

This is an unofficial translation of the Japanese language original.

Securities Code No. 5713

June 5, 2015

To our shareholders

11-3, Shimbashi 5-chome, Minato-ku, Tokyo

Sumitomo Metal Mining Co., Ltd.

Yoshiaki Nakazato, Representative Director and President

Convocation Notice of the 90th Ordinary General Meeting of Shareholders

Sumitomo Metal Mining Co., Ltd. (the “Company”) hereby gives notice of the 90th Ordinary General Meeting of Shareholders (the “Meeting”) as outlined below and requests your attendance.

If you are unable to attend the Meeting, you may vote in writing or by an electromagnetic method (via the Internet, etc.). In that case, we cordially request that you examine the attached Reference Documents for Shareholders Meeting and exercise your voting rights.

[Exercise of voting rights in writing]

Please indicate whether for or against the proposals on the enclosed voting form and send it to us to arrive no later than 5:40pm (Japan Time) on Friday, June 26, 2015.

[Exercise of voting rights by an electromagnetic method (via the Internet, etc.)]

Please follow the instructions on page 14 to register your vote either for or against the proposals by 5:40pm (Japan Time) on Friday, June 26, 2015.

1. Date and time: June 29, 2015 (Monday) at 10:00am (Japan Time)

2. Place: Shinagawa Prince Hotel, Prince Hall (Annex Tower, 5F)
10-30, Takanawa 4-chome, Minato-ku, Tokyo

3. Agenda:

Matters for Reporting Report on the contents of the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the 90th business year (April 1, 2014 – March 31, 2015) and the results of audits of the Consolidated Financial Statements for the 90th business year by the Accounting Auditor and the Audit & Supervisory Board

Matters for Resolution

Proposal No.1: Appropriation of surplus

Proposal No.2: Election of Eight (8) Directors

Proposal No.3: Election of One (1) Audit & Supervisory Board Member

Proposal No.4: Election of One (1) substitute Audit & Supervisory Board Member

Proposal No.5: Payment of bonuses to Directors

4. Matters concerning the exercise of voting rights

- (1) In the event of having voted multiple times electronically (via the Internet, etc.) or both by PC and by cell phone and the content of the vote, whether for or against, with respect to one proposal differs, the last vote exercised shall prevail.
- (2) In the event of having voted both in writing and electronically (via the Internet, etc.) and the content of the vote, whether for or against, with respect to one proposal differs, the vote exercised electronically shall prevail.

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\* When you attend the meeting, you are kindly requested to present the enclosed voting form to the receptionist.

Shareholders may attend the meeting by proxy; provided, however, the proxy is just one person who is another shareholder with voting rights. When a proxy votes on behalf of a shareholder, the proxy must submit a document evidencing the authority of proxy together with the voting form of the shareholder voting by proxy.

\* If any amendments to the Shareholders' Meeting Reference Documents, the Business Report, the Consolidated Financial Statements or Non-Consolidated Financial Statements are made, the notification of the details shall be provided on the Company's website (<http://www.smm.co.jp>).

## Reference Documents for Shareholders Meeting

### Proposals and Reference Matters

#### Proposal No.1: Appropriation of surplus

The Company proposes that the appropriation of surplus be made in the following manner.

1. Matters regarding the year-end dividends

The Company considers the appropriate return of profits to shareholders as one of the most important management issues.

Regarding the year-end dividends of surplus for the 90<sup>th</sup> business year, based on the Company's policy of aiming to achieve a consolidated dividend payout ratio of 25% or more, and in comprehensive consideration of future business development, financial soundness, and financial performance in the 90<sup>th</sup> business year, the Company proposes to pay a year-end dividend of 24 yen per share as described below. As a result, the total dividend for the 90<sup>th</sup> business year, including an interim dividend of 24 yen, will amount to 48 yen per share.

(1) The kind of the Dividend Property

Cash

(2) The matters regarding the allotment of the Dividend Property to shareholders and the total amount thereof

24 yen per share of common stock of the Company

The Total amount: 13,240,305,216 yen

(3) The day on which the distribution of dividend of surplus will take effect

June 30, 2015

2. Matters regarding appropriation of other surplus

The Company proposes funding of general reserve for future business deployment as indicated below.

(1) The item of surplus showing a decrease, and the amount thereof

Retained earnings brought forward: 30,000,000,000 yen

(2) The item of surplus showing an increase, and the amount thereof

General reserve: 30,000,000,000 yen

**Proposal No.2: Election of Eight (8) Directors**

The terms of all Directors (Eight (8) Directors) will expire at the close of the Meeting. Therefore, the Company proposes the election of Eight (8) Directors. The candidates for Directors are as follows.

(\* indicates new candidates)

| Candidate No.                                                                                                                                                                                                                                                                                                                                                                                                              | Name<br>Date of Birth             | Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Shareholding in the Company |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                          | Nobumasa Kemori<br>April 12, 1951 | September 1980<br>Joined the Company<br>July 1998<br>General Manager of Nickel Refinery, Besshi-Niihama District Div.<br>July 2002<br>General Manager of Nickel Business Unit, Non-Ferrous Metals Div.<br>June 2004<br>Executive Officer<br>Senior Deputy General Manager of Non-Ferrous Metals Div.<br>June 2006<br>Director<br>Managing Executive Officer<br>General Manager of Non-Ferrous Metals Div.<br>June 2007<br>Representative Director (Present Position)<br>President and Director<br>President<br>June 2013<br>Chairman of the Board (Present Position)<br>Significant concurrent occupations or positions at other organizations<br>President of Japan Mining Engineering & Training Center | 41,000 shares               |
| Reasons for his candidacy as Director:<br>After having serviced as President and Director for 6 years, since June 2013, Mr. Nobumasa Kemori has been discharging his duties as the Chairman of the Board. He has been presented as a candidate for Director because he is expected to strengthen the function of the Board of Directors by utilizing his knowledge and experience regarding the Company's entire business. |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                             |

| Candidate No.                                                                                                                                                                                                                                                                                                                                     | Name<br>Date of Birth             | Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Shareholding in the Company |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 2                                                                                                                                                                                                                                                                                                                                                 | Yoshiaki Nakazato<br>May 13, 1953 | <p>April 1976<br/>Joined the Company</p> <p>December 1997<br/>General Manager of Administration Dept., Electronics Div.</p> <p>June 2004<br/>General Manager of Corporate Planning Dept.</p> <p>June 2005<br/>Executive Officer</p> <p>June 2006<br/>Director</p> <p>June 2007<br/>General Manager of Affiliated Business Administration Dept.</p> <p>June 2008<br/>Managing Executive Officer<br/>General Manager of Advanced Materials Div.</p> <p>October 2008<br/>General Manager of Semiconductor Materials Div.</p> <p>June 2009<br/>Executive Officer<br/>General Manager of Advanced Materials Div.</p> <p>June 2010<br/>Managing Executive Officer</p> <p>June 2012<br/>Representative Director (Present Position)<br/>Senior Managing Executive Officer</p> <p>June 2013<br/>President and Director (Present Position)<br/>President (Present Position)</p> | 24,000 shares               |
| <p>Reasons for his candidacy as Director:<br/>Since June 2013, Mr. Yoshiaki Nakazato has serviced as President and Director. He has been presented as a candidate for Director because he is expected to strengthen the function of the Board of Directors by utilizing his knowledge and experience regarding the Company's entire business.</p> |                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                             |

| Candidate No.                                                                                                                                                                                                                                                                                                             | Name<br>Date of Birth                | Career summary, position and area of responsibility at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Shareholding in the Company |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| 3                                                                                                                                                                                                                                                                                                                         | Naoyuki Tsuchida<br>December 6, 1954 | <p>August 1985<br/>Joined the Company</p> <p>April 2004<br/>Director and Executive Vice-President of Coral Bay Nickel Corporation</p> <p>June 2006<br/>General Manager of Overseas Projects Dept., Non-Ferrous Metals Div.</p> <p>June 2007<br/>Executive Officer<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>October 2009<br/>Senior Deputy General Manager of Taganito Project Div.</p> <p>June 2010<br/>Managing Executive Officer<br/>General Manager of Taganito Project Div.</p> <p>June 2012<br/>Director (Present Position)</p> <p>April 2013<br/>General Manager of Sierra Gorda Project Div.</p> <p>June 2013<br/>Senior Managing Executive Officer (Present Position)</p> <p>June 2014<br/>General Manager of Engineering Div. (Present Position)</p> | 13,000 shares               |
| <p>Reasons for his candidacy as Director:<br/>Mr. Naoyuki Tsuchida has been presented as a candidate for Director because he is expected to strengthen the function of the Board of Directors by utilizing his knowledge and experience regarding overseas projects, smelting and refining technologies.</p>              |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                             |
| 4                                                                                                                                                                                                                                                                                                                         | Mikinobu Ogata<br>July 8, 1954       | <p>April 1978<br/>Joined the Company</p> <p>October 2005<br/>General Manager of Copper Sales &amp; Raw Materials Dept., Non-Ferrous Metals Div.</p> <p>April 2006<br/>General Manager of Copper &amp; Precious Metals Sales Dept., Non-Ferrous Metals Div.</p> <p>June 2008<br/>Executive Officer<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>June 2012<br/>Director (Present Position)<br/>Managing Executive Officer (Present Position)<br/>General Manager of Non-Ferrous Metals Div. (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations<br/>Commissioner of PT Vale Indonesia Tbk<br/>Managing Director of SUMIC Nickel Netherlands B.V.</p>                                                                   | 11,000 shares               |
| <p>Reasons for his candidacy as Director:<br/>Mr. Mikinobu Ogata has been presented as a candidate for Director because he is expected to strengthen the function of the Board of Directors by utilizing his knowledge and experience regarding non-ferrous metals business, marketing and raw materials procurement.</p> |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                             |

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| 5                                                                                                                                                                                                                                                                                                                                 | Akira Nozaki<br>June 20, 1960        | <p>April 1984<br/>Joined the Company</p> <p>July 2010<br/>Deputy General Manager of Corporate Planning Dept.</p> <p>May 2012<br/>Deputy General Manager of Administration Dept., Sierra Gorda Project Dept.</p> <p>June 2013<br/>Executive Officer (Present Position)<br/>Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p>June 2014<br/>Director (Present Position)<br/>General Manager of Corporate Planning Dept. (Present Position)</p>                                                                                                                                                                         | 6,000 shares |
| <p>Reasons for his candidacy as Director:<br/>Mr. Akira Nozaki has been presented as a candidate for Director because he is expected to strengthen the function of the Board of Directors by utilizing his knowledge and experience regarding mineral resources/ non-ferrous metals business and corporate business strategy.</p> |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |
| 6                                                                                                                                                                                                                                                                                                                                 | * Masahiro Morimoto<br>July 14, 1959 | <p>April 1982<br/>Joined the Company</p> <p>July 2008<br/>Deputy General Manager of Administration Dept., Non-Ferrous Metals Div.</p> <p>June 2011<br/>General Manager of Administration Dept., Mineral Resources Div. (Present Position)</p> <p>April 2013<br/>General Manager of Solomon Project Dept, Non-Ferrous Metals Div. (Present Position)</p> <p>June 2013<br/>Executive Officer (Present Position)<br/>Senior Deputy General Manager of Mineral Resources Div. (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations<br/>President of Sumitomo Metal Mining America Inc.</p> | 2,000 shares |
| <p>Reasons for his candidacy as Director:<br/>Mr. Masahiro Morimoto has been presented as a candidate for Director because he is expected to strengthen the function of the Board of Directors by utilizing his knowledge and experience regarding mineral resources/ non-ferrous metals business, finance and accounting.</p>    |                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |              |

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| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Tsutomu Ushijima<br/>July 16, 1950</p> | <p>April 1976<br/>Registered as a lawyer<br/>April 1982<br/>Established Ushijima Law and Tax Accountant Firm<br/>June 1982<br/>Registered as a certified public tax accountant<br/>January 1994<br/>Established Ushijima Teramae Law Firm (current Ushijima, Teramae &amp; Wada Law Firm)<br/>June 2003<br/>Audit &amp; Supervisory Board Member of the Company<br/>June 2007<br/>Director of the Company (Present Position)<br/>Significant concurrent occupations or positions at other organizations<br/>lawyer and certified public tax accountant of Ushijima, Teramae &amp; Wada Law Firm<br/>Outside Audit &amp; Supervisory Board Member of Kobunsha Co., Ltd.<br/>Auditor of association of medical corporation Kenseikai</p> | 0 share |
| <p>Reasons for his candidacy as Outside Director:<br/>Mr. Tsutomu Ushijima has special knowledge and a wealth of experience as a lawyer and a certified public tax accountant. He has been presented as a candidate for Outside Director because he has performed adequate role to strengthen corporate governance by providing suggestions from the perspective of compliance.<br/>He has not participated in corporate management in any form other than as Outside Director or Outside Audit &amp; Supervisory Board Member; however, for the above reasons, we determined that he is able to appropriately serve as Outside Director.</p> |                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |         |

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|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>* Hitoshi Taimatsu<br/>November 20, 1951</p> | <p>April 1979<br/>Research Associate of the Mining College of Akita University</p> <p>October 1988<br/>Lecturer of the Mining College of Akita University</p> <p>April 1990<br/>Associate Professor of the Mining College of Akita University</p> <p>April 1994<br/>Professor of the Mining College of Akita University</p> <p>April 1998<br/>Professor of the Faculty of Engineering and Resource Science of Akita University</p> <p>April 2006<br/>Director of the Radioisotope Research Center of Akita University</p> <p>April 2008<br/>Member of the Education and Research Council of Akita University<br/>Vice Dean of the Faculty of Engineering and Resource Science of Akita University</p> <p>April 2010<br/>Professor of the Graduate School of Engineering and Resource Science of Akita University (Present Position)<br/>Vice Dean of the Graduate School of Engineering and Resource Science of Akita University</p> <p>Significant concurrent occupations or positions at other organizations<br/>Professor of the Graduate School of Engineering and Resource Science of Akita University</p> | 0 share |
| <p>Reasons for his candidacy as Outside Director:<br/>Mr. Hitoshi Taimatsu has specialized knowledge as a researcher in the field of materials science and engineering. He has been presented as a candidate for Outside Director because he is expected to perform adequate role to strengthen corporate governance by utilizing his knowledge and backed by his learning as a university professor. He has not participated in corporate management; however, for the above reasons, we determined that he is able to appropriately serve as Outside Director.</p> |                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |         |

- (Notes) 1. Mr. Tsutomu Ushijima and Mr. Hitoshi Taimatsu are candidates for Outside Directors as set out in Article 2.3 (7) of the Enforcement Regulations of the Companies Act.
2. The followings are items pertaining to the candidate for Outside Director.
- (1) Number of years since assuming the position of Outside Director  
Mr. Tsutomu Ushijima is currently an Outside Director of the Company and will have served as Outside Director for Eight (8) years at the conclusion of this Meeting.
- (2) Contract for Limitation of Liability
- [1] The Company has entered into a Contract for Limitation of Liability with Mr. Tsutomu Ushijima limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the agreement with him.
- [2] The Company plans to enter into a Contract for Limitation of Liability with Mr. Hitoshi Taimatsu limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.
- (3) Independent Director/Auditor Notification
- [1] The Company has appointed Mr. Tsutomu Ushijima as an Independent Director who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submitted notification of his appointment to the Exchange.
- [2] The Company plans to appoint Mr. Hitoshi Taimatsu as an Independent Director who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submit notification of his appointment to the Exchange.

### Proposal No. 3: Election of One (1) Audit & Supervisory Board Member

With respect to Audit & Supervisory Board Member Hikoyuki Miwa, his term of office will expire at the close of the Meeting. Therefore, the Company proposes the election of one (1) Audit & Supervisory Board Member.

The Company has obtained consent for this proposal from the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as follows.

| Name<br>Date of Birth                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Career summary, position at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Shareholding<br>in the<br>Company |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Hikoyuki Miwa<br>July 28, 1946                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | November 1975<br>Registered as a certified public accountant<br>August 1996<br>Partner of ASAHI & Co. (currently KPMG AZSA LLC)<br>June 2001<br>Board Member of ASAHI & Co.<br>June 2003<br>Senior Executive Partner of ASAHI & Co.<br>June 2006<br>Deputy Managing Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC)<br>July 2009<br>Established Miwa Certified Public Accountant Firm<br>June 2011<br>Audit & Supervisory Board Member of the Company (Present Position)<br>Significant concurrent occupations or positions at other organizations<br>certified public accountant, Miwa Certified Public Accountant Firm<br>Outside Audit & Supervisory Board Member of Nomura Co., Ltd<br>Outside Audit & Supervisory Board Member of Showa Corporation<br>Auditor of Agricultural and Fishery Co-operative Savings Insurance Corporation<br>Auditor of Saitama Medical University<br>Auditor of Japan Mobile Communications Infrastructure Public Interest Incorporated Association | 0 share                           |
| Reasons for his candidacy as an Outside Audit & Supervisory Board Member:<br>Mr. Hikoyuki Miwa has been presented as a candidate for Outside Audit & Supervisory Board Member because he has been discharging audit functions by offering opinions and suggestions particularly from his viewpoints as an accounting specialist and backed by long years of his accounting experience at an accounting firm and a wealth of knowledge regarding accounting. He has not participated in corporate management in any form other than as Outside Audit & Supervisory Board Member; however, he was involved in the management of a major accounting firm. For this and the above reasons, we determined that he is able to appropriately serve as Outside Audit & Supervisory Board Member. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                   |

- (Notes)
1. Mr. Hikoyuki Miwa is a candidate for Audit & Supervisory Board Member as set out in Article 2.3 (8) of the Enforcement Regulations of the Company Law of Japan.
  2. The following are items pertaining to the candidate for Audit & Supervisory Board Member.
    - (1) Number of years since assuming the position of Audit & Supervisory Board Member  
 Mr. Hikoyuki Miwa is currently an Outside Audit & Supervisory Board Member of the Company and will have served as Outside Audit & Supervisory Board Member for Four (4) years at the conclusion of this Meeting.
    - (2) Violation of laws and regulations at other stock corporations for which he acts as an Outside Audit & Supervisory Board Member  
 Showa Corporation, for which Mr. Hikoyuki Miwa acts as an Outside Audit & Supervisory Board Member, entered into a certain a plea agreement with U.S.A of Justice in April 2014 for alleged violations of the Sherman Antitrust

Act for the period from 2007 to September 2012 regarding certain transactions of automotive parts for its customers. He was appointed as the Outside Audit & Supervisory Board Member of that company in June 2012, and his term of office overlaps the period of the alleged violation. However, most of the violations occurred during the period before he assumed the office of an Outside Audit & Supervisory Board Member. He routinely makes statements in the Board of Directors meeting and on other opportunities in that company from the perspective of compliance of laws and regulations, and after the occurrence of such case, he has confirmed the status of that company's commitment to prevent the recurrence of similar violations by taking such action as receiving reports on the status of implementation of education and trainings regarding anti-trust laws.

(3) Contract for Limitation of Liability

The Company has entered into a Contract for Limitation of Liability with Mr. Hikoyuki Miwa limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher. The Company intends to extend the agreement with him.

(4) Independent Director/Auditor Notification

The Company has appointed Mr. Hikoyuki Miwa as an Independent Audit & Supervisory Board Member who is unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submitted notification of his appointment to the Exchange.

**Proposal No. 4: Election of One (1) substitute Audit & Supervisory Board Member**

In case the number of Audit & Supervisory Board Members falls below the number specified by laws and regulations or the Articles of Incorporation, the Company proposes the election of One (1) substitute Audit & Supervisory Board Member as a substitute for Mr. Hikoyuki Miwa, who will be elected as an Outside Audit & Supervisory Board Member if the Proposal No. 3 is approved as originally proposed, and Mr. Shigeru Nozaki, who is an Outside Audit & Supervisory Board Member.

The Company has obtained consent for this proposal from the Audit & Supervisory Board.

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

| Name<br>Date of Birth                  | Career summary, position at the Company, and significant concurrent occupations or positions at other organizations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Shareholding in the Company |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Kazuhiro Mishina<br>September 23, 1959 | September 1989<br>Assistant Professor of Harvard Business School<br>October 1995<br>Assistant Professor of the Center for Research and Investigation of Advanced Science and Technology of Japan Advanced Institute of Science and Technology<br>April 1997<br>Assistant Professor of the School of Knowledge Science of Japan Advanced Institute of Science and Technology<br>October 2002<br>Assistant Professor of the Graduate School of Business Administration of Kobe University<br>October 2004<br>Professor of Graduate School of Business Administration of Kobe University (Present Position)<br>Significant concurrent occupations or positions at other organizations<br>Professor of Graduate School of Business Administration of Kobe University<br>Outside Director of Nichirei Corporation<br>Outside Director of Fuji Oil Co., Ltd. | 0 share                     |

Reasons for his candidacy as a substitute Audit & Supervisory Board Member:  
 Mr. Kazuhiro Mishina has specialized knowledge as a researcher primarily in the field of corporate strategy and business strategy. He has been presented as a candidate for substitute Audit & Supervisory Board Member because he is expected to perform his role as Outside Audit & Supervisory Board Member by utilizing his knowledge and backed by his learning as a university professor. He has not participated in corporate management in any form other than as Outside Director; however, for the above reasons, we determined that he is able to appropriately serve as Outside Audit & Supervisory Board Member.

- (Notes) 1. Mr. Kazuhiro Mishina is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2.3 (8) of the Enforcement Regulations of the Companies Act.
2. If Mr. Kazuhiro Mishina assumes the office of Outside Audit & Supervisory Board Member, the Company plans to enter into a Contract for Limitation of Liability with him limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.

**Proposal No.5: Payment of bonuses to Directors**

The Company proposes the payment of a total of 110 million yen as bonuses to Seven (7) Directors, excluding Outside Director Mr. Tsutomu Ushijima, among the Eight (8) Directors who were in office as of the end of the 90<sup>th</sup> business year in order to reward their distinctive merits. The Directors' bonuses of the Company are calculated by considering the performance of the Company and reflecting the job performance of each Director.

## **Instructions for Exercising Voting Rights by an electromagnetic method**

### **1. Exercise of voting rights via the Internet**

- (1) Please access the voting rights exercise site (<http://www.web54.net>), enter your voting rights exercise code and password appearing on the enclosed voting form and follow the instructions to register your vote either for or against the proposals. The voting rights exercise site can also be accessed on the Internet from a cell phone.
- (2) The deadline for the exercise of voting rights via the Internet is 5:40pm (Japan Time), Friday, June 26, 2015.
- (3) Any connection fees to providers or telephone charges, etc. for accessing the voting rights exercise site shall be borne by the shareholders.
- (4) The following system environments are necessary to access the voting rights exercise site.
  - a. The Internet browser software necessary to access the voting rights exercise site using a PC is Microsoft® Internet Explorer® version 5.01 SP2 or newer.
  - b. In order to ensure security when accessing the voting rights exercise site using a cell phone, a model enabling 128 bit SSL encrypted communication is necessary. You may also exercise your voting rights using smartphones or the full browser function of cell phones; however, please understand that depending on the model of your cell phone, in some cases this method may not work.(Microsoft and Internet Explorer is a registered trademark of Microsoft Corporation used in the United States, Japan and other countries.)

Please contact the direct number below if you have any questions concerning the exercise of voting rights via the Internet.

Administrator of Shareholder Registry :

Securities Agent Web Support

Sumitomo Mitsui Trust Bank, Limited

0120-652-031 (toll-free within Japan only; open from 9:00am to 9:00pm (Japan Time))

### **2. Voting rights exercise platform for institutional investors**

Institutional investors may use voting rights exercise platform operated by ICJ (Investor Communications Japan Inc.) for institutional investors if having made an application for its use in advance.