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Securities Code No. 5713

June 5, 2017

## 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 92<sup>nd</sup> Ordinary General Meeting of Shareholders

Sumitomo Metal Mining Co., Ltd. (the "Company") hereby gives notice of the 92<sup>nd</sup> 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 no later than 5:00pm (Japan Time) on Monday, June 26, 2017.

1. Date and time: June 27, 2017 (Tuesday) 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 92<sup>nd</sup> business year (April 1, 2016 – March 31, 2017) and the results of audits of the Consolidated Financial Statements for the 92<sup>nd</sup> business year by the Accounting Auditor and the Audit & Supervisory Board

#### Matters for Resolution

Proposal No.1: Appropriation of Surplus

Proposal No.2: Consolidation of Shares

Proposal No.3: Election of eight (8) Directors

Proposal No.4: Election of two (2) Audit & Supervisory Board Members

Proposal No.5: Election of one (1) substitute Audit & Supervisory Board Member

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- \* Notes on the Consolidated Financial Statements and Notes on the Non-Consolidated Financial Statements are posted on the Company's website (<http://www.smm.co.jp/>) in accordance with the law and the Company's Articles of Incorporation.
  - \* 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/>).
  - \* 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.

## 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 appropriate return of profits to shareholders is one of the most important management issues of the Company. Based on the Company's policy of aiming to achieve a consolidated dividend payout ratio of 30% or more, and in comprehensive consideration of factors such as financial performance in the 92<sup>nd</sup> business year, future business development, financial condition, and financial soundness, regarding the year-end dividends of surplus for the 92<sup>nd</sup> business year, the Company proposes to pay a year-end dividend of 6 yen per share as described below. As a result, the total dividend for the 92<sup>nd</sup> business year, including an interim dividend of 5 yen, will amount to 11 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

6 yen per share of common stock of the Company

The total amount: 3,309,587,670 yen

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

June 28, 2017

2. Matters regarding appropriation of other surplus

To correspond to the year-end dividends of surplus, the Company proposes reduction of general reserve as indicated below.

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

General reserve: 3,000,000,000 yen

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

Retained earnings brought forward: 3,000,000,000 yen

## **Proposal No. 2      Consolidation of Shares**

### **1. Reason for proposal**

Stock exchanges nationwide are proceeding with efforts to consolidate the trading units (number of shares constituting one unit) of common shares of domestic companies listed on stock exchanges nationwide to 100 units based on the “Action Plan for Consolidating Trading Units,” with the deadline for transition to 100-share trading units being October 1, 2018. Consequently, as a company listed on Tokyo Stock Exchange, Inc., and on the condition that this proposal is approved as originally proposed, the Company has decided to change its number of shares constituting one unit from 1,000 shares to 100 shares.

In connection with the change in the number of shares constituting one unit, the Company is proposing to consolidate every two shares into one share with the purpose of adjusting the investment unit (the price per number of shares constituting one unit); also, the Company is proposing to decrease, by the same ratio as the share consolidation, the total number of shares authorized to be issued, resulting in the total number of shares authorized to be issued changing from the current one billion shares to 500 million shares.

### **2. Consolidation ratio**

The Company would like to consolidate its common shares at the ratio of one share for every two shares. Furthermore, if any fractions less than one share arise as a result of the consolidation of shares, then in accordance with the provisions of Article 235 of the Companies Act of Japan, the Company will dispose of all the fractional shares in a single transaction, and it will deliver the proceeds of that disposal to the shareholders who held the fractional shares in proportion to the number of fractional shares they held.

### **3. Date that the consolidation of shares will become effective (the effective date)**

October 1, 2017

### **4. Total number of shares authorized to be issued on the effective date**

500 million shares

<Reference>

If this proposal is approved as originally proposed, then based on the provisions of Article 182 Paragraph 2 and Article 195 Paragraph 1 of the Companies Act of Japan, the Company's Articles of Incorporation will be partially amended as follows on October 1, 2017 without the resolution of the general meeting of shareholders for the partial amendment of the Articles of Incorporation.

The details of the amendments are as follows:

(Amended parts are underlined.)

Present Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">Chapter II. Shares</p> <p>(Total number of shares authorized to be issued)</p> <p>Article 5. The total number of shares authorized to be issued by the Company shall be <u>one billion (1,000,000,000)</u> shares.</p> <p style="text-align: center;">(Article 6. Omitted)</p> <p>(Number of shares constituting one unit)</p> <p>Article 7. The number of shares constituting one unit of shares of the Company shall be <u>one thousand (1,000)</u> shares.</p>	<p style="text-align: center;">Chapter II. Shares</p> <p>(Total number of shares authorized to be issued)</p> <p>Article 5. The total number of shares authorized to be issued by the Company shall be <u>five hundred million (500,000,000)</u> shares.</p> <p style="text-align: center;">(Article 6. Same as the present)</p> <p>(Number of shares constituting one unit)</p> <p>Article 7. The number of shares constituting one unit of shares of the Company shall be <u>one hundred (100)</u> shares.</p>

### Proposal No.3: 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. When nominating Director candidates, the Company has received advice at the Governance Committee, which is comprised of the Chairman, who is not an Executive Officer, and the Independent Outside Directors. The candidates for Directors are as follows.

Candidate No.	Name 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	Yoshiaki Nakazato May 13, 1953  Reappointment	<p>April 1976 Joined the Company</p> <p>December 1997 General Manager of Administration Dept., Electronics Div.</p> <p>June 2004 General Manager of Corporate Planning Dept.</p> <p>June 2005 Executive Officer</p> <p>June 2006 Director</p> <p>June 2007 General Manager of Affiliated Business Administration Dept.</p> <p>June 2008 Managing Executive Officer General Manager of Advanced Materials Div.</p> <p>October 2008 General Manager of Semiconductor Materials Div.</p> <p>June 2009 Executive Officer General Manager of Advanced Materials Div.</p> <p>June 2010 Managing Executive Officer</p> <p>June 2012 Representative Director (Present Position) Senior Managing Executive Officer</p> <p>June 2013 President and Director (Present Position) President (Present Position)</p>	34,000 shares
<p>Reasons for his candidacy as Director: Since June 2013, Mr. Yoshiaki Nakazato has served 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>			

\* The notations in the tables are as follows.

Reappointment ... candidate for Director (reappointment)

New ... candidate for Director (new)

Outside ... candidate for Outside Director

Independent ... candidate for Independent Director for notification to Tokyo Stock Exchange

Candidate No.	Name 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	<p data-bbox="328 904 485 963">Takeshi Kubota August 26, 1954</p> <div data-bbox="308 987 505 1048" style="border: 1px solid black; padding: 2px; text-align: center;">New</div>	<p data-bbox="528 365 639 387">April 1977</p> <p data-bbox="555 398 756 421">Joined the Company</p> <p data-bbox="528 432 632 454">June 2004</p> <p data-bbox="555 465 1193 488">General Manager of Nickel Business Unit, Non-Ferrous Metals Div.</p> <p data-bbox="528 499 660 521">October 2005</p> <p data-bbox="555 533 1098 591">General Manager of Nickel Sales &amp; Raw Materials Dept., Non-Ferrous Metals Div.</p> <p data-bbox="528 602 632 624">June 2006</p> <p data-bbox="555 636 721 658">Executive Officer</p> <p data-bbox="555 669 1129 692">Senior Deputy General Manager of Non-Ferrous Metals Div.</p> <p data-bbox="528 703 632 725">June 2007</p> <p data-bbox="555 736 986 759">General Manager of Non-Ferrous Metals Div.</p> <p data-bbox="528 770 632 792">June 2009</p> <p data-bbox="555 804 820 826">Managing Executive Officer</p> <p data-bbox="528 837 632 860">June 2010</p> <p data-bbox="555 871 632 893">Director</p> <p data-bbox="528 904 632 927">June 2012</p> <p data-bbox="555 938 890 960">Senior Managing Executive Officer</p> <p data-bbox="528 972 632 994">June 2015</p> <p data-bbox="555 1005 730 1028">Resigned Director</p> <p data-bbox="555 1039 1091 1097">President of Sumitomo Metal Mining Philippine Holdings Corporation(Present Position)</p> <p data-bbox="528 1108 632 1131">July 2016</p> <p data-bbox="555 1142 1091 1200">Chairman of Sumitomo Metal Mining Philippine Holdings Corporation(Present Position)</p> <p data-bbox="528 1211 1187 1234">Significant concurrent occupations or positions at other organizations</p> <p data-bbox="555 1245 1145 1303">Chairman and President of Sumitomo Metal Mining Philippine Holdings Corporation</p> <p data-bbox="555 1314 1091 1337">Chairman and President of Coral Bay Nickel Corporation</p> <p data-bbox="555 1348 1011 1370">President of Taganito HPAL Nickel Corporation</p> <p data-bbox="555 1382 884 1404">Director of Nickel Asia Corporation</p> <p data-bbox="555 1415 884 1438">Director of Teck Resources Limited</p>	16,000 shares
<p data-bbox="308 1417 676 1440">Reasons for his candidacy as Director:</p> <p data-bbox="308 1451 1378 1561">Mr. Takeshi Kubota has abundant experience with marketing and raw materials procurement in the field of Smelting &amp; Refining Business and has served as a Director of the Company and overseas mineral resources companies. 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 experience and knowledge.</p>			

Candidate No.	Name 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	Harumasa Kurokawa June 5, 1957  <div style="border: 1px solid black; width: 100px; height: 20px; margin: 0 auto; text-align: center;">New</div>	April 1981 Joined the Company June 2004 General Manager of Toyo Smelter & Refinery, Copper & Precious Metals Business Unit, Non-Ferrous Metals Div. January 2007 General Manager of Niihama Nickel Refinery, Non-Ferrous Metals Div. April 2008 General Manager of Administration Dept., Non-Ferrous Metals Div. June 2011 Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div. June 2013 Senior Deputy General Manager of Technology Div. June 2014 Managing Executive Officer(Present Position) General Manager of Technology Div. (Present Position)	10,000 shares
<p>Reasons for his candidacy as Director:</p> <p>Mr. Harumasa Kurokawa has experience as the general manager of major smelter and refineries of the Company and has served as the General Manager of Technology Div. He has extensive knowledge on technology management for the Company's business, which he acquired through these experiences.</p> <p>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 experience and knowledge.</p>			

Candidate No.	Name 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
4	Akira Nozaki June 20, 1960	April 1984 Joined the Company July 2010 Corporate Planning Dept. May 2012 Administration Dept., Sierra Gorda Project Dept. June 2013 Executive Officer Senior Deputy General Manager of Non-Ferrous Metals Div. June 2014 Director (Present Position) General Manager of Corporate Planning Dept. June 2015 General Manager of Non-Ferrous Metals Div. (Present Position) June 2016 Managing Executive Officer (Present Position) Significant concurrent occupations or positions at other organizations Managing Director of SUMIC Nickel Netherlands B.V. Commissioner of PT Vale Indonesia Tbk	13,000 shares
	Reappointment	Reasons for his candidacy as Director: Mr. Akira Nozaki has abundant experience with financing, accounting and management of overseas projects in the field of Smelting & Refining Business, as well as knowledge regarding corporate business strategies. He has been presented as a candidate for Director because he has performed his required role to strengthen the function of the Board of Directors by utilizing his experience and knowledge.	

Candidate No.	Name 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
5	Hiroshi Asahi July 1, 1958 <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">New</div>	April 1982 Joined the Ministry of International Trade and Industry(current Ministry of Economy, Trade and Industry) April 2008 Director for Technology Affairs of the Ministry of Economy, Trade and Industry March 2010 Deputy Director-General for Energy and Environment of the Ministry of Economy, Trade and Industry July 2012 Director-General for Technology Policy Coordination of the Ministry of Economy, Trade and Industry June 2013 Left the Ministry of Economy, Trade and Industry October 2013 Joined the Company Engineering Dept., Mineral Resources Div. June 2014 Executive Officer(Present Position) Senior Deputy General Manager of Mineral Resources Div. (Present Position) Significant concurrent occupations or positions at other organizations President of Sumitomo Metal Mining Arizona, Inc. Director of Sociedad Minera Cerro Verde S.A.A.	7,000 shares
Reasons for his candidacy as Director: Mr. Hiroshi Asahi has performed significant role in the Mineral Resources Div. as a Senior Deputy General Manager and has experience of working in government agency. Through such experience, he has extensive knowledge of exploration, development and engineering of the mineral resources. 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 experience and knowledge.			

Candidate No.	Name 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
6	<p>Tsutomu Ushijima July 16, 1950</p> <p>Reappointment</p> <p>Outside</p> <p>Independent</p>	<p>April 1976 Registered as a lawyer</p> <p>April 1982 Established Ushijima Law and Tax Accountant Firm</p> <p>June 1982 Registered as a certified public tax accountant</p> <p>January 1994 Established Ushijima Teramae Law Firm (current Ushijima, Teramae &amp; Wada Law Firm)</p> <p>June 2003 Audit &amp; Supervisory Board Member of the Company</p> <p>June 2007 Director of the Company (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations Lawyer and certified public tax accountant of Ushijima, Teramae &amp; Wada Law Firm Outside Audit &amp; Supervisory Board Member of Kobunsha Co., Ltd. Auditor of Association of Medical Corporation Kenseikai</p>	0 share
<p>Reasons for his candidacy as Outside Director: 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 the required role of strengthening corporate governance by providing suggestions from the perspective of compliance. 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, the Company determined that he is able to appropriately serve as Outside Director.</p>			

Candidate No.	Name 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
7	<p data-bbox="323 842 513 898">Hitoshi Taimatsu November 20, 1951</p> <div data-bbox="323 931 513 994" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Reappointment</div> <div data-bbox="323 1016 513 1079" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Outside</div> <div data-bbox="323 1102 513 1164" style="border: 1px solid black; padding: 2px;">Independent</div>	<p data-bbox="539 331 1209 1339"> April 1979  Research Associate of the Mining College of Akita University  October 1988  Lecturer of the Mining College of Akita University  April 1990  Associate Professor of the Mining College of Akita University  April 1994  Professor of the Mining College of Akita University  April 1998  Professor of the Faculty of Engineering and Resource Science of Akita University  April 2006  Director of the Radioisotope Research Center of Akita University  April 2008  Member of the Education and Research Council of Akita University  Vice Dean of the Faculty of Engineering and Resource Science of Akita University  April 2010  Professor of the Graduate School of Engineering and Resource Science of Akita University  Vice Dean of the Graduate School of Engineering and Resource Science of Akita University  June 2015  Director of the Company (Present Position)  April 2016  Professor of the Graduate School of Engineering Science of Akita University  April 2017  Visiting professor of Akita University(Present Position)  Significant concurrent occupations or positions at other organizations  Visiting professor of Akita University </p>	0 share
<p data-bbox="323 1357 1385 1597"> Reasons for his candidacy as Outside Director:  Mr. Hitoshi Taimatsu has specialized knowledge as a researcher in the field of materials science and engineering. He also has experience managing an organization through his services at a university as a member of the Education and Research Council, a vice dean, and in other roles. He has been presented as a candidate for Outside Director because he has performed the required role of strengthening corporate governance 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, the Company determined that he is able to appropriately serve as Outside Director. </p>			

Candidate No.	Name 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
8	Kazuhisa Nakano January 4, 1948	<p>April 1971 Joined Idemitsu Kosan Co., Ltd.</p> <p>April 2003 Executive Officer and General Manager of Personnel Department of Idemitsu Kosan Co., Ltd.</p> <p>June 2004 Director of Idemitsu Kosan Co., Ltd.</p> <p>June 2005 Managing Director of Idemitsu Kosan Co., Ltd.</p> <p>June 2007 Executive Vice President and Representative Director of Idemitsu Kosan Co., Ltd.</p> <p>June 2009 President and Representative Director of Idemitsu Kosan Co., Ltd.</p> <p>June 2013 Chairman and Representative Director of Idemitsu Kosan Co., Ltd.</p> <p>June 2015 Executive Advisor of Idemitsu Kosan Co., Ltd. (Present Position)</p> <p>June 2016 Director of the Company (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations Executive Advisor of Idemitsu Kosan Co., Ltd.</p>	5,000 shares
	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Independent</div>	<p>Reasons for his candidacy as Outside Director: Mr. Kazuhisa Nakano had served as President and Representative director of Idemitsu Kosan Co., Ltd. and has a wealth of experience in managing a company and experience regarding natural resources business. He has been presented as a candidate for Outside Director because he has performed the required role of strengthening corporate governance by supervising the Company's proper business management that is aimed toward the sustainable growth and mid- to long-term enhancement of the corporate value of the Company and its groups by utilizing his knowledge and experience.</p>	

- (Notes)
1. Mr. Tsutomu Ushijima, Mr. Hitoshi Taimatsu and Mr. Kazuhisa Nakano are candidates for Outside Directors as set out in Article 2(3)(vii) of the Enforcement Regulations of the Companies Act of Japan.
  2. The followings are number of years since assuming the position of Outside Director.
    - (1) Mr. Tsutomu Ushijima is currently an Outside Director of the Company and will have served as Outside Director for ten (10) years at the conclusion of this Meeting.
    - (2) Mr. Hitoshi Taimatsu is currently an Outside Director of the Company and will have served as Outside Director for two (2) years at the conclusion of this Meeting.
    - (3) Mr. Kazuhisa Nakano is currently an Outside Director of the Company and will have served as Outside Director for one (1) year at the conclusion of this Meeting.
  3. The Company has entered into a Contract for Limitation of Liability with Mr. Tsutomu Ushijima, with Mr. Hitoshi Taimatsu and with Mr. Kazuhisa Nakano limiting their 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 Contracts with them.
  4. Mr. Tsutomu Ushijima, Mr. Hitoshi Taimatsu and Mr. Kazuhisa Nakano comply with the requirements for outside directors provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange and the criteria for independence prescribed by the Company. The Company's criteria for independence are as set out on page eighteen (18).

5. The Company has appointed Mr. Tsutomu Ushijima, Mr. Hitoshi Taimatsu and Mr. Kazuhisa Nakano as Independent Directors who are unlikely to have any conflicts of interest with general investors as specified by the Tokyo Stock Exchange and submitted notice of their appointment to the Exchange.

**Proposal No. 3: Election of two (2) Audit & Supervisory Board Members**

Audit & Supervisory Board Members Messrs. Hajime Sato and Hikoyuki Miwa will have resigned at the close of the Meeting. Therefore, the Company proposes the election of two (2) Audit & Supervisory Board Members as their substitutes.

The Company proposes Mr. Kazushi Ino as a substitute for Mr. Hajime Sato and Mr. Yuichi Yamada as a substitute for Mr. Hikoyuki Miwa. Their terms of offices will expire at the expiration of the terms of each predecessor.

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

The candidates for Audit & Supervisory Board Members are as follows.

Candidate No.	Name 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	Kazushi Ino June 5, 1959  <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">New</div>	April 1982 Joined the Company December 2010 General Manager of Administration Dept., Advanced Materials Div. June 2012 General Manager of Legal & General Affairs Dept. June 2014 Executive Officer(Present Position) Senior Deputy General Manager of Materials Div. (Present Position)	8,000 shares
Reasons for his candidacy as Audit & Supervisory Board Member: Mr. Kazushi Ino has abundant experience with general administration matter at headquarters and other branches of the Company, as well as knowledge regarding the Company's entire business, industrial health and safety, and compliance which he acquired through such his experience. For the above reasons, he has been presented as a candidate for Audit & Supervisory Board Member because he is expected to perform his role as Audit & Supervisory Board Member by utilizing his experience and knowledge.			

\* The notations in the tables are as follows.

New	... candidate for Audit & Supervisory Board Member (new)
Outside	... candidate for Outside Audit & Supervisory Board Member
Independent	... candidate for Independent Audit & Supervisory Board Member for notification to Tokyo Stock Exchange

Candidate No.	Name 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	<p>Yuichi Yamada March 25, 1954</p> <p>New</p> <p>Outside</p> <p>Independent</p>	<p>March 1988 Registered as a certified public accountant</p> <p>August 2003 Partner of ASAHI &amp; Co. (current KPMG AZSA LLC)</p> <p>June 2008 Board Member of KPMG AZSA &amp; Co. (current KPMG AZSA LLC)</p> <p>June 2016 Left KPMG AZSA LLC upon reaching mandatory retirement age</p> <p>July 2016 Established Yuichi Yamada Certified Public Accountant Firm</p> <p>Significant concurrent occupations or positions at other organizations</p> <p>Certified public accountant of Yuichi Yamada Certified Public Accountant Firm</p> <p>Outside Audit &amp; Supervisory Board Member of Japan Finance Corporation</p>	0 share
<p>Reasons for his candidacy as Audit &amp; Supervisory Board Member:</p> <p>Mr. Yuichi Yamada has been presented as a candidate for Outside Audit &amp; Supervisory Board Member because he is expected to perform 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.</p> <p>He has not participated in corporate management in any form other than as Outside Audit &amp; 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 &amp; Supervisory Board Member..</p>			

- (Notes)
1. Mr. Yuichi Yamada is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2(3)(viii) of the Enforcement Regulations of the Companies Act of Japan.
  2. The Company plans to enter into a Contract for Limitation of Liability with Mr. Yuichi Yamada limiting his maximum liability to 10 million yen or the minimum liability amount prescribed by applicable laws and regulations, whichever is higher.
  3. Mr. Yuichi Yamada has family members within the third degree, who are employees of Sumitomo Mitsui Banking Corporation, which is Specified Associated Service Provider (main bank) of the Company. Each employee is in non-administrative position, has no relationship with the Company's business, and makes independent living from Mr. Yuichi Yamada. For these reasons, the Company judged this relationship has no influence on his independence.
  4. Mr. Yuichi Yamada complies with the requirements for Outside Audit & Supervisory Board Members provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange and the criteria for independence prescribed by the Company. The Company's criteria for independence are as set out on page eighteen (18).
  5. The Company plans to appoint Mr. Yuichi Yamada 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 submit notice of his appointment to the Exchange.

**Proposal No. 5: 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 Outside Audit & Supervisory Board Member Mr. Junichi Kondo and for Mr. Yuichi Yamada, who will be elected as an Outside Audit & Supervisory Board Member if Proposal No. 4 is approved as originally proposed.

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 Date of Birth	Career summary, position at the Company, and significant concurrent occupations or positions at other organizations	Shareholding in the Company
<p style="text-align: center;">Kazuhiro Mishina September 23, 1959</p> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 10px auto; text-align: center;">Outside</div> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 10px auto; text-align: center;">Independent</div>	<p>September 1989 Assistant Professor of Harvard Business School</p> <p>October 1995 Assistant Professor of the Center for Research and Investigation of Advanced Science and Technology of Japan Advanced Institute of Science and Technology</p> <p>April 1997 Assistant Professor of the School of Knowledge Science of Japan Advanced Institute of Science and Technology</p> <p>October 2002 Assistant Professor of the Graduate School of Business Administration of Kobe University</p> <p>October 2004 Professor of Graduate School of Business Administration of Kobe University (Present Position)</p> <p>Significant concurrent occupations or positions at other organizations Professor of Graduate School of Business Administration of Kobe University Outside Director of Fuji Oil Holdings Inc. Outside Director of Nippon Paint Holdings Co., Ltd.</p>	0 share
<p>Reasons for his candidacy as a substitute Audit &amp; Supervisory Board Member: Mr. Kazuhiro Mishina has specialized knowledge as a researcher in the field of corporate strategy and business strategy. He has been presented as a candidate for substitute Audit &amp; Supervisory Board Member because he is expected to perform his role as Outside Audit &amp; 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, the Company determined that he is able to appropriately serve as Outside Audit &amp; Supervisory Board Member.</p>		

- (Notes) 1. Mr. Kazuhiro Mishina is a candidate for Outside Audit & Supervisory Board Member as set out in Article 2(3)(viii) of the Enforcement Regulations of the Companies Act of Japan.
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.
3. Mr. Kazuhiro Mishina complies with the requirements for outside audit & supervisory board members provided for in the Companies Act of Japan, the criteria for independence prescribed by the Tokyo Stock Exchange and the criteria for independence prescribed by the Company. The Company's criteria for independence are as set out on page eighteen (18).

\* The notations in the tables are as follows.

Outside	... candidate for Outside Audit & Supervisory Board Member
Independent	... candidate for Independent Audit & Supervisory Board Member for notification to Tokyo Stock Exchange

<Reference>

### Criteria for Independence

The Company will follow the requirements for Outside Directors provided for the Companies Act of Japan and the criteria for independence prescribed by the Tokyo Stock Exchange in judging the independence of Outside Directors and Outside Audit & Supervisory Board Members (collectively, "Outside Officers"). However, even if an Outside Officer belongs to a business partner of the Company or in other such situations, the Outside Officer will, in principle, be judged to be independent when falling under the following immateriality standards prescribed by the Company.

Business Partners and Banks	<ul style="list-style-type: none"><li>• In the most recent business year, sales of the Company (non-consolidated) to the business partner (non-consolidated) were less than 2% of the sales of the Company (non-consolidated).</li><li>• In the most recent business year, sales of the business partner (non-consolidated) to the Company (non-consolidated) were less than 2% of the sales of the business partner (non-consolidated).</li><li>• In the most recent business year, the outstanding balance of loans from the business partner to the Company (non-consolidated) was less than 2% of the total assets of the Company (non-consolidated).</li></ul>
Consultants, Experts, etc.	<ul style="list-style-type: none"><li>• Consultants, accounting experts, legal experts, or other such experts who received money or other such assets (if the recipient of such assets is a corporation, partnership, or other such organization, then any person belonging thereto), other than officer compensation, of less than an annual amount of 10 million yen in the most recent business year from the Company (non-consolidated).</li></ul>
Contributions, etc.	<ul style="list-style-type: none"><li>• If the recipient is an individual Directors or Audit &amp; Supervisory Board Members: The amount of money or other such assets received from the Company (non-consolidated) in the most recent business year is less than an annual amount of 1 million yen.</li><li>• If the recipient is a corporation, etc. to which a Director or Audit &amp; Supervisory Board Member belongs (in case of national university corporations, incorporated educational institutions, or the like, the recipient will be the department or post-graduate course to which the Director or Audit &amp; Supervisory Board Member belongs will be deemed to a recipient): The amount of money or other such assets received from the Company (non-consolidated) in the most recent business year is less than an annual amount of 10 million yen.</li></ul>

## **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 5:00pm (Japan Time), Monday, June 26, 2017.
- (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.

### **3. 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.