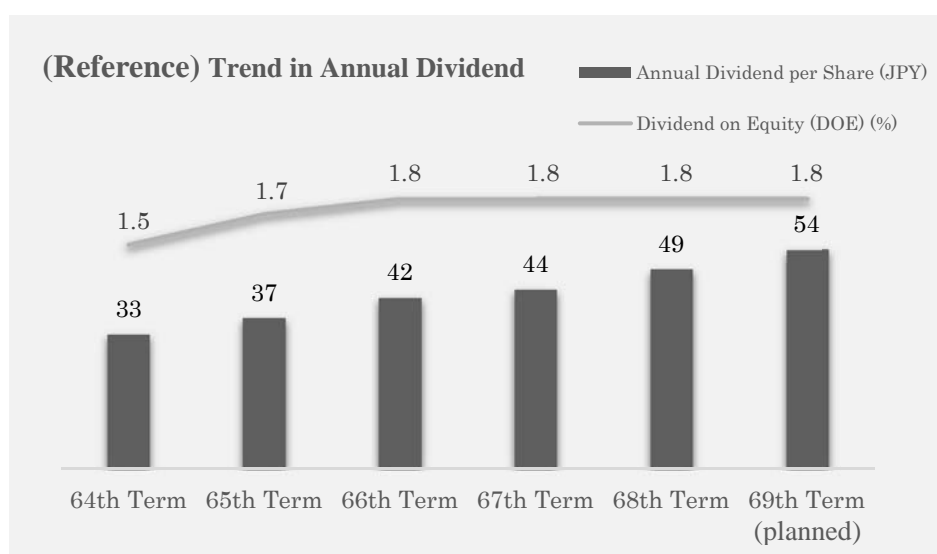
REFERENCE MATERIALS FOR THE SHAREHOLDERS MEETING

Proposal No. 1 Distribution of Retained Earnings

Considering the return of profits to shareholders to be an important management task, the Company's policy in regard to distribution of profits is to continue stable dividends while striving to maintain and enhance sound financial standing in preparation for future business growth. The Company has set the target of attaining a dividend payout ratio of 25% or higher and DOE (dividends on equity) of at least 1.8%, both on a consolidated basis.

In accordance with the above policy, the Company is proposing to pay a year-end dividend of ¥30 per share. As the Company previously paid out ¥24 per share as an interim-period dividend, the total dividend for the 69th term will be ¥54 per share. Consequently, DOE will be 1.8% and the payout ratio will be 27.1%.

1. Type of dividend property
Cash
2. Allocation of dividend property and total amount of allocation
¥30 per share of common stock
Total amount of payout: ¥1,970,609,370
3. Effective date of dividend payment
June 29, 2015



Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reason for the proposed amendments

With the enforcement of “the Act for Partial Revision of the Companies Act” (Act No.90 of 2014) on May 1, 2015, the scope of directors and corporate auditors with whom companies can conclude limited liability contracts has been expanded. Consequently, certain provisions of the Company's present Articles of Incorporation (Articles 28 and 36) are to be changed accordingly so that non-executive Directors and Corporate Auditors as well can fully perform their expected roles.

The Company has obtained the consent of all Corporate Auditors for the proposed partial amendment to the Article 28 of the present Articles of Incorporation.

2. Detail of changes

Details of the proposed amendments are as follows:

(Amended portions are underlined.)

<i>Present Articles of Incorporation</i>	<i>Proposed Amendment</i>
<p>Article 28 (Limitation of Directors' Liability) In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with <u>an Outside Director</u> which shall limit his or her liability for damages as provided for under Paragraph 1, Article 423 of the Companies Act. However, this limit shall be the minimum liability amount stipulated by applicable laws and ordinances.</p>	<p>Article 28 (Limitation of Directors' Liability) In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with <u>a Director (excluding an executive Director and the like)</u> which shall limit his or her liability for damages as provided for under Paragraph 1, Article 423 of the Companies Act. However, this limit shall be the minimum liability amount stipulated by applicable laws and ordinances.</p>
<p>Article 36 (Limitation of Corporate Auditors' Liability) In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with <u>an Outside Corporate Auditor</u> which shall limit his or her liability for damages as provided for under Paragraph 1, Article 423 of the Companies Act. However, this limit shall be the minimum liability amount stipulated by applicable laws and ordinances.</p>	<p>Article 36 (Limitation of Corporate Auditors' Liability) In accordance with the provisions of Paragraph 1, Article 427 of the Companies Act, the Company may enter into an agreement with <u>a Corporate Auditor</u> which shall limit his or her liability for damages as provided for under Paragraph 1, Article 423 of the Companies Act. However, this limit shall be the minimum liability amount stipulated by applicable laws and ordinances.</p>


Proposal No. 3 Election of Nine (9) Directors


At the close of the Shareholders Meeting, the term of office will expire for all nine (9) Directors. Therefore, we would like shareholders to elect nine (9) Directors.

The candidates for the position of Director are as follows:


<i>No</i>	<i>Name (age*)</i>	<i>Position and responsibilities</i>	<i>Attendance rate at Board of Directors meetings</i>		
1	Reappointment Hirokazu Onoe (67)	President & Representative Director	16/16		
2	Reappointment Motozumi Miwa (61)	Director & Senior Managing Executive Officer; Executive General Manager, Business Management Headquarters, Responsible for General Affairs Headquarters	16/16		
3	Reappointment Tetsu Yoshioka (65)	Director & Senior Managing Executive Officer; Responsible for affiliated companies management	16/16		
4	Reappointment Hideo Onoe (47)	Director & Managing Executive Officer; Executive General Manager, Domestic Business Headquarters	13/13		
5	Reappointment Shigetoshi Mabuchi (57)	Director & Managing Executive Officer; Executive General Manager, Service Headquarters	13/13		
6	Reappointment Kaname Kotani (55)	Director & Managing Executive Officer; Executive General Manager, Development Headquarters, Responsible for Intellectual Property Dept.	12/13		
7	Reappointment Hiroki Sasaki (73) <table border="1" style="margin-left: auto; margin-right: auto;"><tr><td>Candidate for Outside Director</td></tr><tr><td>Candidate for Independent Director</td></tr></table>	Candidate for Outside Director	Candidate for Independent Director	Outside Director (Number of years of service as Director at the conclusion of the Shareholders Meeting : 7 years)	16/16
Candidate for Outside Director					
Candidate for Independent Director					
8	Reappointment Akira Nijjima (71) <table border="1" style="margin-left: auto; margin-right: auto;"><tr><td>Candidate for Outside Director</td></tr><tr><td>Candidate for Independent Director</td></tr></table>	Candidate for Outside Director	Candidate for Independent Director	Outside Director (Number of years of service as Director at the conclusion of the Shareholders Meeting : 7 years)	16/16
Candidate for Outside Director					
Candidate for Independent Director					
9	New appointment Akihiro Harada (52)	Senior Executive Officer; Executive General Manager, International Business Headquarters	—		

* As of the date of the Shareholders Meeting.


No 1	Name	Reappointment		
	Date of birth (age)			
	Hirokazu Onoe	Number of shares in the Company owned by the candidate:	22,000	
	March 19, 1948 (67)	Attendance rate at Board of Directors meetings:	16/16	
<i>Career summary, positions and areas of responsibility in the Company:</i>				
	Sep. 1970	Joined the Company		
	Apr. 2000	General Manager, Vending Machine & Amusement Systems Business Div.		
	Jun. 2001	Director		
	Jun. 2004	Managing Director		
	Jun. 2006	Director & Managing Executive Officer		
	Jun. 2008	General Manager, Management Planning Office		
	Apr. 2009	General Manager, Corporate Strategy Div.		
	Jun. 2010	Director & Executive Vice President		
	Apr. 2011	President & Representative Director (to present)		
	<i>Significant concurrent positions:</i>		None	


No 2	Name	Reappointment		
	Date of birth (age)			
	Motozumi Miwa	Number of shares in the Company owned by the candidate:	6,200	
	June 9, 1954 (61)	Attendance rate at Board of Directors meetings:	16/16	
<i>Career summary, positions and areas of responsibility in the Company:</i>				
	Jun. 2009	Joined the Company		
	Mar. 2010	General Manager, Legal Affairs Dept., General Affairs Div.		
	Jun. 2010	Executive Officer; Senior General Manager, General Affairs Div.		
	Apr. 2012	Senior Executive Officer; Executive General Manager, General Affairs Headquarters		
	Jun. 2012	Director & Senior Executive Officer		
	Apr. 2014	Director & Managing Executive Officer; Executive General Manager, Business Management Headquarters (to present), Responsible for General Affairs Headquarters (to present)		
	Apr. 2015	Director & Senior Managing Executive Officer (to present)		
	<i>Significant concurrent positions:</i>		None	


No 3	<i>Name</i>			Reappointment	
	<i>Date of birth (age)</i>	Tetsu Yoshioka	<i>Number of shares in the Company owned by the candidate:</i>		
	April 30, 1950 (65)		<i>Attendance rate at Board of Directors meetings:</i>	16/16	
<i>Career summary, positions and areas of responsibility in the Company:</i>					
	Dec. 2002	Joined the Company			
	Feb. 2003	President of GLORY Denshi Kogyo (Suzhou) Ltd.			
	Jun. 2004	Director of the Company			
	Jun. 2006	Director & Executive Officer Chairman of the Board of GLORY Denshi Kogyo (Suzhou) Ltd.			
	Jun. 2007	Senior Executive Officer of the Company			
	Jun. 2010	Senior General Manager, Corporate Strategy Div. & General Manager, Affiliated Companies Dept.			
	Apr. 2011	Managing Executive Officer; Executive General Manager, International Business Headquarters			
	Jun. 2013	Director & Managing Executive Officer			
	Apr. 2014	Director & Senior Managing Executive Officer (to present) Chairman of the Board of Glory Global Solutions Ltd.			
	Apr. 2015	Responsible for affiliated companies management of the Company (to present)			
<i>Significant concurrent positions:</i>		None			

No 4	<i>Name</i>			Reappointment	
	<i>Date of birth (age)</i>	Hideo Onoe	<i>Number of shares in the Company owned by the candidate:</i>		
	October 17, 1967 (47)		<i>Attendance rate at Board of Directors meetings:</i>	13/13	
<i>Career summary, positions and areas of responsibility in the Company:</i>					
	Jan. 1999	Joined the Company			
	Oct. 2005	General Manager, Supply Chain Management Dept., Production Management Div., Money Handling Systems Business Headquarters			
	Oct. 2006	Executive Officer; Senior General Manager, Supply Chain Management Div. & General Manager, Planning Dept., Supply Chain Management Div.			
	Jul. 2009	President of GLORY (U.S.A.) INC. (now Glory Global Solutions Inc.)			
	Apr. 2012	Senior Executive Officer of the Company; Executive General Manager, Production Headquarters			
	Apr. 2013	Chairman of the Board of GLORY Denshi Kogyo (Suzhou) Ltd.			
	Apr. 2014	Managing Executive Officer of the Company; Executive General Manager, Production Headquarters & Senior General Manager, Purchasing Div. Chairman of the Board of GLORY IPO China Ltd.			
	Jun. 2014	Director & Managing Executive Officer of the Company (to present)			
	Apr. 2015	Executive General Manager, Domestic Business Headquarters (to present)			
<i>Significant concurrent positions:</i>		None			

No 5	<i>Name</i>	Reappointment		
	<i>Date of birth (age)</i>	Shigetoshi Mabuchi	<i>Number of shares in the Company owned by the candidate:</i> 2,200	
	December 19, 1957 (57)		<i>Attendance rate at Board of Directors meetings:</i> 13/13	
<i>Career summary, positions and areas of responsibility in the Company:</i>				
	Apr. 1982	Joined GLORY Shoji Co., Ltd. (now the Company)		
	Apr. 2005	General Manager, Business Planning Office, Business Planning Div. of GLORY Shoji Co., Ltd.		
	Apr. 2009	Senior General Manager, Maintenance Business Div., Maintenance Headquarters of the Company		
	Jun. 2010	Executive Officer		
	Apr. 2011	Senior General Manager, Management Div., Service Headquarters		
	Apr. 2012	Senior Executive Officer; Executive General Manager, Service Headquarters (to present)		
	Apr. 2014	Managing Executive Officer		
	Jun. 2014	Director & Managing Executive Officer (to present)		
	<i>Significant concurrent positions:</i>		None	

No 6	<i>Name</i>	Reappointment		
	<i>Date of birth (age)</i>	Kaname Kotani	<i>Number of shares in the Company owned by the candidate:</i> 3,300	
	August 23, 1959 (55)		<i>Attendance rate at Board of Directors meetings:</i> 12/13	
<i>Career summary, positions and areas of responsibility in the Company:</i>				
	Jun. 1987	Joined the Company		
	Apr. 2005	General Manager, Design Dept.3, Development Div.3, Money Handling Systems Business Headquarters		
	Jun. 2010	Senior General Manager, Development Div., Money Handling System Business Headquarters		
	Apr. 2011	Deputy Executive General Manager, Development Headquarters & Senior General Manager, Development Div.1		
	Apr. 2012	Executive Officer		
	Apr. 2013	Senior Executive Officer; Executive General Manager, Development Headquarters (to present), Responsible for Intellectual Property Dept. (to present)		
	Jun. 2014	Director & Senior Executive Officer		
	Apr. 2015	Director & Managing Executive Officer (to present)		
	<i>Significant concurrent positions:</i>		None	

No	Name Date of birth (age)	Reappointment		
		Candidate for Outside Director	Candidate for Independent Director	
7	Hiroki Sasaki February 15, 1942 (73)	<input type="checkbox"/>	<input type="checkbox"/>	
		Number of shares in the Company owned by the candidate:		4,700
		Number of years of service as Director:		7 years
		Attendance rate at Board of Directors meetings:		16/16
<i>Career summary, positions and areas of responsibility in the Company:</i>				
Apr.	1965	Joined Fuji Iron & Steel Co., Ltd. (now Nippon Steel & Sumitomo Metal Corporation)		
Jun.	1995	Director of Nippon Steel Corporation (now Nippon Steel & Sumitomo Metal Corporation)		
Apr.	1999	Managing Director of Nippon Steel Corporation		
Jun.	2001	Vice President & Representative Director of Sanyo Special Steel Co., Ltd.		
Jun.	2002	President & Representative Director of Sanyo Special Steel Co., Ltd.		
Jun.	2007	Director & Senior Adviser of Sanyo Special Steel Co., Ltd.		
Jun.	2008	Outside Director of the Company (to present)		
Jun.	2009	Outside Corporate Auditor of KITZ Corporation		
<i>Significant concurrent positions:</i> None				
<i>Reason for recommending the candidate as Outside Director:</i>				
Mr. Hiroki Sasaki possesses considerable experience and global knowledge as management executive and has been playing an important role, as an Outside Director, in ensuring and enhancing transparency and fairness in the Company's management. Further, he has been providing the Company with valuable advice as a member of the Nomination Advisory Committee and the Compensation Advisory Committee of the Company. It is our judgment that we can strengthen the Company's management organization further by receiving from him proper advice regarding the corporate management from an independent standpoint. We thus recommend his election as an Outside Director for another term.				

No 8	Name	Reappointment		
	Date of birth (age)	Candidate for Outside Director	Candidate for Independent Director	
	Akira Nijjima	Number of shares in the Company owned by the candidate: 2,800		
	March 9, 1944 (71)	Number of years of service as Director: 7 years		
		Attendance rate at Board of Directors meetings: 16/16		
<i>Career summary, positions and areas of responsibility in the Company:</i>				
	Apr. 1969	Joined Pioneer Corporation		
	Sep. 1995	President of Pioneer North America, Inc.		
	Jun. 1997	Director of Pioneer Corporation		
	Jun. 2000	Managing Director of Pioneer Corporation		
	Jun. 2002	Senior Managing Director of Pioneer Corporation		
	Jun. 2004	Senior Managing Director & Representative Director of Pioneer Corporation		
	Jun. 2008	Outside Director of the Company (to present)		
<i>Significant concurrent positions:</i> None				
<i>Reason for recommending the candidate as Outside Director:</i>				
Mr. Akira Nijjima has accumulated considerable experience in both international and domestic businesses at an R&D oriented company similar to the Company and possesses valuable global knowledge. He has been playing an important role, as an Outside Director, in ensuring and enhancing transparency and fairness in the Company's management. Further, he has been providing the Company with valuable advice as a member of the Nomination Advisory Committee and the Compensation Advisory Committee of the Company. It is our judgment that we can strengthen the Company's management organization further by receiving from him proper advice regarding the corporate management from an independent standpoint. We thus recommend his election as an Outside Director for another term.				

No 9	Name	New appointment		
	Date of birth (age)			
	Akihiro Harada	Number of shares in the Company owned by the candidate: 2,000		
	March 10, 1963 (52)			
<i>Career summary, positions and areas of responsibility in the Company:</i>				
	Mar. 1985	Joined the Company		
	Apr. 2001	General Manager, Parts Manufacturing Dept., Himeji Factory, Money Handling Systems Business Headquarters		
	Apr. 2003	General Manager, Production Engineering Dept., Himeji Factory, Banking System & Equipment Div.		
	Jan. 2006	President of Glory (Philippines), Inc.		
	Apr. 2009	General Manager, Management Planning Dept., Corporate Strategy Div. of the Company		
	Apr. 2012	Executive Officer; General Manager, Management Planning Dept. & Project Leader, International Business Integration Project Management Office		
	Jul. 2012	Director of Glory Global Solutions Ltd.		
	Apr. 2014	Senior Executive Officer of the Company (to present); Responsible for manufacturing, procurement and quality assurance at group companies of Glory Global Solutions Ltd.		
	Apr. 2015	Executive General Manager, International Business Headquarters (to present)		
<i>Significant concurrent position:</i> Chairman of the Board of Glory Global Solutions Ltd.				

Notes:

1. There is no special interest between the Company and the candidates.
2. Mr. Hiroki Sasaki and Mr. Akira Nijima have been notified to Tokyo Stock Exchange as “Independent Directors”.
3. Regarding agreements limiting the liability of Directors

To enable Outside Directors to fully perform their expected roles, the Articles of Incorporation of the Company provide that the Company may conclude agreements with Outside Directors to the effect that liability of Outside Directors be limited. The Company has concluded such agreement with each of the Outside Directors, Mr. Hiroki Sasaki and Mr. Akira Nijima, and will maintain the existing agreement with each of them, if they are reelected as Outside Directors as proposed.

Brief summary of the said agreements is as follows:

- * Outside Director shall be liable for damages up to the minimum amount of liability stipulated in Paragraph 1, Article 425 of the Companies Act should he or she become liable for damages caused to the Company as a result of negligence in the performance of his or her duties.
- * The liability limitation described above shall be applicable in cases where Outside Director performed the duties that became the cause of liability in good faith and without gross negligence.

Proposal No. 4 Election of Four (4) Corporate Auditors


At the close of the Shareholders Meeting, the term of office will expire for all four (4) Corporate Auditors. Therefore, we would like shareholders to elect four (4) Corporate Auditors.


The Company has obtained the consent of Board of Corporate Auditors for this proposal.


The candidates for the position of Corporate Auditors are as follows:


No	Name (age*)	Position	Attendance rate at Board of Directors meetings	Attendance rate at Board of Corporate Auditors meetings
1	Reappointment Toshihiko Otani (63)	Corporate Auditor	16/16	15/15
2	Reappointment Mikio Nakajo (52) Candidate for Outside Corporate Auditor Candidate for Independent Corporate Auditor	Outside Corporate Auditor (Number of years of service as Corporate Auditor (at the conclusion of the Shareholders Meeting) : 4 years)	15/16	15/15
3	New appointment Masakazu Nagashima (60)		—	—
4	New appointment Satoshi Hamada (62) Candidate for Outside Corporate Auditor Candidate for Independent Corporate Auditor		—	—

* As of the date of the Shareholders Meeting.

No 1	Reappointment	
	<i>Name</i>	
	<i>Date of birth (age)</i>	
	Toshihiko Otani	
	<i>Number of shares in the Company owned by the candidate:</i>	7,700
	<i>Attendance rate at Board of Directors meetings:</i>	16/16
	<i>Attendance rate at Board of Corporate Auditors meetings:</i>	15/15
<i>Career summary and positions in the Company:</i>		
	Mar. 1977	Joined the Company
	Oct. 2006	General Manager, Accounting Dept., Accounting Div.
	Jun. 2011	Corporate Auditor (to present)
<i>Significant concurrent positions:</i> None		

No 2	Reappointment	
	Candidate for Outside Corporate Auditor	
	Candidate for Independent Corporate Auditor	
	Mikio Nakajo	
	<i>Number of shares in the Company owned by the candidate:</i>	2,900
	<i>Number of years of service as Corporate Auditor:</i>	4 years
	<i>Attendance rate at Board of Directors meetings:</i>	15/16
	<i>Attendance rate at Board of Corporate Auditors meetings:</i>	15/15
<i>Career summary and positions in the Company:</i>		
	Apr. 1998	Registered as attorney-at-law
		Joined Sawada Kikui Law Office (now Sawada Nakajo Law Office)
	Apr. 2005	Partner and Attorney-at-Law of Sawada Nakajo Law Office (to present)
	Apr. 2009	Vice President of Hyogo-ken Bar Associations
	Jun. 2011	Outside Corporate Auditor of the Company (to present)
<i>Significant concurrent positions:</i>		
		Partner and Attorney-at-Law of Sawada Nakajo Law Office
		Outside Corporate Auditor of Nishishiba Electric Co., Ltd.
<i>Reason for recommending the candidate as Outside Corporate Auditor:</i>		
Mr. Mikio Nakajo possesses extensive knowledge and experience as an attorney-at-law and has been playing an important role, as an Outside Corporate Auditor, in ensuring and enhancing compliance and adequacy in the Company's management. It is our judgment that we can strengthen the Company's management organization further by receiving his audit based on his experience and specialized knowledge from an independent standpoint. We thus recommend his election as an Outside Corporate Auditor for another term.		

No 3	<p>Name Date of birth (age)</p> <p>Masakazu Nagashima February 8, 1955 (60)</p> <p style="text-align: right;">New appointment</p> <p style="text-align: right;">Number of shares in the Company owned by the candidate: 2,400</p> 
<p><i>Career summary and positions in the Company:</i></p> <p>Jan. 1983 Joined the Company</p> <p>Oct. 2006 General Manager, Business Planning Dept., Retail & Media Industries Systems Company</p> <p>Apr. 2011 General Manager, Internal Audit Dept.</p> <p>Apr. 2015 Assigned to Corporate Auditors Office (to present)</p> <p><i>Significant concurrent positions:</i> None</p>	

No 4	<p>Name Date of birth (age)</p> <p>Satoshi Hamada October 3, 1952 (62)</p> <p style="text-align: right;">New appointment</p> <p style="text-align: right;">Candidate for Outside Corporate Auditor</p> <p style="text-align: right;">Candidate for Independent Corporate Auditor</p> <p style="text-align: right;">Number of shares in the Company owned by the candidate: 0</p> 
<p><i>Career summary:</i></p> <p>Apr. 1976 Joined Chuo Audit Corporation</p> <p>Aug. 1981 Joined Asahi & Co. (now KPMG AZSA LLC)</p> <p>Nov. 1981 Registered as certified public accountant</p> <p>Sep. 1984 President, Satoshi Hamada Accounting Office (to present)</p> <p>Sep. 2014 Representative, Hamada Certified Tax Accountant Office (to present)</p> <p><i>Significant concurrent positions:</i></p> <p style="text-align: center;">President, Satoshi Hamada Accounting Office Representative, Hamada Certified Tax Accountant Office Outside Corporate Auditor, NISHIMATSUYA CHAIN Co., Ltd. External Statutory Auditor, WDB Co., Ltd. (now WDB Holdings Co., Ltd.)</p> <p><i>Reason for recommending the candidate as Outside Corporate Auditor:</i></p> <p>Mr. Satoshi Hamada possesses extensive knowledge and experience in corporate management as a certified public accountant. It is our judgment that we can ensure compliance and adequacy in the Company's management by receiving his audit based on his experience and specialized knowledge. We thus recommend his election as an Outside Corporate Auditor.</p>	

Notes:

1. There is no special interest between the Company and the candidates.
2. Regarding agreements limiting the liability of Corporate Auditors
To enable Outside Corporate Auditors to fully perform their expected roles, the Articles of Incorporation of the Company provide that the Company may conclude agreements with Outside Corporate Auditors to the effect that liability of Outside Corporate Auditors be limited. The Company has concluded such agreements with Mr. Mikio Nakajo. The Company will maintain the existing agreement with him, and conclude a similar agreement with Mr. Satoshi Hamada, if they are elected as Outside Corporate Auditor as proposed.
Brief summary of the said agreements is as follows:
 - * Outside Corporate Auditor shall be liable for damages up to the minimum amount of liability stipulated in Paragraph 1, Article 425 of the Companies Act should he or she become liable for damages caused to the Company as a result of negligence in the performance of his or her duties.
 - * The liability limitation described above shall be applicable in cases where Outside Corporate Auditor performed the duties that became the cause of liability in good faith and without gross negligence.
3. Reasons for the Company's judgement that the candidate for the position of Outside Corporate Auditor can adequately perform his duties as Corporate Auditor when the candidate has never engage in corporate management in the past in ways other than assuming the position of Outside Director or Outside Corporate Auditor:
 - (1) Mr. Mikio Nakajo possesses extensive knowledge and experience as an attorney-at-law and has deep understanding of corporate management. Based on these points, it is our judgement that he is capable of adequately performing his duty as an Outside Corporate Auditor.
 - (2) Mr. Satoshi Hamada is a certified public accountant and possesses considerable expertise in finance and accounting. He also has deep understanding of corporate management. Based on these points, it is our judgement that he is capable of adequately performing his duty as an Outside Corporate Auditor.

Proposal No. 5 Payment of Bonuses to Directors

We propose to pay a total amount of ¥48,000,000 as bonuses to seven (7) executive Directors out of nine (9) Directors, who were in office at the end of the 69th term taking into consideration the Company's business performance of the year.

The above amount is calculated according to the Company's policy of setting the total amount of bonuses at a fixed ratio of consolidated net income. The bonuses for each Director will be determined by a resolution of the Board of Directors.

Proposal No. 6 Amount and Specific Content of Performance-Based Stock Compensation for Directors

1. Reason for the proposal

While compensation for Directors is currently comprised of “fixed compensation” and a performance-related “bonus,” the Company hereby requests the approval of the shareholders on the introduction of a performance-based stock compensation plan (the “Plan”) for Directors (excluding the Outside Directors; the same shall apply hereinafter).

The Plan, to be introduced for Directors, is a compensation plan that is closely linked to the Company’s business performance, with high transparency and objectivity. It is designed to enhance the incentives for Directors to improve the Company’s business performance and increase its corporate value over the medium to long term, and the Company believes the introduction of the Plan to be appropriate.

Specifically, approval is requested for the potential payment of new performance-based stock compensation, separate from the upper limit (no more than 150 million yen per year, not including the amounts paid as salary for employees to Directors who also hold employee status) of the Directors’ “fixed compensation” which was approved at the Company’s 61st Ordinary General Meeting of Shareholders held on June 28, 2007. Any compensation would be paid to Directors incumbent during the three-year period covered by the “2017 Medium-Term Management Plan” in progress, extending from the fiscal year ending March 31, 2016 to the fiscal year ending March 31, 2018 (“Plan Period”). The number of Directors eligible for the Plan will be seven (7), if Proposal No. 3 “Election of Nine (9) Directors” is approved as proposed.

Should Proposal No. 6 be approved as proposed, the compensation for Directors will be comprised of the “fixed compensation,” the performance-related “bonus” and the “stock compensation” under the Plan.

2. Amounts, specific content of compensation and other details under the Plan

(1) Outline of the Plan

The Plan is a stock compensation plan under which the Company would set up the Trust (as defined below) by contributing an amount of money and, with respect to the shares of the Company to be acquired by the trust, the Company would distribute the number of such shares of the Company and the cash conversion equivalent thereof (collectively the “Company Shares”) corresponding to the number of the points awarded to each Director based on his or her position and the degree of the Company’s achievement of the business performance goals (“Points”). As a general rule the Company Shares would be distributed to each Director at a defined time during the trust period and when the relevant Director leaves office.

(2) Upper limit of the Company's monetary contribution to the Trust (*)

The Company will make a monetary contribution, as compensation for Directors, in an amount not to exceed 120 million yen in total and create a three-year trust (the “Trust”) during the Plan Period, the beneficiaries of which will be Directors who meet the beneficiary requirements.

* The money to be contributed to the Trust will be the total of the funds for the acquisition of the Company shares and the trust fee/expenses for the Trust.

(3) Calculation method and upper limit of the number of the Company Shares which could be distributed to Directors

For each fiscal year in the trust contract period (the “Trust Period”), Directors would be awarded a certain number of Points on the last day of May of the following fiscal year based on their positions as Directors and the degree of the Company’s achievement of business performance goals in the fiscal year ending 31 March of that year (the “Assessment Target Year”). The specifics are as indicated in the “Point awarding method” described below. A number of the Company Shares corresponding to 50% of the Points awarded each year would be distributed in that year and the remaining 50% of the Points would be accumulated each year (the “Accumulated Points”), and the number of the Company Shares corresponding to the Accumulated Points would be distributed when Directors leave office.

The Points would be converted to the Company shares on a one-to-one basis. If, during the Trust Period, there is an event such as share split or consolidation of the shares of the Company which would justify an adjustment of the Points, such adjustment will be made in accordance with the ratio of the share split or consolidation, or other ratio.

The upper limit of the total number of Points to be awarded to Directors shall be 10,000 points. Furthermore, the number of the Company shares that the Trust will acquire is limited to the upper limit of Points which could be awarded in each year multiplied by the number of years in the Trust Period of three years (30,000 shares).

(Point awarding method)

With the target value for fiscal year 2017, which is the final year of the “2017 Medium-Term Management Plan,” as a benchmark, each Director would be awarded a certain number of points which is calculated by multiplying his or her position-based basic points for each Assessment Target Year by the performance-based indicator which is calculated in relation to the degree of the Company’s achievement of business performance goals for the Assessment Target Year. The performance-based indicator is determined in stages according to the achievement level of the Company’s consolidated sales and operating income forecast which is contained in the Company’s “Financial Results” published at the beginning of each fiscal year. Each indicator would be within the range between 0 (if less than 90% of forecast achieved) and 1.2 (if 130% or more of forecast achieved).

(4) Distribution of the Company shares to Directors

A Director who has satisfied the beneficiary requirements would, upon completing the prescribed beneficiary setting procedures, receive from the Trust, in June of each year during the Trust Period, and when leaving office, 70% of the Company shares corresponding to the number of Points awarded as described below (10 shares as a unit, and shares less than 10 shares are rounded down), and the remaining Company shares would be converted within the Trust to an equivalent cash value, and paid to the Director.

(i) Distribution at a certain time each year

The number of the Company shares corresponding to 50% of the Points awarded each year on the last day of May during the Trust Period would be distributed in June of each year.

(ii) Distribution upon leaving office

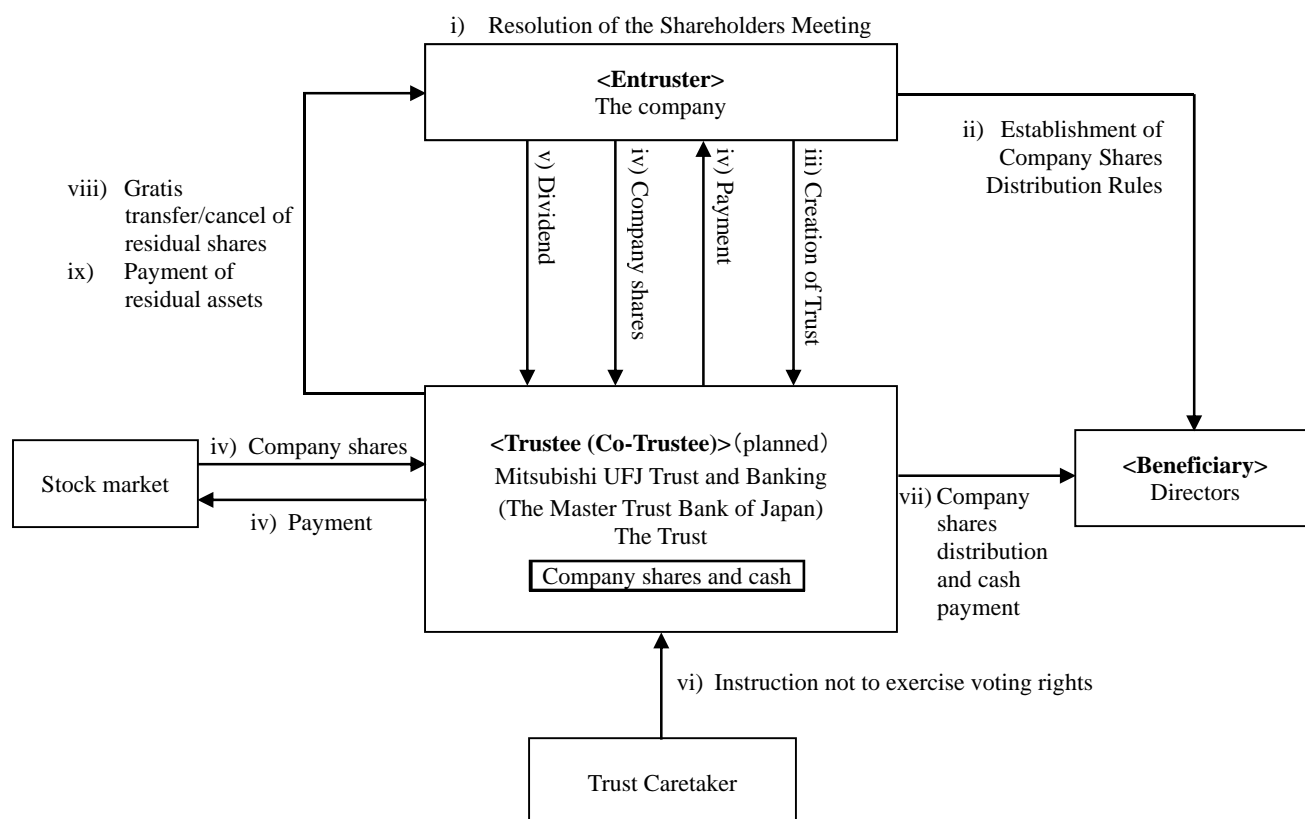
The number of the Company Shares corresponding to the number of the Accumulated Points would be distributed when a Director leaves office.

As a general rule the sale of the Company shares acquired through the Plan would not be permitted during a Director’s incumbency from the viewpoint of value sharing with shareholders and of ensuring the link with the medium to long term performance of the Company.

(Reference)

Excerpts from the timely disclosure materials of the Company dated May 12, 2015

<Trust Scheme for the Initial Set Up>



- i) The Company seeks to obtain an approval for the proposed Director compensation specified in the Plan at the Shareholders Meeting.
- ii) The Company plans to institute Company Shares Distribution Rules in regard to the introduction of the Plan, as established by its Board of Directors.
- iii) The Company will, by entrusting an amount of money within the limit of the Shareholders Meeting approval as per i) above, set up the Trust, beneficiaries of which will be Directors who meet the beneficiary requirements.
- iv) The Trust will, in accordance with instructions from the trust caretaker, use the money entrusted as per iii) above to acquire the Company shares from either the Company (disposal of its treasury shares) or from the stock market. The number of shares to be acquired by the Trust shall be within the limit approved by the Shareholders Meeting as per i) above.
- v) Distribution of surplus as to the Company shares held by the Trust will be made in the same manner as other shares of the Company.
- vi) Voting rights of the shares of the Company held by the Trust will not be exercised throughout the Trust Period.

- vii) During the Trust Period, Points will be awarded to each of Directors based on his or her position and the degree of the Company's achievement of the business performance goals of each fiscal year. Directors who have satisfied specific beneficiary requirements will receive, at a certain time each year during the Trust Period and upon retirement, the number of shares of the Company equivalent to a pre-set ratio of the points awarded to each of the Directors, and in regards to the number of shares of the Company equivalent to the remaining points, the cash equivalent to the conversion value calculated within the Trust will be paid to the Director at a certain time each year during the Trust Period, and upon retirement.
- viii) If, at the end of the Trust Period, there are residual shares arising from reasons such as non or insufficient achievement of performance goals in each fiscal year, said residual shares will be donated to an organization having no vested interest in the Company and/or with its Directors, or transferred to the Company gratis and thereafter cancelled by a resolution of the Board of Directors of the Company.
- ix) Upon dissolution of the Trust, any residual assets after distribution to beneficiaries will be returned to the Company.

<Content of Trust Contract>

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|-----------------------------------|---|
| 1) Type of Trust: | Money trust, an individually operated designated money trust other than a money trust (third party benefit trust) |
| 2) Purpose of Trust: | Provision of incentives to Directors of the Company |
| 3) Entruster: | The Company |
| 4) Trustee: | Mitsubishi UFJ Trust and Banking Corporation (planned) |
| (Co-trustee, | The Master Trust Bank of Japan, Ltd. (planned)) |
| 5) Beneficiaries: | Directors or retired Directors of the Company that meet beneficiary requirements |
| 6) Trust Caretaker: | Third party which does not have interest in the Company (accountant) |
| 7) Trust contract date: | August 2015 (planned) |
| 8) Trust Period: | August 2015 (planned) to August 2018 (planned) |
| 9) Start of Plan: | September 2015 (planned) (point-awarding to be commenced based on the fiscal year ending at the end of March 2016) |
| 10) Voting rights: | No voting rights to be exercised |
| 11) Type of shares: | The Company's ordinary shares |
| 12) Upper limit of Trust funds: | ¥120 million (planned) (including trust fee/expenses) |
| 13) Residual assets to be vested: | The Company |
| 14) Residual assets: | Residual assets that can be received by the Company, which is the designated entity to be vested, shall be within the limit of the trust expense reserve, which is calculated by deducting the cost for acquiring the shares from the amount of money entrusted to the Trust. |

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