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(Securities Code 7747)
August 31, 2016

To Our Shareholders:

Masahiko Miyata
President & CEO
ASAHI INTECC CO., LTD.
1703 Wakita-cho, Moriyama-ku,
Nagoya-shi, Aichi, Japan

Notice of Convocation of the 40th Annual General Meeting of Shareholders

You are cordially invited to attend the 40th Annual General Meeting of Shareholders of ASAHI INTECC CO., LTD. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing, via the Internet, or by other means. Please review the attached Proposals and References and exercise your voting rights by the end of our business day (5:45 p.m.), Tuesday, September 27, 2016.

- 1. Date and Time:** Wednesday, September 28, 2016 at 10:00 a.m.
- 2. Place:** “Hisho room” at the 2nd floor of Hotel Rubura Ohzan located at 8-18 Kakuoantori, Chikusa-ku, Nagoya-shi, Aichi, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 40th Fiscal Year (from July 1, 2015 to June 30, 2016) and results of audits of the Consolidated Financial Statements by the Accounting Auditor and the Board of Auditors
 2. Non-consolidated Financial Statements for the Company’s 40th Fiscal Year (from July 1, 2015 to June 30, 2016)

Matters to be resolved:

- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Nine (9) Directors (excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal 4:** Election of Three (3) Directors Who are Audit and Supervisory Committee Members
- Proposal 5:** Election of One (1) Director Who is a Substitute Audit and Supervisory Committee Member
- Proposal 6:** Determination of the Amount of Compensation for Directors (excluding Directors Who are Audit and Supervisory Committee Members)
- Proposal 7:** Determination of the Amount of Compensation for Directors Who are Audit and Supervisory Committee Members
- Proposal 8:** Renewal of Countermeasures to Large-Scale Purchases of ASAHI INTECC CO., LTD. Shares (Takeover Defense Measures)
- Proposal 9:** Presentation of a Reward to the Founder

4. Instructions for Exercising Voting Rights: There are three ways to exercise your voting rights as described below:

(1) By attending the Annual General Meeting of Shareholders

Present the enclosed voting rights exercise form to the receptionist at the meeting.

Date and Time: Wednesday, September 28, 2016 at 10:00 a.m.

Place: “Hisho room” at the 2nd floor of Hotel Rubura Ohzan

(2) By mailing the voting rights exercise form

Complete the enclosed voting rights exercise form by indicating your vote for or against each of the agenda items and return it without affixing a stamp.

Votes to be received by Tuesday, September 27, 2016 at 5:45 p.m.

(3) By exercising voting rights via the Internet

Access the Company’s designated website for voting (<http://www.evot.jp/>), enter the “Log-in ID” and the “Temporary Password,” which are provided on the enclosed voting rights exercise form, and follow the instructions on the screen to vote on the agenda items.

Votes to be given by Tuesday, September 27, 2016 at 5:45 p.m.

Note: The website above is only available for registered shareholders in Japan with Japanese language only.

To Our Institutional Shareholders:

The ICJ Platform, an electronic voting platform for institutional investors via ProxyEdge[®] system of Broadridge, is available. For further details, please contact your custodians, nominees and/or brokers.

Note.1: If you exercise your voting right both by mail and the internet, the vote by the Internet shall be treated as valid and the voting by mail shall not count.

Note.2: You can vote more than once (revote) through the Internet. In this case, however, only the last vote shall be treated as valid. Only the last vote shall be treated as valid if a voting right is exercised more than once by personal computer, smartphone, and or mobile phone. All prior votes shall not count.

Note.3: Any revisions to the reference material for the Annual General Meeting of Shareholders will be published on the Company’s website (<http://asahi.irbridge.com/en/Top.html>)

Proposals and References

Proposal 1: Appropriation of Surplus

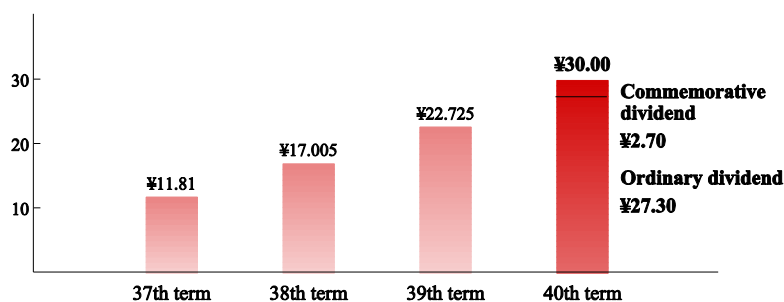
For basic policy regarding the distribution of earnings, the Company considers the return of earnings to shareholders to be one of the most important management issues. Therefore, it is our basic policy to consistently pay out stable dividends over the long-term by constantly aiming to increase our corporate value. Regarding the year-end dividends for the fiscal year under review, the Company proposes a dividend of ¥27.30 per common share to be paid based on a long-term perspective and in comprehensive consideration of consolidated financial results for the fiscal year under review, future outlooks, the level of internal reserves, etc. In addition, a commemorative dividend of ¥2.70 per share in commemoration of the 40th anniversary of the foundation of the Company will be paid to express our gratitude to shareholders for their support to date.

Matters regarding the year-end dividends

1. Type of dividend property
Cash
2. Matters regarding allotment of dividend property to shareholders and its total amount
¥30.00 per common share of the Company (ordinary dividend of ¥27.30 and commemorative dividend of ¥2.70)
Total amount: ¥1,897,107,300
3. Effective date of distribution of surplus
Thursday, September 29, 2016

Trends of dividends

	37th term	38th term	39th term	40th term
Dividend	¥47.25	¥34.01	¥45.45	¥30.00
After retrospective application	¥11.81	¥17.005	¥22.725	¥30.00



(Note) The Company conducted a two-for-one split of its common shares on January 1, 2014 (the 38th term) and also conducted a two-for-one split of its common shares on August 1, 2015. Accordingly, the dividend per share is calculated on the assumption that such splits of shares were conducted at the beginning of the 37th term.

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) The Act for Partial Revision of the Companies Act (Act No. 90 of 2014) came into effect on May 1, 2015, and the company with an audit and supervisory committee system was established as a new organizational structure. From the viewpoint of further enhancing its corporate governance by strengthening the supervisory and monitoring functions of the Board of Directors, the Company will adopt the company with an audit and supervisory committee system to increase its corporate value over the mid- to long-term by utilizing the functions of Outside Directors who do not discharge executive authority of the Company. In line with this, the Company intends to make the necessary changes, including the establishment of regulations in relation to the Audit and Supervisory Committee and the Audit and Supervisory Committee Members.
- (2) The Company has decided that the Directors' liabilities may be partially limited, to the extent allowed by laws and regulations, by resolution of the Board of Directors to allow the Directors to fully carry out their expected roles.
The consent of each of the Auditors has been obtained for the new provisions in Article 31, Paragraph 1.
- (3) Some of the words and phrases are changed and unified.
- (4) Necessary changes are made to the numbering of Articles associated with the above-mentioned introduction and deletion of provisions.

The amendments to the Articles of Incorporation in this proposal will come into effect at the conclusion of this Annual General Meeting of Shareholders.

2. Description of the amendments

Description of the amendments is as follows:

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed amendment
CHAPTER I. GENERAL PROVISIONS to CHAPTER III. GENERAL MEETING OF SHAREHOLDERS	CHAPTER I. GENERAL PROVISIONS to CHAPTER III. GENERAL MEETING OF SHAREHOLDERS
Article 1. to Article 17. (Omitted)	Article 1. to Article 17. (Unchanged)
CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS	CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS
(Establishment of the Board of Directors) Article 18. (Omitted)	(Establishment of the Board of Directors) Article 18. (Unchanged)
(Number of Directors) Article 19. The number of Directors of the Company shall not exceed <u>eleven</u> (11).	(Number of Directors) Article 19. The number of Directors of the Company <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall not exceed <u>thirteen</u> (13).
(New)	2. <u>The number of Directors who are Audit and Supervisory Committee Members (hereinafter referred to as “Audit and Supervisory Committee Members”)</u> shall not exceed <u>five</u> (5).

Current Articles of Incorporation	Proposed amendment
<p>(Election of Directors)</p> <p>Article 20. Directors shall be elected by resolution of the General Meeting of Shareholders.</p> <p>2. (Omitted)</p> <p>3. (Omitted)</p>	<p>(Election of Directors)</p> <p>Article 20. Directors shall be elected by resolution of the General Meeting of Shareholders. <u>Distinction should be made between Audit and Supervisory Committee Members and other Directors.</u></p> <p>2. (Unchanged)</p> <p>3. (Unchanged)</p>
<p>(Term of Office of Directors)</p> <p>Article 21. The term of office of a Director shall expire upon conclusion of the General Meeting of Shareholders held with respect to the last business year ending within one (1) year from his/her election.</p> <p>2. <u>The term of office of a Director elected to increase the number of Directors or as a substitute shall expire upon the expiration of the term of office of the other incumbent Directors.</u></p> <p>(New)</p> <p>(New)</p>	<p>(Term of Office of Directors)</p> <p>Article 21. The term of office of a Director <u>(excluding Audit and Supervisory Committee Members)</u> shall expire upon conclusion of the General Meeting of Shareholders held with respect to the last business year ending within one (1) year from his/her election.</p> <p>(Deleted)</p> <p>2. <u>The term of office of an Audit and Supervisory Committee Member shall expire upon conclusion of the General Meeting of Shareholders held with respect to the last business year ending within two (2) years from his/her election.</u></p> <p>3. <u>The term of office of an Audit and Supervisory Committee Member elected as a substitute for an Audit and Supervisory Committee Member who has resigned prior to the expiration of his/her term of office shall be until the expiration of the term of office of the retired Audit and Supervisory Committee Member.</u></p>

Current Articles of Incorporation	Proposed amendment
<p style="text-align: center;">(New)</p> <p>(Representative Directors and Executive Directors) Article 22. The Company shall appoint Representative Directors by resolution of the Board of Directors.</p> <p>2. (Omitted)</p> <p>3. The Board of Directors may appoint one (1) President and Director by its resolution and, as necessary, one (1) Chairperson and Director and several Executive Vice Presidents and Directors, Senior Managing Directors and Executive Directors.</p> <p>(Convener of the Board of Director and Chairman) Article 23. (Omitted)</p> <p>(Notice of Convocation of the Meeting of the Board of Directors) Article 24. Notice of convocation of a meeting of the Board of Directors of the Company shall be sent to each Director <u>and Auditor</u> at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p>	<p>4. <u>The effective term of a resolution for the election of a Substitute Audit and Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall be until the conclusion of the General Meeting of Shareholders held with respect to the last business year ending within two (2) years from his/her election.</u></p> <p>(Representative Directors and Executive Directors) Article 22. The Company shall appoint Representative Directors by resolution of the Board of Directors <u>from among the Directors (excluding Audit and Supervisory Committee Members).</u></p> <p>2. (Unchanged)</p> <p>3. The Board of Directors may appoint one (1) President and Director by its resolution and, as necessary, one (1) Chairperson and Director and several Executive Vice Presidents and Directors, Senior Managing Directors and Executive Directors <u>from among the Directors (excluding Audit and Supervisory Committee Members).</u></p> <p>(Convener of the Board of Director and Chairman) Article 23. (Unchanged)</p> <p>(Notice of Convocation of the Meeting of the Board of Directors) Article 24. Notice of convocation of a meeting of the Board of Directors of the Company shall be sent to each Director at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.</p>

Current Articles of Incorporation	Proposed amendment
<p>(Procedure for Adopting Resolutions of the Board of Directors) Article 25. Resolutions of the Board of Directors shall be adopted by a majority vote of <u>the attending Directors</u> at a meeting of the Board of Directors at which the majority of the Directors are present.</p> <p>(Omission of the Procedure for Adopting Resolutions of the Board of Directors) Article 26. When all the Directors have agreed, in writing or by electromagnetic record, to a matter for resolution by the Board of Directors, the Company shall be deemed to have adopted a resolution of the Board of Directors to approve said matter for resolution; <u>provided, however, this provision shall not apply when an Auditor has expressed an objection.</u></p> <p style="text-align: center;">(New)</p> <p>(Minutes of Meetings of the Board of Directors) Article <u>27</u>. A gist of the course of proceedings and the results at a meeting of the Board of Directors, and other matters prescribed by laws and regulations, shall be entered or recorded in the minutes, and the Directors <u>and Auditors</u> who attended the meeting shall sign and seal or electronically sign the minutes.</p>	<p>(Procedure for Adopting Resolutions of the Board of Directors) Article 25. Resolutions of the Board of Directors shall be adopted at a meeting of the Board of Directors at which the majority of the Directors <u>entitled to participate in the voting</u> are present and by a majority vote of <u>such Directors</u>.</p> <p>(Omission of the Procedure for Adopting Resolutions of the Board of Directors) Article 26. When all the Directors have agreed, in writing or by electromagnetic record, to a matter for resolution by the Board of Directors, the Company shall be deemed to have adopted a resolution of the Board of Directors to approve said matter for resolution.</p> <p>(Delegation of Decisions for the Execution of Important Duties) Article 27. Pursuant to the provisions of <u>Article 399-13, Paragraph 6 of the Companies Act, the Board of Directors may, by its resolution, delegate the whole or part of decisions for the execution of important duties to Directors (excluding each of the matters listed in each item of Paragraph 5 of the same Article).</u></p> <p>(Minutes of Meetings of the Board of Directors) Article <u>28</u>. A gist of the course of proceedings and the results at a meeting of the Board of Directors, and other matters prescribed by laws and regulations, shall be entered or recorded in the minutes, and the Directors who attended the meeting shall sign and seal or electronically sign the minutes.</p>

Current Articles of Incorporation	Proposed amendment
<p>(Board of Directors Regulations) Article <u>28</u>. (Omitted)</p> <p>(Compensation, etc. of Directors) Article <u>29</u>. The amount of compensation, etc. of Directors shall be determined by resolution of the General Meeting of Shareholders.</p> <p>(Exemption of Liabilities of Directors) Article <u>30</u>. (New)</p> <p>The Company may enter into an agreement with Directors (excluding Directors who discharge his/her executive authority, etc.) to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act for cases falling under the requirements specified in laws and regulations. The limit of the liability pursuant to the agreement shall be the minimum amount of the liability prescribed by laws and regulations.</p> <p>CHAPTER V. <u>AUDITORS AND BOARD OF AUDITORS</u></p> <p>(Establishment of <u>Auditors and Board of Auditors</u>) Article <u>31</u>. The Company shall establish <u>Auditors and the Board of Auditors</u>.</p>	<p>(Board of Directors Regulations) Article <u>29</u>. (Unchanged)</p> <p>(Compensation, etc. of Directors) Article <u>30</u>. The amount of compensation, etc. of Directors shall be determined by resolution of the General Meeting of Shareholders. <u>Distinction should be made between Audit and Supervisory Committee Members and other Directors.</u></p> <p>(Exemption of Liabilities of Directors) Article <u>31</u>. <u>Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may exempt Directors (including former Directors) from the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, to the extent permitted by laws and regulations, by resolution of the Board of Directors.</u></p> <p><u>2.</u> The Company may enter into an agreement with Directors (excluding Directors who discharge his/her executive authority, etc.) to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act for cases falling under the requirements specified in laws and regulations. The limit of the liability pursuant to the agreement shall be the minimum amount of the liability prescribed by laws and regulations.</p> <p>CHAPTER V. <u>AUDIT AND SUPERVISORY COMMITTEE</u></p> <p>(Establishment of <u>Audit and Supervisory Committee</u>) Article <u>32</u>. The Company shall establish <u>the Audit and Supervisory Committee</u>.</p>

Current Articles of Incorporation	Proposed amendment
<p><u>(Number of Auditors)</u> Article 32. <u>The number of Auditors of the Company shall not exceed five (5).</u></p>	(Deleted)
<p><u>(Election of Auditors)</u> Article 33. <u>Auditors shall be elected by resolution of the General Meeting of Shareholders.</u></p> <p>2. <u>Resolutions for the election of Auditors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</u></p>	(Deleted)
<p><u>(Term of Office of Auditors)</u> Article 34. <u>The term of office of an Auditor shall expire upon conclusion of the General Meeting of Shareholders held with respect to the last business year ending within four (4) years from his/her election to office.</u></p> <p>2. <u>The term of office of an Auditor elected as a substitute shall expire upon the expiration of the term of office of the retired Auditor.</u></p>	(Deleted)
<p><u>(Auditors (full time))</u> Article 35. <u>The Board of Auditors shall elect Auditors (full time) from among the Auditors.</u></p>	(Deleted)
<p><u>(Notice of Convocation of the Meetings of the Board of Auditors)</u> Article 36. <u>Notice of convocation of meetings of the Board of Auditors shall be sent to each Auditor at least three (3) days prior to the date of the meeting; provided, however, that in the event of urgency, such period may be shortened.</u></p>	<p><u>(Notice of Convocation of the Meetings of the Audit and Supervisory Committee)</u> Article 33. <u>Notice of convocation of meetings of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member at least three (3) days prior to the date of the meeting; provided, however, that in the event of urgency, such period may be shortened.</u></p>

Current Articles of Incorporation	Proposed amendment
<p>(Procedure for Adopting Resolutions of the <u>Board of Auditors</u>)</p> <p>Article <u>37</u>. Resolutions of the <u>Board of Auditors</u> shall be adopted by a majority vote of <u>the Auditors</u>, <u>unless otherwise provided by laws and regulations</u>.</p> <p>(Minutes of Meetings of the <u>Board of Auditors</u>)</p> <p>Article <u>38</u>. A gist of the course of proceedings and the results at a meeting of the <u>Board of Auditors</u>, and other matters prescribed by laws and regulations, shall be entered or recorded in the minutes, and the <u>Auditors</u> who attended the meeting shall sign and seal or electronically sign the minutes.</p> <p>(<u>Board of Auditors</u> Regulations)</p> <p>Article <u>39</u>. Matters relating to the <u>Board of Auditors</u> shall be in accordance with laws and regulations, the Articles of Incorporation and the <u>Board of Auditors</u> Regulations established by the <u>Board of Auditors</u>.</p> <p>(<u>Compensation, etc. of Auditors</u>)</p> <p>Article <u>40</u>. <u>The amount of compensation, etc. of Auditors shall be determined by resolution of the General Meeting of Shareholders.</u></p>	<p>(Procedure for Adopting Resolutions of the <u>Audit and Supervisory Committee</u>)</p> <p>Article <u>34</u>. Resolutions of the <u>Audit and Supervisory Committee</u> shall be adopted at a meeting of the <u>Audit and Supervisory Committee</u> at which the majority of the <u>Members entitled to participate in the voting are present</u> and by a majority vote of <u>such Members</u>.</p> <p>(Minutes of Meetings of the <u>Audit and Supervisory Committee</u>)</p> <p>Article <u>35</u>. A gist of the course of proceedings and the results at a meeting of the <u>Audit and Supervisory Committee</u>, and other matters prescribed by laws and regulations, shall be entered or recorded in the minutes, and the <u>Audit and Supervisory Committee Members</u> who attended the meeting shall sign and seal or electronically sign the minutes.</p> <p>(<u>Audit and Supervisory Committee</u> Regulations)</p> <p>Article <u>36</u>. Matters relating to the <u>Audit and Supervisory Committee</u> shall be in accordance with laws and regulations, the Articles of Incorporation and the <u>Audit and Supervisory Committee</u> Regulations established by the <u>Audit and Supervisory Committee</u>.</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed amendment
<p data-bbox="178 293 799 331"><u>(Exemption of Liabilities of Auditors)</u></p> <p data-bbox="178 331 799 712">Article 41. <u>The Company may enter into an agreement with Auditors to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act for cases falling under the requirements specified in laws and regulations. The limit of the liability pursuant to the agreement shall be the minimum amount of the liability prescribed by laws and regulations.</u></p> <p data-bbox="178 768 799 801" style="text-align: center;">CHAPTER VI. ACCOUNTING AUDITOR</p> <p data-bbox="178 835 799 869">Article 42. to Article 44. (Omitted)</p> <p data-bbox="178 902 799 936">(Compensation, etc. of Accounting Auditor)</p> <p data-bbox="178 936 799 1126">Article 45 The amount of compensation, etc. of the Accounting Auditor shall be determined by the Representative Directors after obtaining the agreement of the <u>Board of Auditors</u>.</p> <p data-bbox="178 1216 799 1249" style="text-align: center;">CHAPTER VII. ACCOUNTS</p> <p data-bbox="178 1283 799 1317">Article 46. to Article 49. (Omitted)</p> <p data-bbox="178 1350 799 1384" style="text-align: center;">(New)</p>	<p data-bbox="799 293 1412 331" style="text-align: center;">(Deleted)</p> <p data-bbox="799 768 1412 801" style="text-align: center;">CHAPTER VI. ACCOUNTING AUDITOR</p> <p data-bbox="799 835 1412 869">Article 37. to Article 39. (Unchanged)</p> <p data-bbox="799 902 1412 936">(Compensation, etc. of Accounting Auditor)</p> <p data-bbox="799 936 1412 1160">Article 40. The amount of compensation, etc. of the Accounting Auditor shall be determined by the Representative Directors after obtaining the agreement of the <u>Audit and Supervisory Committee</u>.</p> <p data-bbox="799 1216 1412 1249" style="text-align: center;">CHAPTER VII. ACCOUNTS</p> <p data-bbox="799 1283 1412 1317">Article 41. to Article 44. (Unchanged)</p> <p data-bbox="799 1350 1412 1384" style="text-align: center;"><u>SUPPLEMENTARY PROVISION</u></p> <p data-bbox="799 1384 1412 1742"><u>(Transitional Measure Regarding Agreements for Limitation of Auditors' Liabilities)</u> <u>Agreements for limitation of the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act regarding conduct of Auditors (including former Auditors) prior to the conclusion of the 40th Annual General Meeting of Shareholders shall be determined by Article 41 of the Articles of Incorporation prior to its amendment by the resolution of the aforementioned General Meeting of Shareholders.</u></p>

Proposal 3: Election of Nine (9) Directors (excluding Directors Who are Audit and Supervisory Committee Members)

The Company will adopt the company with an audit and supervisory committee system subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.” The term of office of all the ten (10) Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of nine (9) Directors (excluding Directors who are Audit and Supervisory Committee Members) is proposed.

The candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No.	Name	Current position and main responsibilities in the Company	
1	Masahiko Miyata	President & CEO	Reappointment
2	Kenji Miyata	Executive Vice President and Director	Reappointment
3	Tadakazu Kato	Executive Director, General Manager of Medical Division	Reappointment
4	Ippei Yugawa	Director	Reappointment
5	Yoshinori Terai	Director, Supervisor of Sales and Marketing of Medical Division	Reappointment
6	Munehika Matsumoto	Senior Executive Officer, General Manager of Device Division	New appointment
7	Mizuho Ito	Executive Officer, General Manager of Administration Division, General Manager of Corporate Strategic Office	New appointment
8	Kiyomichi Ito	Outside Director	Reappointment Outside Independent
9	Akinori Shibazaki		New appointment Outside Independent

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
1	Masahiko Miyata (March 15, 1967) [Reappointment]	November 1994 Joined the Company, General Manager of Planning Office, Supervisory Division December 1995 Director, General Manager of Corporate Planning Department March 1999 Executive Director, Assistant to General Manager of Medical Division and General Manager of Production Engineering Department July 2000 General Manager of Medical Division September 2001 Senior Managing Director September 2003 Director of ASAHI INTECC THAILAND CO., LTD. (current position) March 2004 Executive Vice President and Representative Director of the Company March 2006 President & CEO of CompassMed Integration Co., Ltd. August 2006 Director of ASAHI INTECC HANOI CO., LTD. (current position) June 2007 CEO of ASAHI INTECC THAILAND CO., LTD. September 2009 President & CEO of the Company (current position) President & CEO of Filmecc Co., Ltd. July 2016 Director of Filmecc Co., Ltd. (current position)	1,690,300
<p>[Reason for nomination as candidate for Director]</p> <p>Having served as President & CEO since 2009, Mr. Masahiko Miyata has driven the Company's group management and appropriately fulfilled the role of enhancing the Company's corporate value with his global management perspective, speedy decision-making, and good relationships built with medical professionals, partners, and other stakeholders. He is deemed essential to the further development of the Company as the leader of the Group and has been renominated as Director.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
2	Kenji Miyata (July 16, 1970) [Reappointment]	April 1993 Joined the Company January 1997 Executive Vice President and Director of ASAHI INTECC THAILAND CO., LTD. July 1997 Director of the Company June 1999 General Manager of Production Management Department, Industrial Device Division July 2000 Executive Officer, General Manager of Control Office, Industrial Device Division July 2001 General Manager of Medical Device Department, Device Division August 2002 Deputy General Manager of Device Division and General Manager of Quality Assurance Department September 2003 Director October 2004 Director of ASAHI INTECC THAILAND CO., LTD. July 2006 General Manager of Device Division of the Company November 2007 General Manager of Device Division and Group Manager of Production Engineering Group, Device Division September 2008 General Manager of Device Division and Group Manager of Manufacturing Engineering Group, Device Division July 2009 Director of GMA Co., Ltd. January 2010 Group Manager of Sales Group, Device Division of the Company July 2010 General Manager of Device Division and General Manager of Improvement Promotion Office and in charge of ASAHI INTECC GMA Co., Ltd. September 2010 Executive Director, General Manager of Device Division and General Manager of Improvement Promotion Office July 2011 President & CEO of ASAHI INTECC GMA Co., Ltd. July 2013 General Manager of Technological Improvement Office of the Company September 2013 President & CEO of Toyoflex Corporation (current position), President & CEO of TOYOFLEX CEBU CORPORATION (current position) January 2015 Director of ASAHI INTECC THAILAND CO., LTD. (current position) Director of ASAHI INTECC HANOI CO., LTD. July 2015 President and Director of ASAHI INTECC HANOI CO., LTD. September 2015 Executive Vice President and Director of the Company (current position) July 2016 General Manager of Quality Assurance Division (current position) Chairperson and Director of ASAHI INTECC HANOI CO., LTD. (current position)	1,580,000
[Reason for nomination as candidate for Director]			
<p>Mr. Kenji Miyata is well versed in production technology for stainless steel processing, the source of the Company's technology as General Manager of the Device Division for many years, and has assisted the President & CEO in overall management as Executive Vice President and Director as well as promoted the reconstruction of buyout proposals and leadership in the Medical Division in recent years. He has been renominated as Director in expectation of his further contribution going forward.</p>			
<p>* Subject to the approval of this Annual General Meeting of Shareholders and the Board of Directors that follows, he is planned to be appointed as Executive Vice President and Representative Director of the Company.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
3	Tadakazu Kato (July 25, 1954) [Reappointment]	June 1992 Joined the Company May 2003 Deputy General Manager of Quality Assurance Department, Medical Division February 2004 Group Manager of Quality Assurance Group, Medical Division October 2004 Group Manager of Research and Development Group, Medical Division January 2005 Deputy General Manager of Medical Division and Group Manager of Research and Development Group March 2006 Executive Officer September 2007 Director of ASAHI INTECC HANOI CO., LTD. (current position) September 2008 Director of the Company July 2009 General Manager of Medical Division (current position) October 2013 Director of ASAHI INTECC THAILAND CO., LTD. (current position) September 2014 Executive Director of the Company (current position) July 2016 Director of Filmecc Co., Ltd. (current position)	59,500
	[Reason for nomination as candidate for Director] Since joining the Company, Mr. Tadakazu Kato has consistently been engaged in the Medical Division and contributed to the development of medical devices. Currently he works as General Manager of the Medical Division and is responsible not only for development but also a variety of fields including production and sales, and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been renominated as Director in expectation of his further contribution going forward.		
4	Ippei Yugawa (December 20, 1956) [Reappointment]	February 1982 Joined the Company July 1999 Executive Officer, General Manager of Sales Department, Industrial Device Division and General Manager of International Affairs Department and General Manager of Sales Department II, Medical Division October 2000 General Manager in charge of Technological Development and Marketing July 2001 General Manager of the Company, seconded to Filmecc Co., Ltd. April 2002 Director of Filmecc Co., Ltd. (current position) September 2003 Director of the Company (current position), in charge of an affiliate (Filmecc Co., Ltd.) (current position) July 2009 Director of CompassMed Integration Co., Ltd. July 2015 President & CEO of ASAHI INTECC J-sales, INC. (current position)	83,440
	[Reason for nomination as candidate for Director] Mr. Ippei Yugawa has been engaged in sales and technology development and marketing for many years and currently serves as President & CEO of ASAHI INTECC J-sales, INC., a consolidated subsidiary, which carries out domestic sales of the Company's medical devices, and is in charge of the Company's second brand in the Group, Filmecc Co., Ltd., a consolidated subsidiary. He is appropriately fulfilling the role of enhancing the Company's corporate value. He has been renominated as Director in expectation of his further contribution going forward.		

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
5	Yoshinori Terai (September 13, 1963) [Reappointment]	October 1998 Joined the Company, Assistant Section Manager of Research and Development Department, Medical Division January 2000 Assistant Section Manager belonging to Medical Division July 2000 General Manager of U.S. Representative Office, Medical Division July 2004 President & CEO of ASAHI INTECC USA, INC. (current position) September 2008 Executive Officer of the Company, in charge of Overseas Business July 2009 Overseas Sales Supervisor of Medical Division and Group Manager of Overseas Sales Group January 2010 Marketing Supervisor of Medical Division and Group Manager of Overseas Sales Group July 2011 Group Manager of Overseas Sales Group, Medical Division (current position) September 2013 Director (current position) July 2014 Supervisor of Sales and Marketing, Medical Division (current position) March 2016 General Manager of Global Business Development Office, Medical Division (current position) July 2016 Director of ASAHI INTECC J-sales, INC. (current position)	23,300
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Yoshinori Terai has been engaged in the Overseas Sales unit for medical devices for many years and currently serves as President of ASAHI INTECC USA, INC, a sales subsidiary in the U.S. He has contributed to the Company's global development and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been renominated as Director in expectation of his further contribution going forward.</p>			
6	Munechika Matsumoto (November 16, 1954) [New appointment]	June 1979 Joined the Company July 2000 Head of Takaishi Factory, Industrial Device Division May 2003 Group Head of Development Group III supervising Osaka area, Device Division July 2006 Group Manager of Development Group, Device Division July 2009 Deputy General Manager of Device Division and Group Manager of Development Group May 2010 Deputy General Manager of Device Division and Group Manager of Development Group and Group Manager of Manufacturing Engineering Group July 2011 Executive Officer, Deputy General Manager of Device Division and Group Manager of Development Group July 2013 General Manager of Device Division and Group Manager of Production Engineering Group July 2015 Senior Executive Officer (current position), General Manager of Device Division and Group Manager of Development Group July 2016 General Manager of Device Division (current position) Director of ASAHI INTECC THAILAND CO., LTD. (current position)	10,000
<p>[Reason for nomination as candidate for Director]</p> <p>Since joining the Company, Mr. Munechika Matsumoto has consistently been engaged in the Device Division and contributed to development of stainless steel components, the Company's core technology. He is currently serving as General Manager of the Device Division, responsible not only for development but also a variety of fields including production and sales, and is appropriately fulfilling the role of enhancing the Company's corporate value. He has been nominated as candidate for Director in expectation of his further contribution going forward.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
7	<p>Mizuho Ito (September 8,1973)</p> <p>[New appointment]</p>	<p>May 2003 Joined the Company</p> <p>May 2005 Deputy General Manager of Corporate Strategic Office</p> <p>April 2008 Auditor of ASAHI INTECC HANOI CO., LTD. (current position)</p> <p>September 2008 General Manager of Corporate Strategic Office of the Company (current position)</p> <p>September 2009 Auditor of GMA Co., Ltd.</p> <p>October 2010 Auditor of Filmecc Co., Ltd. (current position)</p> <p>September 2013 Director of Toyoflex Corporation</p> <p>December 2013 Group Manager of Accounting Group, Administration Division of the Company (current position)</p> <p>July 2015 Executive Officer (current position)</p> <p>July 2016 General Manager of Administration Division (current position), Auditor of ASAHI INTECC J-sales, INC. (current position)</p>	6,300
<p>[Reason for nomination as candidate for Director]</p> <p>As General Manager of Corporate Strategic Office, Ms. Mizuho Ito has been engaged in finance, accounting, IR, and M&A projects for many years. She is currently serving as Executive Officer and General Manager of Administration Division, and leading efforts to strengthen the function of the Head Office as head of the Company's Corporate unit, and is appropriately fulfilling the role of enhancing the Company's corporate value. She has been nominated as candidate for Director in expectation of her further contribution going forward.</p>			
8	<p>Kiyomichi Ito (February 7, 1950)</p> <p>[Reappointment] [Outside] [Independent]</p>	<p>April 1974 Joined Toyota Motor Sales Co., Ltd.</p> <p>August 1985 Section Chief of System Planning Section, Section Head of Engineering Section, Overseas Planning Department of TOYOTA MOTOR CORPORATION</p> <p>January 1994 Secretary seconded to Toyota Motor Manufacturing Canada, Inc.</p> <p>January 1999 Chief of Marine Business Division of TOYOTA MOTOR CORPORATION</p> <p>July 2000 Chief of Americas Sales Department of TOYOTA MOTOR CORPORATION</p> <p>July 2002 President of Toyota Kirloskar Auto Parts Pvt. Ltd.</p> <p>March 2008 Professor of School of Management at Chukyo University</p> <p>September 2013 Director of the Company (current position)</p> <p>April 2015 Visiting Professor of School of World Englishes at Chukyo University (current position)</p>	0
<p>[Reason for nomination as candidate for Outside Director]</p> <p>Mr. Kiyomichi Ito has been engaged in corporate management for many years, and reflects his experience and knowledge as a specialist cultivated from his career as a professor of business management at a university. He has been renominated as Outside Director in order for him to give appropriate advice based on his expertise for the strengthening of corporate governance going forward.</p> <p>He will have served as Outside Director for three (3) years at the conclusion of this Annual General Meeting of Shareholders.</p>			

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
9	Akinori Shibazaki (January 20, 1945)	February 1980 President and Representative Director of CHU-O RITTAIZU Co., Ltd. (current position) August 1988 President and Representative Director of TPS Co., Ltd. December 2005 Chairman of the Board of MMC Computer Research Co., Ltd. October 2008 Chairman of the Board of BYNAS Co., Ltd.	0
	[New appointment] [Outside] [Independent]	March 2010 Executive Senior Adviser of BYNAS Co., Ltd. (current position) August 2010 Chairman of the Board of Torindo Co., Ltd. (current position) July 2011 Chairman and Director of PMC Co., Ltd. (current position) March 2013 Director and Senior Adviser of MCOR Co., Ltd. (current position)	
[Reason for nomination as candidate for Outside Director]			
Mr. Akinori Shibazaki has served as President and Representative Director of CDS Co., Ltd. (listed on the 1st section of the Tokyo Stock Exchange) for many years. He has been nominated as candidate for Outside Director to supervise the Company's overall management based on his ample experience and broad insight as a business manager, as well as to contribute to the strengthening of corporate governance through offering advice about the Company's overall management.			

(Notes)

- There is no special interest between any of the above candidates for Directors and the Company.
- The number of the Company's shares held by each candidate is based on the number as of June 30, 2016. The numbers of shares held by Mr. Munechika Matsumoto and Ms. Mizuho Ito, candidates for Directors, include the shares held through the ASAHI INTECC Employee Stock Ownership Plan. If this Proposal is approved and both candidates assume the office of Director, their memberships will be cancelled pursuant to the rules of the ASAHI INTECC Employee Stock Ownership Plan, as a result of which the shares of both candidates will be withdrawn from the Plan and transferred to the respective candidates.
- Messrs. Kiyomichi Ito and Akinori Shibazaki are candidates for Outside Directors.
- The Company has registered Mr. Kiyomichi Ito as Independent Director as specified in the listing regulations established by the Tokyo Stock Exchange and Nagoya Stock Exchange. If the election of Mr. Ito is approved, he will continue to be Independent Director. If the election of Mr. Akinori Shibazaki is approved, the Company will also register him as Independent Director as specified in the listing regulations established by the Tokyo Stock Exchange and Nagoya Stock Exchange.
- The Company has entered into an agreement with Mr. Kiyomichi Ito to limit his liability for damages specified in Article 423, Paragraph 1 of the Companies Act pursuant to the provision of Article 427, Paragraph 1 of the said Act. The limit of the liability under such agreement shall be the amount prescribed by the laws and regulations. If the election of Mr. Ito is approved, the Company will continue the agreement on the same terms and conditions. In addition, if the election of Mr. Akinori Shibazaki is approved, the Company will also newly enter into an agreement with him on the same terms and conditions.
Details of the agreement are as follows:
 - If an Outside Director is liable to the Company for any damage attributable to the negligence of his/her duties, his/her liability shall be limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such an Outside Director executed his/her duties that caused the liability in good faith and without gross negligence.
- CompassMed Integration Co., Ltd changed its name to ASAHI INTECC J-sales, Inc. in January 2010.
- GMA Co., Ltd. changed its name to ASAHI INTECC GMA Co., Ltd. from July 2010. The Company acquired ASAHI INTECC GMA Co., Ltd. through an absorption-type merger on October 1, 2013.
- Toyota Motor Sales Co., Ltd. merged with Toyota Motor Co., Ltd. in 1982 and changed the name to Toyota Motor Corporation.
- CHU-O RITTAIZU Co., Ltd. merged with TPS Co., Ltd. and changed its name to CDS Co., Ltd. in January 2005.
- MMC Computer Research Co., Ltd. changed its trade name to MCOR Co., Ltd. in January 2006.

Proposal 4: Election of Three (3) Directors Who are Audit and Supervisory Committee Members

The Company will adopt the company with an audit and supervisory committee system subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.” Accordingly, the election of three (3) Directors who are Audit and Supervisory Committee Members is proposed.

The Board of Auditors has previously given its consent to this Proposal.

The candidates for Directors who are Audit and Supervisory Committee Members are as follows:

Candidate No.	Name	Current position and main responsibilities in the Company	
1	Yukiyoshi Watanabe	Auditor (full time)	New appointment
2	Masami Sato	Outside Auditor	New appointment Outside Independent
3	Toshiharu Obayashi	Outside Auditor	New appointment Outside Independent

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions		Number of shares of the Company held
1	Yuki Yoshi Watanabe (June 19, 1949) [New appointment]	April 1986	Joined Resorttrust, Inc.	28,200
		June 1996	Joined the Company, Deputy Counselor of Accounting Department	
		January 1998	Deputy General Manager of Fund Management Department	
		November 1999	General Manager of IPO Preparation Office	
		September 2003	Auditor (full time) (current position)	
		[Reason for nomination as candidate for Director who is an Audit and Supervisory Committee Member]		
		Mr. Yuki Yoshi Watanabe has been serving as the Company's Auditor (full time) since 2003 after being in charge of the Company's Administration unit. Being well versed in the Company's business, he is deemed able to fulfill the role of supervising the Company's business execution and others using his ample experience and achievements and has been nominated as candidate for Director who is an Audit and Supervisory Committee Member.		
2	Masami Sato (August 1, 1963) [New appointment] [Outside] [Independent]	April 1989	Qualified as a lawyer in Japan, joined MATSUO & KOSUGI	49,900
		April 1993	Qualified as a lawyer in New York, U.S.	
		December 1994	Joined Maekawa Law Office	
		April 1998	Opened Sato Sogo Law Office	
		September 1999	Auditor of the Company (current position)	
		June 2005	Auditor of MINO CERAMIC CO., LTD.	
		July 2008	Representative Director of Legal Support Co., Ltd.	
		[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member]		
		Mr. Masami Saito is qualified as a lawyer and has legal expertise and experience. In addition, he has worked as Outside Auditor at the Company for many years, well versed in the Company's business and has audited the Company appropriately from an objective viewpoint. Thus he is deemed to appropriately fulfill the duties of Outside Director such as providing advice for and check on the Company's business execution and has been nominated as candidate for Director who is an Audit and Supervisory Committee Member.		
		He is currently serving as the Company's Outside Auditor, and he will have served as Auditor for seventeen (17) years at the conclusion of the Annual General Meeting of Shareholders. He provides advice, proposals and supervision on management maintaining an elevated sense of ethics and fulfills his duties appropriately. Therefore his appointment is herewith proposed.		

No.	Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
3	Toshiharu Obayashi (November 11, 1941)	<p>April 1960 Joined Nagoya Training Center of Tax Agency Training Institute</p> <p>December 1985 Qualified as a tax accountant</p> <p>July 1993 Deputy District Director of Kariya Tax Office</p> <p>July 1994 Director, Third Information and Examination Division, First Taxation Department of Nagoya Regional Taxation Bureau</p>	9,400
	[New appointment] [Outside] [Independent]	<p>July 1996 Director, Property Taxation Division, First Taxation Department of Nagoya Regional Taxation Bureau</p> <p>July 1998 District Director of Fuji Tax Office</p> <p>July 1999 District Director of Atsuta Tax Office</p> <p>September 2000 Opened Toshiharu Obayashi Tax Accountant Office</p> <p>September 2008 Auditor of the Company (current position)</p>	
<p>[Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member]</p> <p>Mr. Toshiharu Obayashi has no experience in company management up to now, but he has expertise and ample experience as a tax accountant. Since he is offering appropriate auditing from the viewpoint based on his experience and knowledge accumulated as a tax expert, he is deemed appropriate to fulfill the duties of Outside Director such as providing advice for and check on the Company's business execution. Thus he has been nominated as candidate for Director (Outside Director) who is an Audit and Supervisory Committee Member.</p> <p>He is currently serving as the Company's Outside Auditor, and he will have served as Auditor for eight (8) years at the conclusion of the Annual General Meeting of Shareholders.</p>			

(Notes)

1. There is no special interest between any of the above candidates for Directors and the Company.
2. Matters related to each of the above candidates for Directors are as follows:
 - (1) Messrs. Masami Sato and Toshiharu Obayashi are candidates for Outside Directors.
 - (2) The Company has registered Messrs. Masami Sato and Toshiharu Obayashi as Independent Directors as specified in the listing regulations established by the Tokyo Stock Exchange and Nagoya Stock Exchange. If the election of both candidates is approved, they will continue to be Independent Directors.
 - (3) The Company has entered into an agreement with Messrs. Yukiyooshi Watanabe, Masami Sato and Toshiharu Obayashi to limit their liabilities for damages specified in Article 423, Paragraph 1 of the Companies Act pursuant to the provision of Article 427, Paragraph 1 of the said Act. The limit of liability under such agreement shall be the amount prescribed by the laws and regulations. If the election of the respective candidates is approved, the Company will newly enter into an agreement with them on the same terms and conditions.

Details of the agreement are as follows:

 - If a Director who is an Audit and Supervisory Committee Member is liable to the Company for any damage attributable to the negligence of his/her duties, his/her liability shall be limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such a Director who is Audit and Supervisory Committee Member executed his/her duties that caused the liability in good faith and without gross negligence.

Proposal 5: Election of One (1) Director Who is a Substitute Audit and Supervisory Committee Member

The Company will adopt the company with an audit and supervisory committee system subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.” To prepare for a contingency in which the number of Audit and Supervisory Committee Members becomes less than the number required by laws and regulations, the Company proposes the election of one (1) Director who is a Substitute Audit and Supervisory Committee Member.

The effective term of a resolution for the election of a Director who is a Substitute Audit and Supervisory Committee Member shall be up to the conclusion of the Annual General Meeting of Shareholders held with respect to the last fiscal year ending within two (2) years from his/her election. However, the election may be cancelled by resolution of the Board of Directors of the Company with the consent of the Audit and Supervisory Committee provided it is before the candidate assumes the office of Audit and Supervisory Committee Member.

The Board of Auditors has previously given its consent to this Proposal.

The candidate for Director who is a Substitute Audit and Supervisory Committee Member is as follows:

Name (Date of birth)	Career summary, positions and responsibilities in the Company and significant concurrent positions	Number of shares of the Company held
Ryuji Tomida (April 3, 1975) [Outside] [Independent]	October 2001 Registered with Nagoya Bar Association, joined Higashisakura Sogo Law Office April 2006 Part-time lecturer, Department of Law of Nagoya Keizai University December 2006 Legal Advisor of Nagoya City (current position) October 2007 Opened Tomida & Yamauchi Law Office April 2010 Member of Investigation Office of Aichi Bar Association April 2011 Part-time lecturer of Law School of Aichi University (current position) May 2011 Member of the Committee for the Bar Association Inquiry System for Attorneys of Japan Federation of Bar Associations (current position) October 2011 Member of Working Group on Measures to Implement Judicial Reform of Japan Federation of Bar Associations April 2013 Member of Examination Committee for Information Disclosure and Personal Information Protection of Kasugai City (current position)	0
<p>[Reason for nomination as candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member]</p> <p>Mr. Ryuji Tomida has no experience in company management up to now, but he is deemed appropriate to fulfill the duties of Outside Director such as monitoring the Company’s overall management using his expertise and ample experience as a lawyer and providing advice for and check on the Company’s business execution. Thus he has been nominated as candidate for a Substitute Audit and Supervisory Committee Member.</p>		

(Notes)

- There is no special interest between the above candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member and the Company.
- Mr. Ryuji Tomida is a candidate for Outside Director who is a Substitute Audit and Supervisory Committee Member.
- If the candidate Mr. Ryuji Tomida assumes the office of Director who is an Audit and Supervisory Committee Member, he will be appointed an Independent Director as specified in the listing regulations established by the Tokyo Stock Exchange and Nagoya Stock Exchange.
- If the candidate Mr. Ryuji Tomida assumes the office of a Director who is an Audit and Supervisory Committee Member, the Company will enter into an agreement with him to limit his liability for damages specified in Article 423, Paragraph 1 of the Companies Act pursuant to the provision of Article 427, Paragraph 1 of the said Act. The limit of liability under such agreement shall be the amount prescribed by laws and regulations.
Details of the agreement are as follows:
 - If a Director who is an Audit and Supervisory Committee Member is liable to the Company for any damage attributable to the negligence of his/her duties, his/her liability shall be limited to the minimum liability amount specified in Article 425, Paragraph 1 of the Companies Act.
 - The aforementioned liability limitation shall be applied only in cases where such a Director who is an Audit and Supervisory Committee Member executed his/her duties that caused the liability in good faith and without gross negligence.
- Tomida & Yamauchi Law Office changed its name to Tomida & Partners in January 2013.

Proposal 6: Determination of the Amount of Compensation for Directors (excluding Directors Who are Audit and Supervisory Committee Members)

The maximum amount of annual compensation for Directors was determined by the resolution of the 37th Annual General Meeting of Shareholders held on September 26, 2013 to be ¥700 million, and has not been changed since. However, the Company will adopt the company with an audit and supervisory committee system subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.” Accordingly, the Company proposes to abolish the current framework of compensation for Directors and newly set the maximum amount of annual compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) at ¥1,000 million (including not more than ¥100 million for Outside Directors) to further enhance the corporate governance system, and strengthen the future business development and management structure as well as to allow for flexible compensation policies. The amount of the compensation for Directors (excluding Directors who are Audit and Supervisory Committee Members) does not include salaries for the employee portion of Directors who concurrently serve as employees. Should Proposal 3 be approved as originally proposed, the number of Directors (excluding Directors who are Audit and Supervisory Committee Members) will be nine (9) (including two (2) Outside Directors).

Proposal 7: Determination of the Amount of Compensation for Directors Who are Audit and Supervisory Committee Members

The Company will adopt the company with an audit and supervisory committee system subject to the approval of Proposal 2 “Partial Amendments to the Articles of Incorporation.” The Company proposes the maximum amount of annual compensation for Directors who are Audit and Supervisory Committee Members be ¥40 million in consideration of the responsibilities and duties of Audit and Supervisory Committee Members. Should Proposal 4 be approved as originally proposed, the number of Directors who are Audit and Supervisory Committee Members will be three (3).

Proposal 8: Renewal of Countermeasures to Large-Scale Purchases of ASAHI INTECC CO., LTD. Shares (Takeover Defense Measures)

At the 37th Annual General Meeting of Shareholders of the Company held on September 26, 2013, the Company has obtained approval by its shareholders on the plan for countermeasures to large-scale acquisitions of the shares in the Company (hereinafter referred to as the “Current Plan”).

Since the effective period of the Current Plan is to expire upon conclusion of the 40th Annual General Meeting of Shareholders (hereinafter referred to as “this General Meeting of Shareholders”) scheduled to be held on 28 September, 2016, the Company has deliberated what the Current Plan should be, including whether or not to continue it, as one of the efforts addressed in order to secure and enhance not only the corporate value but also the common benefit of the shareholders of the Company, based on the changes in the social and economic circumstances, various trends and development of discussions surrounding the takeover defense measures. As a result, it was decided at the Company’s Board of Directors Meeting held on August 10, 2016 to change part of the Current Plan as a measure to prevent the decision of the Company’s financial and business policy from being controlled by an inappropriate person or entity (the countermeasures after such change has been made is hereinafter referred to as “this Plan”) in the light of the basic policy concerning the position of the person or entity that is to control the decision of the Company’s financial and business policy as provided for in Subparagraph 3 of Article 118 of the Ordinance for Enforcement of the Companies Act (hereinafter referred to as the “Basic Policy Concerning Control of the Company”), and to continue the countermeasures after the change of this Plan, on the assumption that it is approved by the shareholders at this General Meeting of Shareholders.

With regard to this Plan, consent by all Auditors has been obtained on condition that the specific execution of the Plan will be properly performed.

<Major Changes from the Current Plan>

1. An upper limit (60 days) has been set in the period of time within which additional information should be provided in the case where the Company’s Board of Directors requires such information in addition to information first provided by a large-scale purchaser of shares.
2. The contents of the countermeasures are now limited to the allotment of stock acquisition right without contribution.
3. The requirements for determining implementation of countermeasures are now listed more specifically.
4. In the case that a large-scale purchaser of shares complies with the rules and the Company’s Board of Directors determines that the implementation of countermeasures is reasonable based on the advice from the Independent Committee, the scheme has been changed so that the countermeasures may not be implemented until the matter is conferred to a shareholders meeting of the Company for confirmation and approval is obtained from the shareholders meeting.
5. On the condition that the proposal concerning partial amendments to the Articles of Incorporation is approved at this General Meeting of Shareholders, necessary changes have been made in relation to the statutory auditor system that is to be abolished along with the transition of the Company into a company with an audit and supervisory committee. Incidentally, the said changes shall take effect on the condition that the proposal concerning partial amendments to the Articles of Incorporation is approved at this General Meeting of Shareholders and the Company becomes a company with an audit and supervisory committee.

I. Basic Policy Concerning Control of the Company

As the Company is a listed company, free transactions of its shares by shareholders and investors are allowed, and it is believed that, even in the case of proposal of large-scale purchase of the Company’s shares or similar action, such proposal should not be unconditionally rejected and the matter should be finally determined based on the intention of the Company’s shareholders. However, in the capital market of Japan in recent years, the tendency for pushing or unreasonably enforcing through proposals of large-scale purchase of shares or similar action has become clearly visible.

With regard to the position of the person or entity that controls the decision of the Company’s financial and business policy, it is considered that such person must be an individual who possesses a full understanding of various sources of the Company’s corporate philosophy and corporate value and of the

fiduciary relationship with stakeholders who support the Company, and secures and enhances not only the corporate value but also the common benefit of shareholders of the Company from the medium- and long-term points of view. Therefore, we believe that a person or entity that presents proposals of inappropriate large-scale purchase of shares or similar actions that are likely to damage not only the corporate value but also the common benefit of our shareholders is unsuitable as a person to control the decision of the Company's financial and business policy.

II. Initiatives that Facilitate Realization of the Basic Policy

In order to enhance not only the corporate value but also the common benefit of shareholders from the medium- and long-term points of view, the Company is implementing the following initiatives:

1. Management Philosophy

The corporate philosophy of our Company Group as a research and development-type enterprise is to make the “dreams” of all our customers come true and to broadly contribute to society by continuing to distribute our “Only One” technologies and “Number One” products based in the safety and reliability of the fields of medical and industrial equipment. In particular, as the main line of business in our Company Group's medical equipment area is the development, manufacturing and sales of products for “minimally invasive treatment” which allows for surgeries with small wound and minimal pain, we believe that the business is very significant in that it mitigates the physical, mental and economic burdens on patients and also contributes to the suppression of medical expenses. Furthermore, we would like to continue contributing to society toward the future and grow as a corporation that is highly evaluated by both society and the market.

2. Source of the Company's Strength and Corporate Value

Since its foundation in 1976, the Company has been focusing on the development, manufacture and sales of extrafine stainless wire ropes in the field of industrial equipment and has won the top market share in the this field within Japan. In 1991, the Company advanced into the field of medical equipment, and in 1992 succeeded in developing and marketing for the first time in Japan the “PTCA guide wire and guiding catheter for treatment of cardiovascular system diseases” used in the treatment of heart infarction. Furthermore, the Company succeeded in developing the PTCA guide wire which made it possible to apply treatment to the CTO area (Note 1) previously deemed to be the area of surgical operation. Currently, the Company's PTCA guide wire product controls the top market share within Japan. We believe that the main factor of our continuous growth is in the “technological strengths” that the Company has accumulated and cultivated over time.

The content of the technologies forming the core of these “technological strengths” consists of wire drawing, wire forming, torque and coating technologies, and one of the Company's strengths is in its ability to manufacture in an integrated system based on these technologies finished products from raw materials. This strength, supplied with the Company's prowess in the field of industrial equipment, allows for the speedy development and provision of products to fulfil the needs of doctors and other users.

Human resources responsible for research and development and product innovation, sales and marketing systems, or structures for feedback regarding precise needs are particularly important for the enhancement of the Company's corporate value. We believe that the effects of these structures will only be maximized when there is an organic balance of unifying power and capability in speedy decision-making in management, the corporate climate or culture, and among the stakeholders.

Note 1: CTO Area

CTO stands for Chronic Total Occlusion, meaning a state of a lesion which is completely blocked for a long period. Traditionally, such lesions have been deemed to belong to the field of surgical operation (bypass operation), but since the Company succeeded in developing the PTCA guide wire that can be used for treating CTO as well, the PTCA treatment (minimally invasive treatment of cardiovascular system diseases) has become the leading treatment method in this field in Japan.

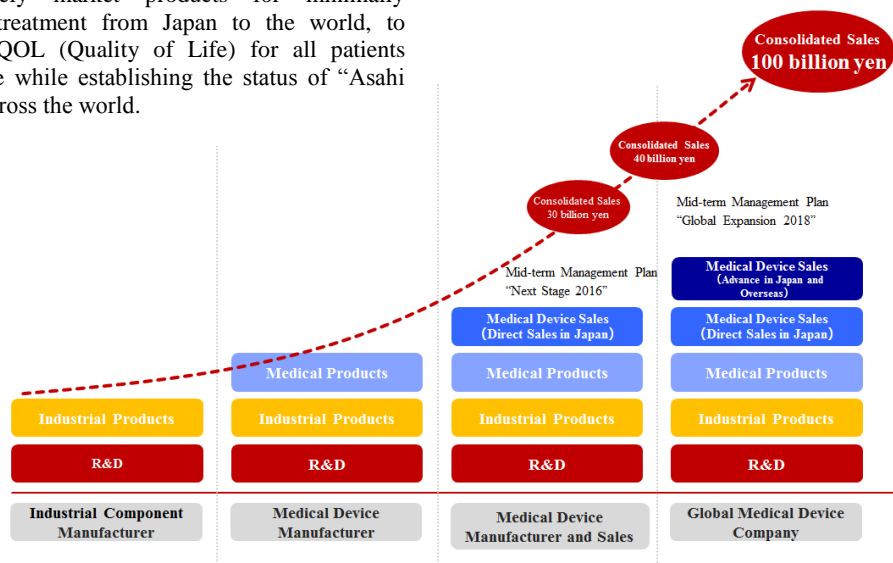
3. Management Policy for the Future and Review of Management Performance

(1) Long-term Management Vision

The Company has set a long-term management vision of “Aggressively market products for minimally invasive treatment from Japan to the world, to improve QOL (Quality of Life) of all patients worldwide concerned while establishing the status of “Asahi Brand” across the world,” and has touted a long-term target of consolidated sales of 100 billion yen.

■ Management Vision

Aggressively market products for minimally invasive treatment from Japan to the world, to improve QOL (Quality of Life) for all patients worldwide while establishing the status of “Asahi Brand” across the world.



(2) Mid-term Management Plan

In August, 2014, the Company formulated its Mid-term Management Plan: “Global Expansion 2018.” This plan sets the following four basic policies in order to further accelerate “globalization” in the areas of sales, development and production to thereby strengthen the presence of the Company and further enhance the Company’s corporate value. Although this plan sets the target of consolidated sales in the fiscal year ending June, 2018 at 40 billion yen, this level of sales was almost reached in the fiscal year ended June, 2016, two years ahead of schedule. With regard to a new medium-term plan that will lead to the long-term vision of consolidated sales of 100 billion yen, we are now in the process of consulting on the conditions, etc. with our business partners, and plan to publicly announce this plan at a timing in due course.

Incidentally, based on the marginal profit ratio of our products, we believe that there is a structure in which profit and capital efficiency are enhanced along with the increase in the sales, and have therefore set sales as the key performance indicator (KPI) for determining the state of management. Also, as the Company adopts a management method with emphasis on qualitative viewpoints such as the enhancement of the competitive superiority of our products and how to extend the duration of our products’ competitive superiority, we are making efforts to disclose our management policy and business strategies in as greater detail as possible on our website and via other media. We would appreciate your understanding of these points as well.

■ Basic Policy

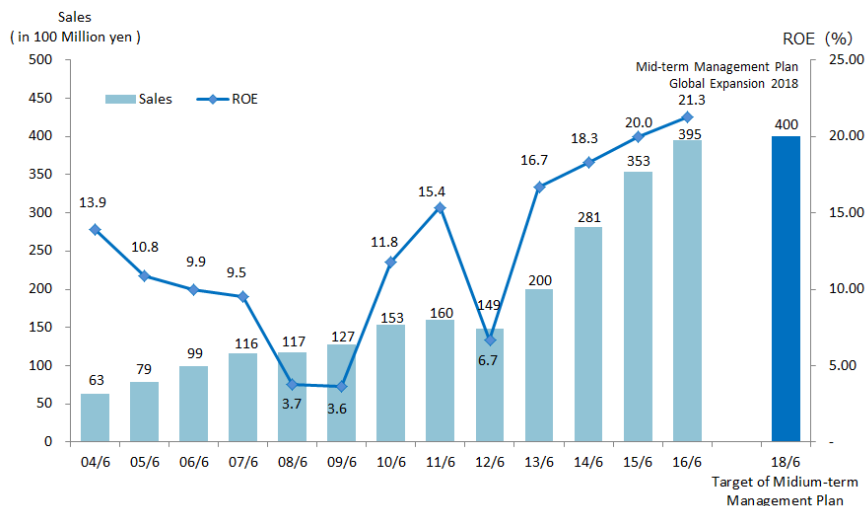
- 1 Increase Profit Base Globally
- 2 Expand Treatment Segments and Product Portfolio
- 3 Innovate with Materials and Manufacturing Technology
- 4 Effective Group Management

(3) Trend of the Company’s Performance and its Stock Price

The Company was listed on the JASDAQ Securities Exchange in July, 2004, and on the Second Section of Tokyo and Nagoya Stock Exchanges in 2005. The trend of Company sales and ROE since listing on the JASDAQ until now is as shown in the chart below. The Company sales have been increasing steadily as our products came to have a good reputation from clients in the markets. Also, ROE has maintained a high level

as a whole, except for the period between 2008 and 2009 when temporary confusion occurred in consultations on transaction conditions with major overseas business partners, and during 2012 when the Company was adversely affected by flooding in Thailand.

■ Sales and Return on Equity (ROE)

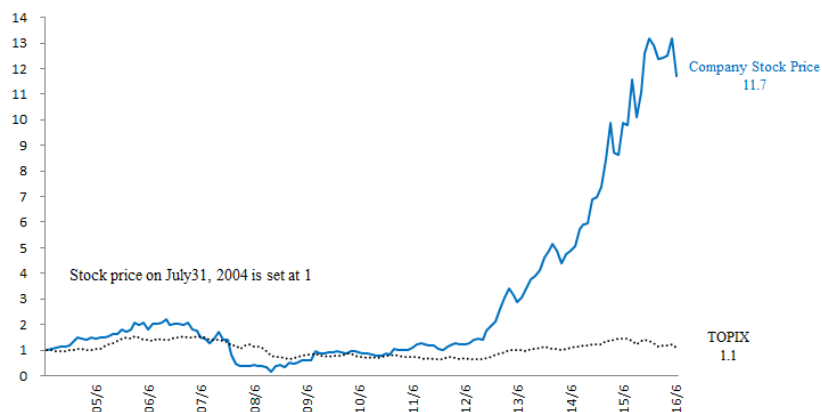


Note: During the fiscal year(s) ended June, 2008 and June, 2009, there was temporary confusion in consultations on transaction conditions with major overseas business partners.

Note: In the fiscal year ended June, 2012, flooding in Thailand temporarily halted the operation of consolidated subsidiary Asahi Intecc Thailand Co., Ltd., the main factory of the Company, and forced a decrease of production.

The following chart indicates the historical trend of the Company's stock price. The price hiked to nearly 12-fold during the period from the end of July, 2004 to the end of June, 2016, greatly surpassing the Tokyo Stock Price Index (TOPIX).

■ Company's Stock Price versus Tokyo Stock Price Index (TOPIX)
(from July 31, 2004 to June 30, 2016)



4. Initiatives to Strengthen Corporate Governance

The Company positions the strengthening of corporate governance as one of its management's important issues, and has been addressing measures for providing appropriate incentives to enhance transparency of the management and strengthening its supervising functions, as well as the enhancement of the corporate value. In 2005, we introduced a compensation system for the purpose of acquiring Company stock as a long-term performance-linked compensation method and started the stock option plan in 2009. Also, we have appointed multiple Outside Directors since 2013.

On this occasion, the Company plans to resolve the proposal at the Board of Directors Meeting to be held on August 10, 2016 to become a company with an audit and supervisory committee, and to place the proposal to amend the Articles of Incorporation on the agenda at this General Meeting of Shareholders. When the proposal to appoint Directors is approved at this General Meeting of Shareholders, 4 of the total

12 Directors of the Company will be Independent Outside Directors (composition ratio at 33.3%), and the independence of the Board of Directors will be enhanced to a greater extent.

5. Status Quo of the Company and Necessity of This Plan

The Company has formulated a definite policy as seen in the aforementioned Long-term Vision and Mid-term Management Plan, and is steadily addressing measures to achieve the targets. We would like to ask you to review the Company's performance and stock price in the past and the results of our efforts for corporate governance and understand the philosophy of the Company. The Company is engaged in the business field of minimally invasive treatment that is garnering global attention and the market size thereof is expected to expand, but in terms of corporate scale, the Company cannot be said to be large enough, and that therefore exists some concern by the Company about being purchased. More importantly, in comparison with the future image drawn by the Company, we believe that the Company's current position is still at an early stage of growth. Since the purpose of this Plan is for the Company's management to be able to concentrate on the growth strategy for the Company's main business, we are confident that this Plan will prove to be beneficial to all our shareholders.

Furthermore, the Company believes that the necessity of this Plan is extremely high at the current stage, but does not believe that permanent continuation of this Plan is necessary.

III. Content of This Plan (Initiatives to prevent the decision of the Company's financial and business policy from being controlled by an unsuitable person or entity in the light of the Basic Policy concerning the control of the Company)

1. Purpose of this Plan

This Plan has been introduced as a measure to prevent the decision of the Company's financial and business policy from being controlled by an unsuitable person or entity in the light of the Basic Policy concerning the control of the Company.

In the case that a large-scale purchase of the Company's shares or similar action is performed, if the purpose of such purchase or similar action will contribute not only to the Company's corporate value but also to securing or enhancing the common benefit of our shareholders, the Company does not consider such purchaser as an unsuitable person or entity to control the decision of the Company's financial and business policy. Also, a judgment on whether or not to accept a proposal of purchase with transfer of control should be finally determined based on the intention of the Company's shareholders.

However, among cases of such large-scale purchases or similar actions, there are a number of cases which do not contribute to the targeted company's corporate value nor to the common benefit of its shareholders, such as those where, judging from the purpose thereof, the purchase is likely to cause apparent damage on not only the company's corporate value but also the common benefit of its shareholders, where in which the shareholders are likely to be forced to sell their shares, all for which reasonably necessary and sufficient information and time are not given to the Board of Directors and shareholders to examine the contents of the large-scale purchase of shares or similar action, or for the Board of Directors to present an alternative proposal.

On the other hand, as of June 30, 2016, about 23.3% of the outstanding shares are held by the Company's officers and persons related thereto. However, the ratio is continuously on a decrease (it was about 37.6% as of December 31, 2004 shortly after the listing on the JASDAQ Securities Exchange on July 1, 2004), and as the Company's shareholders widely range between domestic and overseas institutional investors and individuals, domestic corporations, etc., the liquidity of the stock is in a situation of further increases. Under these circumstances, we believe that there is possibility that certain acts of large-scale purchase of shares that do not contribute to neither the Company's corporate value nor the common benefit of shareholders will be performed.

Therefore, the Company's Board of Directors, believing that for the purpose of allowing all shareholders to arrive at an appropriate judgement, the securement of necessary information and time as well as carrying out of negotiations with the purchaser in accordance with reasonable rules that correspond to not only corporate value, but the common benefit of shareholders, established certain rules concerning the obtainment of information and securing the time for examination at the time of a large-scale purchase covering the following content (hereinafter referred to as the "Large-scale Purchase Rules"), and has made changes in part of the Current Plan, including those to the policy of countermeasures as a takeover defensive measure in cases where an act of large-scale purchase of shares is performed by an unsuitable person or entity in the light of our basic policy concerning control of the Company, and has decided, on the condition that it is approved by all shareholders at this General Meeting of Shareholders, to continue this Plan. For the outline

of this Plan, please refer to the Attachment 2.

Moreover, the situation of major shareholders of the Company as of June 30, 2016 is indicated in Attachment 1: "Status of the Company's Shares," and the Company has not received any proposal concerning an act of large-scale purchase of the Company's shares, etc. at the present moment.

2. Purchase of Company Shares Covered by This Plan

Purchase of Company Shares Covered by This Plan shall be acts of purchasing the Company's shares, etc. (Note 4) for the purpose of making the ratio of voting rights (Note 3) held by a specific shareholder group (Note 2) 20% or more, or acts of purchasing the Company's shares which subsequently make the ratio of voting rights held by a specific shareholder group 20% or more (in either case, except for purchases which have been approved by the Company's Board of Directors in advance, and regardless of whether the method of purchase is a market transaction or takeover bid or otherwise. Hereinafter, such act shall be referred to as an "Act of Large-scale Purchase," and a person who performs such act of purchase shall be referred to as a "Large-scale Purchaser.")

Note 2: Specific shareholder group shall mean:

- (i) Holders of Company shares, etc. (meaning the Share Certificates, etc. as defined in Paragraph 1 in Article 27-23 of the Financial Instruments and Exchange Act) (including those who are included in the Holders under Paragraph 3 in Article 27-23 of the same Act; the same applies hereinafter) and their joint holders (meaning the Joint Holders as defined in Paragraph 5 in Article 27-23 of the same Act, including those who are deemed Joint Holders under Paragraph 6 in Article 27-23 of the same Act; the same shall apply hereinafter) or
- (ii) persons who perform an act of purchase, etc. (meaning Purchase, etc. as defined in Paragraph 1 in Article 27-2 of the same Act, including acts of purchase which are done at the Financial Instruments Exchange Markets) of Company shares, etc. (meaning the Share Certificates, etc. as defined in Paragraph 1 in Article 27-2 of the same Act) and the persons in special relationship with them (meaning the Persons in Special Relationship as defined in Paragraph 7 in Article 27-2 of the same Act).

Note 3: Ratio of voting rights shall mean:

- (i) In the case that the specific shareholder group falls under (i) of Note 2, the ratio of shares, etc. held by such holder (the ratio shall mean the Holding Ratio of Share Certificates, etc. as defined in Paragraph 4 in Article 27-23 of the Financial Instruments Exchange Act. In this case, the number of shares (meaning the Number of Share Certificates, etc. held as defined in the same Paragraph; the same shall apply hereunder) held by shareholder's Joint Holder shall be added) or
- (ii) in the case that the specific shareholder group falls under (ii) of Note 2, the total of ratios of shares, etc. held by such Large-scale Purchaser and by such Persons in Special Relationship (the ratio shall mean the Holding Ratio of Share Certificates, etc. as defined in Paragraph 8 in Article 27-2 of the same Act)

In calculating each ratio of voting rights, to determine the Total Voting Rights (meaning the same as defined in Paragraph 8 in Article 27-2 of the same Act) and the Total Number of Issued Shares (meaning the same as defined in Paragraph 4 in Article 27-23 of the same Acts), it shall be possible to refer to either the Annual Securities Report or Quarterly Securities Report that has been submitted most recently.

Note 4: Shares, etc. shall mean:

The Share Certificates, etc. as defined in Paragraph 1 in Article 27-2 of the Financial Instruments Exchange Act or in Paragraph 1 in Article 27-23 of the same Act.

3. Establishment of Independent Committee

As to whether or not the Large-scale Purchase Rules are complied with, or even if the Large-scale Purchase Rules are complied with, whether or not certain countermeasures be taken because such Act of Large-scale Purchase is determined to significantly damage not only the Company's corporate value but also the common benefit of shareholders, the Company's Board of Directors will make the final determination, but, in order to properly operate this Plan, to prevent any arbitrary determination from being made by the Company's Board of Directors, and to assure the reasonableness and fairness of the determination, the Company has established the Independent Committee as an organization independent from the Company's Board of Directors (For the outline of the Independent Committee, please refer to the Attachment 3). The Independent Committee shall consist of three or more members who shall be appointed by the Company's Board of Directors from among the Outside Directors and outside experts (Note 5) who are independent from the management executing the Company business so that fair and neutral determination can be made. The three persons listed in Attachment 4 are planned to be appointed as members of the Independent

Committee at the time when this Plan is continued.

Prior to implementing any countermeasures, the Company's Board of Directors shall consult the Independent Committee about whether or not to implement such countermeasures, and the Independent Committee shall in turn advise the Company's Board of Directors about whether or not the Company is in a situation where the Company can implement the countermeasures after having carefully evaluated and examined the Act of Large-scale Purchase from the viewpoint of not only the Company's corporate value but also the common benefit of our shareholders. The Company's Board of Directors shall make decisions on the implementation of the countermeasures after having deeply considering the Independent Committee's advice. As for the content of the Independent Committee's advice, the outline thereof shall be publicized appropriately.

Furthermore, in order to assure that the determination by the Independent Committee can be made so as to contribute not only to the Company's corporate value but also to the common benefit of shareholders, the Independent Committee shall be able to obtain advice from independent outside specialists at the cost of the Company.

Note 5: Outside experts shall mean:

Corporate managers with abundant experience in management, persons who have thorough knowledge of investment banking, attorneys, certified public accountants, men of learning and experience who mainly study the Companies Act or similar, and persons equivalent thereto.

4. Outline of the Large-scale Purchase Rules

(1) Prior submission of a written statement of intention from Large-scale Purchaser to the Company

In the case that a Large-scale Purchaser intends to perform an Act of Large-scale Purchase, the Large-scale Purchaser should first submit a written statement of intention in Japanese containing its pledge to follow the Large-scale Purchase Rules and the contents, etc. as listed below to the Representative Director of the Company prior to performing the Act of Large-scale Purchase or submitting a written statement of intention for the Act of Large-scale Purchase. Upon receiving a written statement of intention from a Large-scale Purchaser, the Company will promptly and appropriately make public the matter and contents of the document.

- (1) Name, address and name of representative of the Large-scale Purchaser
- (2) Law governing its incorporation
- (3) Contact address in Japan
- (4) Outline, etc. of the proposed Act of Large-scale Purchase

(2) Provision of necessary information from the Large-scale Purchaser

Within 10 business days counted from the day following the date of receiving the written statement of intention as set forth in (1) above, the Company will issue to the Large-scale Purchaser a list of information to be provided to the Company's Board of Directors that is necessary and sufficient for our shareholders to determine the matter and for the Board of Directors to form an opinion as such (hereinafter referred to as the "Necessary Information"). The Large-scale Purchaser should submit the Necessary Information written in Japanese in accordance with descriptions in the said list to the Company's Board of Directors. General items of the Necessary Information are as specified below. Specific contents of the information may be different depending on the attribution of the Large-scale Purchaser and contents of the Act of Large-scale Purchase, but should be limited, in all cases, within the scope necessary and sufficient for our shareholders to determine the matter and for the Company's Board of Directors to form an opinion as such.

- (1) Details of the Large-scale Purchaser and its Group (including Joint Holders, Persons in Special Relationship and partners (in case of a fund) and other members) (including names, contents of business, history or development, capital composition, financial contents, etc.)
- (2) Purpose, method and contents of the Act of Large-scale Purchase (including value and type of consideration for the Act of Large-scale Purchase, timing for the Act of Large-scale Purchase, structure of related transactions, legality of the method of the Act of Large-scale Purchase, feasibility of the Act of Large-scale Purchase, etc.)
- (3) Basis for calculating the purchasing price for the Act of Large-scale Purchase (including the facts as a precondition for calculation, method of calculation, numerical information used in calculation, and the contents of synergies that are expected to arise from a series of transactions pertaining to the Act of Large-scale Purchase)
- (4) Source of funds to support the purchasing fund for the Act of Large-scale Purchase (including specific name of the provider (including substantial provider) of the fund, procuring method, and

contents of related transaction).

- (5) Candidate anticipated for officer after the completion of the Act of Large-scale Purchase (including information on his/her experiences, etc. in business similar to the Company's and the Company Group's business), management policy, business plan, financial plan, capital policy, dividend policy, etc. for the Company and the Company Group.
- (6) Whether there will be any changes after the completion of the Act of Large-scale Purchase with regard to the relationship between the Company's customers, business partners, employees, and other interested parties pertaining to the Company and the Company / Company Group, and contents of such changes, if any.

The Company's Board of Directors may set a deadline for a Large-scale Purchaser to provide information, but in case the Large-scale Purchaser requests for an extension of such deadline based on rational reason, the Board of Directors may extend the deadline. Also, in case the initially provided information is found to be insufficient as a result of minute examination thereof, the Company's Board of Directors may repeatedly request the Large-scale Purchaser to provide additional information until all of the Necessary Information has been provided by appropriately setting a reasonable deadline (however, the upper limit of such deadline shall be 60 days following the date on which the Necessary Information was initially received).

When the Company's Board of Directors determines that the Large-scale Purchaser has completed to provide the Necessary Information, the Board of Directors shall send a notice to the Large-scale Purchaser and at the same time publicly announce the fact.

Also, in the case where, despite the fact that the Company's Board of Directors requested that the Large-scale Purchaser provide information in addition to the Necessary Information, the Large-scale Purchaser makes a rational explanation that the Large-scale Purchaser has difficulty in providing part of such additional information, and even if the Company's Board of Directors has not obtained all of the Necessary Information, the Board of Directors may terminate negotiation, etc. with the Large-scale Purchaser in relation to the provision of information and commence the evaluation and examination, etc. by the Company's Board of Directors as set forth in (3) below.

The Necessary Information provided to the Company's Board of Directors shall be submitted to the Independent Committee, and, if it is considered necessary for the purpose of facilitating our shareholders' determination, all or part of the Necessary Information shall be made public at the time judged appropriate by the Company's Board of Directors.

(3) Evaluation, Examination, etc. by the Company's Board of Directors

The Company's Board of Directors will set a period for the evaluation, examination, negotiation, opinion formation, and alternative formulation regarding the Act of Large-scale Purchase (hereinafter referred to as the "Board of Directors Evaluation Period") which shall be, depending on the difficulty level of evaluation, etc., 60 days at maximum counted from the day following the date on which the Large-scale Purchaser has completed the provision of the Necessary Information to the Company's Board of Directors, in case of an Act of Large-scale Purchase targeting all of the Company's shares by means of takeover bid with compensation in Japanese yen only; or 90 days at maximum counted as above in case of other Act of Large-scale Purchase. During the Board of Directors Evaluation Period, the Company's Board of Directors will fully evaluate and examine the Necessary Information provided, obtaining advice from independent outside specialists, etc. as necessary, and after having given full consideration to the Independent Committee's advice, carefully compile and make public an opinion as the Company's Board of Directors.

In addition, the Company's Board of Directors may negotiate with the Large-scale Purchaser for the improvement of conditions related to the Act of Large-scale Purchase as necessary, and may present an alternative as the Company's Board of Directors to our shareholders.

5. Policy of Responding When an Act of Large-scale Purchase is Performed

(1) In cases where the Large-scale Purchaser did not comply with the Large-scale Purchase Rules:

In cases where the Large-scale Purchaser did not comply with the Large-scale Purchase Rules, the Company's Board of Directors may, regardless of specific method of purchase, take the countermeasures for the purpose of protecting not only the Company's corporate value but also the common benefit of our shareholders as set forth in Attachment 5, to confront such Act of Large-scale Purchase.

In determining the implementation of countermeasures, the Company's Board of Directors shall determine whether or not the countermeasures should be implemented, giving full consideration to advice from the Independent Committee and after fully examining the necessity, appropriateness, etc. of the countermeasures.

Further, in determining whether or not the Purchaser complied with the Large-scale Purchase Rules, the

Company's Board of Directors shall fully take into consideration the situations on the side of the Large-scale Purchaser within a reasonable scope, and at least, shall not determine that the Purchaser does not comply with the Large-scale Purchase Rules only because part of the Necessary Information has not been submitted.

(2) In the case that the Large-scale Purchaser complied with the Large-scale Purchase Rules:

In the case that the Large-scale Purchaser complied with the Large-scale Purchase Rules, the Company's Board of Directors will not take any countermeasures against such Act of Large-scale Purchase in principle, even if they would rather oppose such Act of Large-scale Purchase, but shall only try to persuade our shareholders by expressing its opposing opinion and presenting an alternative for such Act of Large-scale Purchase. With regard to whether or not the Company accepts the purchase proposal by the Large-scale Purchaser, our shareholders will make a determination after having considered such purchase proposal and the opinions, alternative, etc. for the purchase proposal presented by the Company.

However, even if the Large-scale Purchase Rules are complied with, in the case where such Act of Large-scale Purchase falls under, for instance, any of the following Items (1) to (6), and the Independent Committee and the Company's Board of Directors determine that it will significantly impair not only the Company's corporate value but also the common benefit of our shareholders as it is likely to cause irreparable damage to the Company or otherwise, and that the implementation of countermeasures is appropriate, our shareholders will be requested to make the final determination on whether or not the countermeasures should be implemented:

- (1) In the case that the Purchaser is determined to be a person who, despite having no intention to truly participate in the management of the Company, acquires or intends to acquire the Company's shares for the exclusive purpose of raising the share price and forces the Company and related parties to take over the shares at a high price (so-called greenmailer);
- (2) In the case that the Purchaser is determined to be a person who acquires or intends to acquire the Company's shares for the purpose of implementing so-called scorched-earth management by temporally controlling the Company's management and forcing the Company's intellectual property, know-how, corporate secret, confidential information, major business partners and customers that are necessary to manage the Company business to be transferred to such Large-scale Purchaser or its group companies, etc., or otherwise;
- (3) In the case that the Purchaser is determined to be a person who acquires or intends to acquire the Company's shares for the purpose of, once having taken control over the Company management, appropriating the Company's asset to funds for mortgage or repayment for liabilities of such Large-scale Purchaser or its group companies, etc.;
- (4) In the case that the Purchaser is determined to be a person who acquires or intends to acquire the Company's shares for the purpose of temporally controlling the Company management to force the Company to dispose of its estate and/or securities and other high-value assets, etc., and with such disposal credit forces payment of temporarily high dividends, or of selling the shares at the highest price by capturing an opportunity of sudden rise in the share price due to such temporarily high dividends;
- (5) In the case that the method of purchasing the Company's shares in the Act of Large-scale Purchase is determined to be likely to restrict the opportunities or freedom of judgment by our shareholders, and to virtually force the shareholders to sell the Company's shares, as seen in so-called coercive two-tier purchases (referring to the purchase by takeover bid, etc. in which the purchase of all the shares is not induced in the first stage of purchase, and the purchasing conditions in the second stage are set unfavorably or not stated clearly) or similar; or
- (6) In the case that the acquisition of control of the Company by the Large-scale Purchaser is reasonably determined to be likely to lead to (a) embrittlement of the Company's technical and research/development structure ^{(*)1}, (b) implementation of sales and marketing while disregarding the market and user needs ^{(*)2}, and likely to damage the Company's corporate value or hinder the maintenance and enhancement of the corporate value.

*1: The Company has highly advanced and extremely unique material processing technologies comprising four major core techniques, of which, the most important is torque technique. The performance of catheter products directly leads to success or failure of operations, and the unique torque technique retained by the Company has enabled the Company to develop a wire that can transmit the delicate feeling of a doctor's hand to the other end of the wire, which is one of the factors of the wide use of the Company's products in highly difficult treatment of lesions. In addition to these techniques, the Company is capable of developing and manufacturing products possessing the Company's unique materials and

functions by establishing an integrated production system which is a strength of the Company and having an industrial equipment division in addition to the medical equipment division, which becomes a big factor in our ability to differentiate ourselves from competitors in the aspects of cost and technology in the medical equipment field. If an acquirer did not understand such technical synergy and attempted to separate the two business fields for reason of excessively pursuing short-term capital efficiency, it would possibly impair the superiority of the Company. Also, ultimately, the Company's technical know-how belongs to the technicians, etc. in the research and development and other divisions. If the long-term treatment of technicians, etc. or their varied motivation (sympathy with the management philosophy or managerial goals, balance and operation of the research and development organization or teams, sharing of social objective of contributing to human life with stable supply of products, etc.) were impaired, it might result in disperse of technicians, or significant deterioration of development performance.

*2: The Company succeeded in developing products which made it possible to treat the CTO (Chronic Total Occlusion) which was previously impossible by any means other than surgical operation, and contributed to greatly enhance the success rate of catheter treatment of heart diseases. Currently, the Company's products are demonstrating great strength in the CTO area, and there exist certain areas for which treatment is impossible without the Company's products. Under the circumstances, if the supply of the Company's products were impeded due to the circumstances of marketing strategy or otherwise, it might result in difficulty in the supply of catheter products which facilitate treatment of difficult lesioned parts mainly in the CTO area. Also, it is assumed that we may lose the trust of doctors and other users by implementing certain selfish sales/marketing activities without thorough consideration of the needs of the market, doctors and other users.

(3) Shareholders Meeting for Confirmation

As specified in 5. (2) above, in case the Company's Board of Directors determines that implementation of countermeasures is appropriate, the Board shall promptly convene a shareholders meeting to confirm the intention of the Company's shareholders regarding the Board of Director's determination (hereinafter referred to as the "Shareholders Meeting for Confirmation"), and request the shareholders to deliver the final judgment on whether or not to implement countermeasures. At that time, the Company will promptly disclose information that it will convene the Shareholders Meeting for Confirmation and other facts which the Board of Directors determines to be appropriate.

(4) Contents of Countermeasures

The contents of the countermeasures to be implemented by the Company's Board of Directors shall be allotment of stock acquisition rights (hereinafter referred to as the "Stock Acquisition Rights") without contribution. The outline of the allotment of the Stock Acquisition Rights without contribution shall be as specified in Attachment 5, but when the allotment of the Stock Acquisition Rights without contribution is implemented, certain terms may be set in consideration of its effects as countermeasures, such as making it a condition for exercising the Stock Acquisition Rights that the shareholder does not belong to a specific shareholder group having voting rights exceeding a certain ratio, and the Company shall acquire the Stock Acquisition Rights in exchange for the Company's shares, etc.

(5) Suspension of Implementation of the Countermeasures, etc.

In 5. (1) or 5. (2) above, in the case where, after the Company's Board of Directors has once determined to take a specific countermeasure, it is determined that the implementation of the same is not appropriate for such reason as that the Large-scale Purchaser withdraws or makes changes in the Act of Large-scale Purchase or else, the Company's Board of Directors may suspend the implementation of such countermeasure after giving full consideration to the Independent Committee's advice. For instance, in case the Company's Board of Directors determines that the implementation of such countermeasure is not appropriate after the shareholders to be allotted with the Stock Acquisition Rights have been definitely decided for reason that the Large-scale Purchaser withdraws or makes changes in the Act of Large-scale Purchase or else, the allotment of the Stock Acquisition Rights without contribution may be suspended until the day before the date on which the allotment of the Stock Acquisition Rights without contribution takes effect, or after the allotment of the Stock Acquisition Rights without contribution has been done, the Company may suspend the implementation of the countermeasure until the day before the date of commencement of the exercising period by the Company's acquisition of the Stock Acquisition Rights without contribution (where our shareholders lose the Stock Acquisition Rights by the Company's acquisition of the same without contribution).

In the event that the suspension of the implementation of such countermeasure is decided, the fact will be disclosed at an appropriate time and in an appropriate manner in accordance with applicable laws and the listing rules of the financial instruments exchanges with which the Company is listed.

6. Effects that This Plan Will Have on Shareholders and Investors

(1) Effects that the Large-scale Purchase Rules will have on the shareholders and investors

The purpose of the Large-scale Purchase Rules in this Plan is to provide all of the Company's shareholders with information necessary to determine whether or not to accept the Act of Large-scale Purchase and on the opinion of the Board of Director which is actually bearing the Company's management, and to secure an opportunity for the shareholders to be presented with an alternative. We believe that, with these Rules, our shareholders will be able to make an appropriate determination on whether or not to accept an Act of Large-scale Purchase while being provided with sufficient information, which will lead to the protection of not only the Company's corporate value but also the common benefit of our shareholders. Therefore, we believe that setting the Large-scale Purchase Rules will prove to be a prerequisite for our shareholders in making an appropriate determination and thereby contribute to the benefit of all our investors and shareholders.

Further, since the Company's response to an Act of Large-scale Purchase will be different depending on whether the Large-scale Purchase complies with the Large-scale Purchase Rules or not, as stated in the section 5 above, our shareholders and investors are requested to pay attention to the attitudes of the Large-scale Purchaser.

(2) Effects on the Shareholders and Investors at the Time of Implementing Countermeasures

In case the Company's Board of Directors has decided to implement the specific countermeasure as set forth in Section 5 above for the purpose of protecting not only the Company's corporate value but also the common benefit of our shareholders, the Company's Board of Directors will disclose such decision at an appropriate time and in an appropriate manner in accordance with applicable laws and the listing rules of the financial instrument exchanges with which the Company is listed. In implementing countermeasures, we do not assume any event that our shareholders other than the Large-scale Purchaser, etc. incur any extraordinary loss in the aspect of legal right or economy. In the case that the allotment of the Stock Acquisition Rights without contribution is to be conducted as a countermeasure, the shareholders who are listed in the latest shareholder registry on the base date which is decided and publicly announced separately by the Board of Directors (hereinafter referred to as "Allotted Shareholders") shall be allotted with the Stock Acquisition Rights in accordance with the number of shares they hold as of the base date, without due consideration. Afterward, in the case that the Company takes the procedure of acquiring the Stock Acquisition Rights subject to Call, all the Allotted Shareholders other than the Large-scale Purchaser, etc. will incur no extraordinary disadvantage to receive the Company's shares as consideration for acquiring the Stock Acquisition Rights.

Furthermore, in the event that the Company suspends the allotment of the Stock Acquisition Right or acquires the Stock Acquisition Rights once issued without contribution in accordance with the decision by the Company's Board of Directors following the advice of the Independent Committee (where our shareholders lose the Stock Acquisition Rights due to the Company's acquisition of the same without contribution), our shareholders and investors who deal in the Company's shares on the assumption that dilution of the value of the Company shares will occur after the shareholders who are to be allotted with the Stock Acquisition Rights without contribution have been definitely decided (on or after the ex-dividend date) may possibly incur unexpected damage due to fluctuation of the share price.

In the event that the Large-scale Purchaser does not comply with the Large-scale Purchase Rules or, if such Purchaser complies with such Rules, such Act of Large-scale Purchase is determined to significantly impair not only the Company's corporate value but also the common benefit of the shareholders, then, as a result, the Large-scale Purchase may possibly incur certain disadvantage in the aspect of its legal rights or economy due to the countermeasures taken by the Company. This Plan is disclosed in order to call attention in advance so that the Large-scale Purchaser will not violate the Large-scale Purchase Rules.

(3) Necessary Procedures to Be Taken by Our Shareholders When Countermeasures are Implemented

In the case that the allotment of the Stock Acquisition Rights without contribution is conducted as a countermeasure, the Allotted Shareholders will be allotted with the Stock Acquisition Rights without need to apply for the subscription, and, in case the Company takes the procedure of acquiring the Stock Acquisition Rights subject to Call, the Allotted Shareholders will receive the Company's shares as consideration for the Company's acquisition of the Stock Acquisition Rights, without payment of money equivalent to the value

of exercising the Stock Acquisition Rights, and therefore, they will not be required to take any procedure of application or payment, etc. in relation to the Stock Acquisition Rights.

As for the details of these procedures, the Company will disclose it when the Company is to actually implement the allotment of the Stock Acquisition Rights without contribution, at an appropriate timing and in an appropriate manner in accordance with the applicable laws and the listing rules of the financial instruments exchanges with which the Company is listed.

7. Commencement of Application, Effective Period, Continuation and Abolition of This Plan

This Plan shall take effect by and on the date of resolution thereof at this General Meeting of Shareholders and shall remain effective from the time of conclusion of this General Meeting of Shareholders to the time of conclusion of the 43rd Annual General Meeting of Shareholders scheduled to be held during September, 2019.

Also, after this Plan has been approved to be continued at this General Meeting of Shareholders and has become effective, in the case that where:

- (1) A resolution to abolish this Plan is made at a General Meeting of Shareholders of the Company, or
- (2) A resolution to abolish this Plan is made by the Board of Directors formed by Directors appointed at a General Meeting of Shareholders of the Company; this Plan shall be abolished at the said timing.

In addition, during the effective period of this Plan, the Company's Board of Directors will review this Plan from time to time from the viewpoint of enhancing not only the corporate value but also the common benefit of the shareholders, and may make changes in this Plan after having obtained approval by a General Meeting of Shareholders of the Company.

Thus, in the case that a decision is made on the continuation, change or abolishment, etc. of this Plan at the Company's Board of Directors, the contents of such decision will be promptly disclosed.

Furthermore, even during the effective period of this Plan, in the case that there arises newly establishment, revision, or abolishment of any laws related to this Plan or rules of financial instrument exchanges, etc. that is deemed appropriate to be reflected on this Plan, or correction of this Plan is appropriate for the reason of any mistaken or missing characters found in its text, etc. and unless such correction, etc. will cause any disadvantage to our shareholders, the Company's Board of Directors may correct or revise this Plan after having obtained approval from the Independent Committee as necessary.

IV. Rationality of This Plan (in relation to its being in line with the Basic Policy Concerning Control of the Company, conforming to not only the Company's corporate value but also the common benefit of its shareholders, and not aiming to maintain the status of the Company's officers as such)

- (1) That this Plan meets the requirements concerning the Guideline on Takeover Defense Measures

This Plan satisfies the three principles (namely, Securing or enhancing the corporate value and common benefit of shareholders; Prior disclosure and intension of shareholders; and Securing the necessity and appropriateness) as set forth in the "Guideline on Takeover Defense Measures to Secure or Increase Company Share Price and Stockholder Joint Interest" announced by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005.

Also, this Plan is based on the contents of the "What the takeover defense measures should be in consideration of the recent changes in the environment surrounding various areas" which was announced on June 30, 2008 by the Corporate Value Study Group established in the Ministry of Economy, Trade and Industry.

- (2) That This Plan Has Been Introduced for the Purpose of Common Benefit of Shareholders

As set forth in III.-1. "Purpose of this Plan" above, this Plan has been introduced for the purpose that, when an Act of Large-scale Purchase of the Company is performed, our shareholders will be able to determine whether or not to accept such Act of Large-scale Purchase, or that the Company's Board of Directors will be able to secure information and time necessary to present an alternative and negotiate with the Large-scale Purchaser, and thereby the Company will secure not only the Company's corporate value but also the common benefit of our shareholders.

- (3) That This Plan Focuses on the Intention of Shareholders

This Plan is subject to the approval of our shareholders at this General Meeting of Shareholders, and therefore, it is scheduled to ask opinions on this Plan of our shareholders at this General Meeting of Shareholders, and the opinions shall be reflected on this Plan.

Also, even before the expiration of effective period of this Plan after it started to be continued, in case a resolution to abolish this Plan is made at a General Meeting of Shareholders of the Company, this Plan shall

be abolished at that moment, and thus this Plan shall fully rely on rational opinions of our shareholders.

(4) That This Plan is Not a Dead-hand Takeover Defense Measure or Slow-Hand Takeover Defense Measure

As set forth in III.-7. “Commencement of application, effective period, continuation and abolition of this Plan” above, this Plan may be abolished by the Company’s Board of Directors formed by Directors who are appointed at a General Meeting of Shareholders of the Company. Therefore, this Plan is not a dead-hand takeover defense measure (a takeover defense measure the implementation of which cannot be obstructed even if a majority of the members of the Board of Directors are replaced). Also, since the Company plans to become to a company with an audit and supervisory committee on condition that the proposal concerning a partial amendment to the Articles of Incorporation is approved and passed at this General Meeting of Shareholders, in the event the Company has become a company with an audit and supervisory committee, the Company is to make the term of office for Directors (except for audit and supervisory committee members) one year, and the term of office for a Director who is an audit or supervisory committee member two years in accordance with the rules on directors’ terms of office pertaining to companies with an audit and supervisory committee of the Companies Act, without adopting the staggered terms system, by introducing this Plan, no effects as a slow-hand takeover defense measure (a takeover defense measure the implementation of which is difficult to be obstructed because all the members of the Board of Directors cannot be replaced at one time) will arise.

(5) That This Plan Focuses on Determinations by Highly Independent Persons Outside the Company

As set forth in III.-5 “Policy of responding when an Act of Large-scale Purchase is performed” above, a decision to implement the countermeasures in this Plan shall be made after the Company has consulted the Independent Committee formed by members who are independent from the Company’s management which executes the business while giving thorough consideration to the Independent Committee’s advice, and also, procedures to secure the transparent operation of this Plan are established so that it will contribute not only to the Company’s corporate value but also to the common benefit of shareholders.

(Attachment 1)

Status of the Company's shares (as of June 30, 2016)

- (1) Total Number of Authorized Shares 200,000,000
 (2) Total Number of Shares Issued and Outstanding 64,148,800 (including 911,800 treasury stock)
 (3) Number of Shareholders 4,903
 (4) Major Shareholders (Top 10)

Name or Appellation	No. of Shares held (shares)	Ratio of Shares held (%)
ICSP Limited Liability Company	5,098,000	8.06
Japan Trustee Services Bank, Ltd. (trust account)	4,907,400	7.76
MMK Co., Ltd.	3,092,000	4.88
The Master Trust Bank of Japan, Ltd. (trust account)	2,639,800	4.17
HI-LEX Corporation	2,400,000	3.79
Masahiko Miyata	1,690,300	2.67
Hogy Medical Co., Ltd.	1,583,200	2.50
Kenji Miyata	1,580,000	2.49
BBH FOR MATTHEWS JAPAN FUND	1,578,300	2.49
The Nomura Trust and Banking Co., Ltd. (investment trust account)	1,332,500	2.10

(Note) Ratio of Shares held is calculated after deducting treasury stock (911,800 shares) from the total number of shares issued and outstanding.

(5) Shareholders by Category

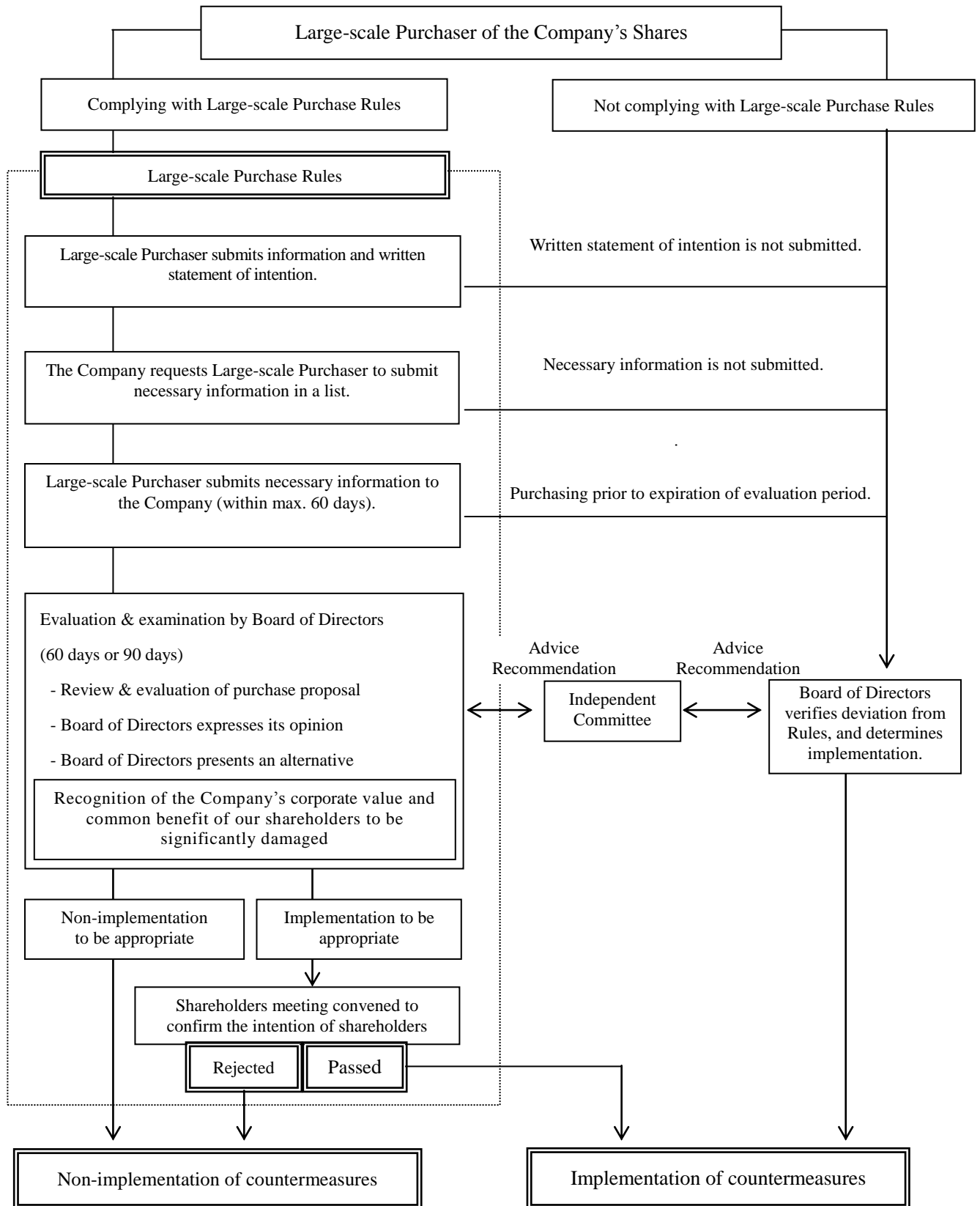
Category	Status of Shares (Number of shares forming one unit: 100 shares)								Status of shares less than one unit (shares)
	Government and Local Government	Financial Institutions	Securities Companies	Business Corporations	Foreigners		Individuals, etc.	Total	
					Non-individuals	Individuals			
No. of shareholders (units)	-	46	36	46	302	5	4,308	4,743	-
No. of shares held (units)	-	160,468	5,365	171,292	216,796	6	87,493	641,420	6,800
Ratio of shares held (%)	-	25.01	0.84	26.71	33.80	0.00	13.64	100.00	-

(Note) 1. The 911,800 treasury stock is included in "Individuals, etc." (9,118 units) and "Status of Shares less than one unit" (90 shares).

2. Number of shareholders less than one unit is 160.

(Attachment 2)

Outline of Take-over Defense Measures Flow Chart in the Case That a Large-scale Purchase is Commenced



(Note) This chart is made by illustrating typical flow of procedures for the purpose of contributing to understanding of this Plan, and does not indicate all procedures. For details, please refer to the text hereof.

(Attachment 3)

Outline of Independent Committee

1. Members

The Independent Committee shall be formed by three or more members independent from the management executing the Company business (hereinafter referred to as the “Committee Members”) who shall be appointed from among persons who fall under either (1) the Company’s Outside Director, or (2) outside experts (attorneys, certified public accountants, men of learning and experience, persons who have full knowledge of investment banking, or persons who have experiences as a director or executive officer of another company) by the Company’s Board of Directors. The term of office for the Committee Members shall be until the time when the 43rd Annual General Meeting of Shareholders scheduled to be held in September, 2019 is concluded or the time when this Plan is abolished, whichever comes earlier. Also, when a Committee Member who is an Outside Director has become a non-Outside Director, his/her term of office as a Committee Member shall at the same time terminate.

2. Requirements for Resolution

In principle, a resolution of the Independent Committee shall be adopted by a majority of all the Committee Members at a meeting where all the Committee Members are present.

However, if all the Committee Members cannot attend a meeting, such resolution shall be adopted by a majority of the Committee Members present at a meeting where a majority of all the Committee Members are present.

In the case that a resolution of the Independent Committee cannot be adopted due to tie vote, the Independent Committee shall report the fact to the Board of Directors.

3. Authority and Responsibility Concerning Matters to be Resolved, etc.

In the case that the Board of Directors consults the Independent Committee with regard to any of the matters described in the Items below, the Independent Committee shall have the authority and responsibility to examine the matter and decide its opinion, and give recommendation or advice to the Board of Directors describing the contents of the decision and reasons therefor. Each Member of the Independent Committee shall have the duty to fulfill their such responsibility with due care of a prudent manager, and is required to decide his/her opinion from the viewpoint of whether or not the decision will contribute to the Company’s corporate value and the common benefit of shareholders, and may not aim to exclusively obtain his/her own or the Directors advantage. The Independent Committee must make an effort to collect necessary and sufficient information to secure appropriate judgment in deciding its opinion, and to that end, may obtain advices from independent outside professionals at the Company’s expense.

- (1) Validity of the Act of Large-scale Purchase in the light of the Large-scale Purchase Rules
- (2) Information to be provided by Large-scale Purchaser to the Board of Directors
- (3) Sufficient information provided by the Large-scale Purchaser as the Necessary Information
- (4) Consideration on the alternative for the Act of Large-scale Purchase to be presented by the Company
- (5) Issuance of Stock Acquisition Rights (including the allotment without contribution) or non-issuance of the same
- (6) Maintaining, reviewing and/or abolishing the Large-scale Purchase Rules
- (7) Necessity of the implementation of the countermeasure
- (8) Other matters on which the Board of Directors has decided to consult the Independent Committee with regard to the matters which the Board of Directors should determine in relation to the Large-scale Purchase Rules, Stock Acquisition Rights and Act of Large-scale Purchase.

End

(Attachment 4)

Names and Career Summary of Independent Committee Members

The Independent Committee after the renewal of this Plan is planned to be formed by the following three persons:

[Name] **Toshiharu Obayashi**

[Career Summary]

Date of birth:	November 11, 1941
April 1960	Joined Nagoya Training Center of Tax Agency Training Institute
December 1985	Qualified as a tax accountant
July 1993	Deputy District Director of Kariya Tax Office
July 1994	Director, Third Information and Examination Division, First Taxation Department of Nagoya Regional Taxation Bureau
July 1996	Director, Property Taxation Division, First Taxation Department of Nagoya Regional Taxation Bureau
July 1998	District Director of Fuji Tax Office
July 1999	District Director of Atsuta Tax Office
September 2000	Opened Toshiharu Obayashi Tax Accountant Office
September 2008	Auditor of the Company (current position)

[Name] **Kiyomichi Ito**

[Career Summary]

Date of birth:	February 7, 1950
April 1974	Joined Toyota Motor Sales Co., Ltd.
August 1985	Section Chief of System Planning Section, Section Head of Engineering Section, Overseas Planning Department of TOYOTA MOTOR CORPORATION
January 1994	Secretary seconded to Toyota Motor Manufacturing Canada, Inc.
January 1999	Chief of Marine Business Division of TOYOTA MOTOR CORPORATION
July 2000	Chief of Americas Sales Department of TOYOTA MOTOR CORPORATION
July 2002	President of Toyota Kirloskar Auto Parts Pvt. Ltd.
March 2008	Professor of School of Management of Chukyo University
September 2013	Director of the Company (current position)
April 2015	Visiting Professor of School of World Englishes of Chukyo University (current position)

[Name] **Akinori Shibasaki**

[Career Summary]

Date of birth:	January 20, 1945
February 1980	President and Representative Director of CHU-O RITTAIZU Co., Ltd. (current position)
August 1988	President and Representative Director of TPS Co., Ltd.
December 2005	Chairman of the Board of MMC Computer Research Co., Ltd.
October 2008	Chairman of the Board of BYNAS Co., Ltd.
March 2010	Executive Senior Adviser of BYNAS Co., Ltd. (current position)
August 2010	Chairman of the Board of Torindo Co., Ltd. (current position)
July 2011	Chairman and Director of PMC Co., Ltd. (current position)
March 2013	Director and Senior Adviser of MCOR Co., Ltd. (current position)

End

(Attachment 5)

Outline of the Allotment of Stock Acquisition Rights without Contribution

1. Shareholders Eligible for Allotment of Stock Acquisition Rights without Contribution and Issuing Conditions

Stock Acquisition Rights shall be allotted to the shareholders who are listed on the latest shareholder registry on the base date designated by the Board of Directors without requiring them to newly pay for contribution, at a proportion of one Stock Acquisition Right to one ordinary share of the Company owned by the shareholder (excluding ordinary shares owned by the Company).

2. Type and Number of Shares that Become the Objective of the Stock Acquisition Rights

The type of shares to be the objective of the Stock Acquisition Rights shall be the Company's ordinary shares, and the upper limit of the total number of shares to be the objective of the Stock Acquisition Rights shall be the total number of authorized shares less the total number of issued ordinary shares (excluding ordinary shares owned by the Company) as of the base date designated by the Board of Directors. The number of shares to be the objective of every one Stock Acquisition Right shall be separately decided by the Board of Directors. However, in case the Company is to effect the stock split or stock merger, necessary adjustments shall be made.

3. Total Number of Stock Acquisition Rights to be Issued

The total number of Stock Acquisition Rights to be issued shall be separately decided by the Board of Directors. The Board of Directors may implement the allotment of Stock Acquisition Rights at multiple timings.

4. Value of the Property to be Invested (amount to be paid for contribution) at Each Occurrence of Exercising Stock Acquisition Rights

The value of the property to be invested (amount to be paid for contribution) at each time of exercising Stock Acquisition Rights shall an amount of one yen or more that shall be decided by the Company's Board of Directors.

5. Restriction of Assignment of Stock Acquisition Rights

Any acquisition of Stock Acquisition Rights by an assignment requires the approval by the Company's Board of Directors.

6. Conditions for Exercising the Stock Acquisition Rights

As conditions for exercising the Stock Acquisition Rights, it shall be provided that the shareholder shall not belong to a Specific Shareholder Group which holds 20% or more of the total voting rights (except for those who have been approved by the Company's Board of Directors in advance), etc. The details shall be separately provided for by the Board of Directors.

7. Period of Exercising Stock Acquisition Rights, etc.

The date on which the allotment of Stock Acquisition Rights takes effect, period for exercising Stock Acquisition Rights, provisions on the acquisition of Stock Acquisition Rights and other necessary matters shall be separately provided for by the Board of Directors. As for the provisions on the acquisition, a provision may be set forth that the Company may acquire the Stock Acquisition Rights owned by persons other than those who are not allowed to exercise the Stock Acquisition Rights due to the conditions for exercising the same as specified in the Item 6 above, and may issue such number of the Company's ordinary shares as designated by the Board of Directors for every one Stock Acquisition Right.

End

Proposal 9: Presentation of a Reward to the Founder

Mr. Naohiko Miyata, the founder and Chairperson & CEO of the Company, will retire from Director at the conclusion of this Annual General Meeting of Shareholders.

In 1976, Mr. Miyata founded the Company as an engineer, to be a manufacturer of ultra-fine stainless steel wire ropes. Since then, he contributed to sustainable business growth and the establishment of a strong profit base by expanding its business to the medical device field through the utilization of unique stainless technology cultivated in the industrial device field, and has consistently been implementing management that increases corporate value.

Mr. Naohiko Miyata has delegated authority of management to the next generation over the past few years by appointing Mr. Masahiko Miyata to the position of President & CEO in 2009. Today, the management has completely transitioned to the new structure centered on Mr. Masahiko Miyata, President & CEO. Since the development of the new management structure is on the right track, the Company vows to further strengthen the current management structure at the Chairperson’s retirement from the front line of management at the conclusion of this Annual General Meeting of Shareholders.

To reward Mr. Naohiko Miyata, who has been responsible for the management of the Company for over 40 years since the foundation, the Company proposes the presentation of a reward of ¥300 million to the founder for his achievements and contribution during his term of office.

We request that the timing and method of the presentation, and other related matters be left to the discretion of the Board of the Directors.

The career summary of the retiring Director who is the subject of the presentation of the reward for services is as follows.

Name	Career summary
Naohiko Miyata	July 1976 Founded the Company, President & CEO September 2009 Chairperson & CEO (to the present)