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Securities Code: 4041

June 7, 2016

Dear Shareholders,

Akira Ishii
Representative Director, President
Nippon Soda Co., Ltd.
2-2-1, Otemachi, Chiyoda-ku,
Tokyo, Japan

Notice of the 147th Ordinary General Meeting of Shareholders

You are cordially invited to attend the 147th Ordinary General Meeting of Shareholders of Nippon Soda Co., Ltd. (the “Company” or we). The meeting will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal voting or via the Internet. Please examine the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Tuesday, June 28, 2016 (JST).

Details

1. Date and Time: Wednesday, June 29, 2016, at 10:00 a.m.
2. Place Hall, 4th floor, Otemachi Sankei Plaza
Tokyo Sankei Bldg.
1-7-2 Otemachi, Chiyoda-ku, Tokyo
3. Purpose of the Meeting
Matters to be reported:
 - a. Business Report and Consolidated Financial Statements for the 147th Fiscal Year (from April 1, 2015 to March 31, 2016), as well as the audit reports of the Accounting Auditor and the Audit & Supervisory Board for Consolidated Financial Statements
 - b. Financial Statements for the 147th Fiscal Year (from April 1, 2015 to March 31, 2016)

Matters to be resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Partial Amendments to the Articles of Incorporation
- Proposal 3: Election of Eight (8) Directors
- Proposal 4: Election of Three (3) Audit & Supervisory Board Members
- Proposal 5: Introduction of New Compensation Plan for Directors

Notes:

- * You are kindly requested to present the enclosed Voting Form to the receptionist when you attend the Meeting.
- * As the Notes to Consolidated Financial Statements and Notes to Financial Statements, which make up part of the documents to be provided when giving this notice of convocation, are available via the Internet on the Company’s website (URL http://www.nippon-soda.co.jp/financial_fact/index.html), they are not contained in the attached documents for matters to be reported, as provided for in laws and regulations and in Article 17 of the Company’s Articles of Incorporation.
- * If any changes have been made to items in Business Report, Consolidated Financial Statements, Financial Statements or the Reference Documents for the General Meeting of Shareholders, such changes will be posted on the Company’s website stated above.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

In deciding the appropriation of surplus, the Company fundamentally considers revenue trends and makes a well-rounded judgment based on several perspectives including maintaining stable dividend payment, enriching shareholders' equity and improving the financial position.

Accordingly, we propose the year-end dividend for the fiscal year under review as below.

As a result, the annual dividends per share will increase by ¥2 from the previous fiscal year to ¥12, including the interim dividend of ¥5 per share.

[Matters regarding year-end dividend]

1. Type of dividend property: Money
2. Dividend property allotment and total amount thereof

Dividends per common share of the Company:	¥7
Total amount of dividends:	¥1,089,243,596
3. Date of effectiveness of dividends: June 30, 2016

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

The Act for Partial Amendment of the Companies Act (Act No. 90 of 2014) was enforced on May 1, 2015, and due to the change in paragraph numbers of the Act, Paragraph 3 of Article 31 of the current Article of Incorporation was amended accordingly.

2. Details of amendments

The amendments are as follows:

(The underlined portions denote the amendments.)

Current Articles of Incorporation	Proposed Amendments
Chapter 5 Audit & Supervisory Board Members and Audit & Supervisory Board	Chapter 5 Audit & Supervisory Board Members and Audit & Supervisory Board
Article 31 (Selection method)	Article 31 (Selection method)
1. (Omitted)	1. (Same as the present)
2. (Omitted)	2. (Same as the present)
3. Under the provision of paragraph <u>2</u> of Article 329 of the Companies Act, a substitute audit & supervisory board member may be elected at a General Meeting of Shareholders to prepare for a shortfall in the number of audit & supervisory board members prescribed in laws and regulations.	3. Under the provision of paragraph <u>3</u> of Article 329 of the Companies Act, a substitute audit & supervisory board member may be elected at a General Meeting of Shareholders to prepare for a shortfall in the number of audit & supervisory board members prescribed in laws and regulations.

Proposal 3: Election of Eight (8) Directors

The terms of office of all eight (8) directors will expire at the conclusion of this meeting. Accordingly, we propose to elect eight (8) directors.

The candidates for directors are as follows:

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
1	Yutaka Kinebuchi (March 21, 1949) (Reelection)	<p>April 1972 Joined the Company</p> <p>April 1994 Manager, General Affairs Dept., Nihongi Plant</p> <p>April 1999 Manager, Corporate Planning Dept.</p> <p>April 2003 Manager, Personnel Dept.</p> <p>June 2003 Director, Manager, Personnel Dept.</p> <p>April 2005 Director, Manager, Corporate Planning Dept. and Manager, Affiliates Dept.</p> <p>April 2007 Director, General Manager, Internal Control Dept. and Manager, Corporate Planning Dept.</p> <p>June 2007 Managing Director, General Manager, Corporate Planning Dept., Internal Control Dept., Affiliates Dept. and Personnel Dept.</p> <p>October 2008 Managing Director, General Manager, Corporate Planning Dept., Internal Control & Audit Dept., Affiliates Dept. and Personnel Dept.</p> <p>June 2009 Representative Director, President</p> <p>June 2015 Representative Director, Chairman To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company has determined that Yutaka Kinebuchi is qualified to be a director who undertakes the supervision of important management decision making and the execution of the duties because he has extensive experience in corporate planning, personnel, affiliates businesses, internal control and other aspects of business and has led the Nippon Soda Group for many years as Representative Director, President and Chairman. Therefore, the Company has nominated him as a candidate for director.</p>	69,000

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
2	Akira Ishii (July 8, 1953) (Reelection)	<p>April 1976 Joined the Company</p> <p>April 2001 Manager, Specialty Products Dept., Specialty & Performance Chemicals Div.</p> <p>April 2004 Manager, General Affairs Dept., Takaoka Plant</p> <p>June 2007 Manager, Corporate Planning Dept.</p> <p>April 2009 Manager, Personnel Dept.</p> <p>June 2009 Director, General Manager, Corporate Planning Dept. and Affiliates Dept. and Manager, Personnel Dept.</p> <p>April 2011 Director, General Manager, Corporate Planning Dept. and Manager, Personnel Dept.</p> <p>June 2011 Director, General Manager, Corporate Planning and Manager, Personnel Dept.</p> <p>April 2013 Director, General Manager, Agro Products Div.</p> <p>June 2013 Director, Executive Managing Officer, General Manager, Agro Products Div.</p> <p>June 2015 Representative Director, President To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company has determined that Akira Ishii is qualified to be a director who undertakes the supervision of important management decision making and the execution of the duties because he has abundant experience and knowledge from his experience as the Manager of product sales, Manager of the Corporate Planning Dept., Manager of the Personnel Dept. and as General Manager of the Agro Products Div., and, since last year, has led the Nippon Soda Group as Representative Director, President. Therefore, the Company has nominated him as a candidate for director.</p>	29,000

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
3	Makoto Masuda (March 3, 1952) (Reelection)	<p>April 1975 Joined The Industrial Bank of Japan, Limited</p> <p>June 2000 General Manager & Chief Executive, Hong Kong Branch Office</p> <p>April 2002 General Manager, Corporate Credit Assessment Dept., Mizuho Corporate Bank, Ltd.</p> <p>January 2004 Joined the Company</p> <p>April 2004 Manager, Methionine Dept., Fine Chemicals Div.</p> <p>April 2007 Manager, Affiliates Dept. and Manager, Internal Control Dept.</p> <p>June 2007 Director, Manager, Affiliates Dept. and Manager, Internal Control Dept.</p> <p>April 2008 Director, Manager, Internal Control Audit Dept. and Manager, Affiliates Dept.</p> <p>June 2008 Director, General Manager, General Affairs Dept. and Computer Service Dept. and Manager, Accounting & Finance Dept.</p> <p>April 2009 Director, General Manager, General Affairs Dept., Accounting Dept. and Computer Service Dept. and Manager, Finance Dept.</p> <p>June 2009 Director, General Manager, General Affairs Dept. and Accounting Dept. and Manager, Finance Dept.</p> <p>June 2011 Managing Director, General Manager, General Affairs Dept., Accounting Dept., Finance Dept. and Internal Control Audit Dept.</p> <p>April 2013 Managing Director, General Manager, General Affairs Dept. and Personnel Dept., Accounting Dept., Finance Dept. and Internal Control Audit Dept.</p> <p>June 2013 Director, Executive Managing Officer, Supervision of General Affairs Dept. and Personnel Dept., Accounting Dept., Finance Dept. and Internal Control Audit Dept.</p> <p>April 2014 Director, Executive Managing Officer, Supervision of General Affairs Dept. and Personnel Dept., Accounting Dept. and Internal Control Audit Dept.</p> <p>April 2015 Director, Senior Executive Managing Officer, Supervision of Business Strategy & Administration Dept., Internal Control Audit Dept. and Corporate Social Responsibility Dept.</p> <p>June 2015 Director, Senior Executive Managing Officer, Supervision of Business Strategy & Administration Dept. and Internal Control & Audit Dept.</p> <p>April 2016 Director, Senior Executive Managing Officer, Supervision of Business Strategy & Administration Dept., Corporate Social Responsibility Dept. and Internal Control & Audit Dept.</p> <p>To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company has determined that Makoto Masuda is qualified to be a director who undertakes the supervision of important management decision making and the execution of the duties because he has knowledge of finance and accounting based on his experience at financial institutions, in addition to a wide range of track record in management depts. such as corporate planning, affiliates businesses, internal control, general affairs IR, accounting, and finances. Therefore, the Company has nominated him as a candidate for director.</p>	15,000

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
4	Hiroyuki Adachi (January 21, 1952) (Reelection)	<p>April 1976 Joined the Company</p> <p>April 2001 Manager, 3rd Investigation & Synthesis Dept. and Manager, 4th Investigation & Synthesis Dept., Odawara Research Center</p> <p>April 2004 Manager, 4th Drug Synthesis Dept., Odawara Research Center</p> <p>April 2005 Manager, R&D Management Dept., Odawara Research Center</p> <p>April 2007 General Manager, Odawara Research Center</p> <p>June 2007 Adviser, General Manager, Odawara Research Center</p> <p>June 2012 Director, General Manager, Odawara Research Center, Research & Development Div.</p> <p>April 2013 Director, General Manager, Research & Development Div. and General Manager, Odawara Research Center, Research & Development Div.</p> <p>June 2013 Senior Executive Officer, General Manager, Research & Development Div. and General Manager, Odawara Research Center, Research & Development Div.</p> <p>April 2014 Executive Managing Officer, and General Manager, Research & Development Div.</p> <p>April 2015 Executive Managing Officer, Supervision of Technology, and General Manager, Research & Development Div.</p> <p>June 2015 Director, Executive Managing Officer, Supervision of Technology, Corporate Social Responsibility Dept. and General Manager, Research & Development Div.</p> <p>April 2016 Director, Senior Executive Managing Officer, Supervision of Technology, and General Manager, Research & Development Div. To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company has determined that Hiroyuki Adachi is qualified to be a director who undertakes the supervision of important management decision making and the execution of the duties because he supported the development of new chemicals as the head of agricultural chemical development, and has extensive experience and expertise gained as a supervisor of technology including production technology and from his experience as General Manager of the Odawara Research Center and General Manager of the Research & Development Div. Therefore, the Company has nominated him as a candidate for director.</p>	10,000

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
5	Noriyuki Haketa (May 15, 1953) (New election)	<p>April 1977 Joined the Company</p> <p>April 2002 Manager, Eco Care Dept., Chlor-Alkali Business Div.</p> <p>April 2005 Manager, Eco Care Dept., Specialty & Performance Chemicals Div.</p> <p>October 2008 Manager, Affiliates Dept.</p> <p>April 2011 Deputy General Manager, Chemicals Div. and General Manager, Osaka Branch Office</p> <p>June 2011 Director, Deputy General Manager, Chemicals Div. and General Manager, Osaka Branch Office</p> <p>April 2012 Director, Deputy General Manager, Chemicals Div., Manager, Planning & Management Dept. and General Manager, Osaka Branch Office</p> <p>April 2013 Director, Manager, General Affairs & Human Resources Dept.</p> <p>June 2013 Senior Executive Officer, Manager, General Affairs & Human Resources Dept.</p> <p>April 2014 Senior Executive Officer, Manager, General Affairs & Human Resources Dept. and Manager, Human Resources Group</p> <p>April 2015 Executive Managing Officer, Manager, General Affairs & Human Resources Dept. and Manager, Human Resources Group</p> <p>June 2015 Executive Managing Officer, General Manager, Corporate Social Responsibility Dept., Manager, General Affairs & Human Resources Dept. and Manager, Human Resources Group To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company has determined that Noriyuki Haketa is qualified to be a director because he has experience as the Manager of product sales, Manager of the Affiliates Dept., Manager of the Human Resources Dept., and in general affairs IR, Corporate Social Responsibility, etc. Therefore, the Company has nominated him as a candidate for director.</p>	20,000

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
6	Tsutomu Sakuma (June 9, 1955) (New election)	<p>June 1980 Joined the Company</p> <p>April 2003 Director, President, NISSO AMERICA INC.</p> <p>April 2008 Substitute Manager, Corporate Planning Dept. and Chief, Affiliates Dept., the Company</p> <p>April 2009 Manager, Corporate Planning Dept.</p> <p>June 2011 Director, Manager, Corporate Planning Dept.</p> <p>April 2013 Director, Deputy General Manager, Chemicals Div., Manager, Planning & Management Dept. and General Manager, Osaka Branch Office</p> <p>June 2013 Senior Executive Officer, Deputy General Manager, Chemicals Div., Manager, Planning & Management Dept. and General Manager, Osaka Branch Office</p> <p>April 2014 Senior Executive Officer, Deputy General Manager, Chemicals Div. and General Manager, Osaka Branch Office</p> <p>April 2015 Executive Managing Officer, General Manager, Chemicals Div. To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company has determined that Tsutomu Sakuma is qualified to be a director who undertakes the supervision of important management decision making and the execution of the duties because he has experience such as being the overseas subsidiary representative, Manager of the Corporate Planning Dept., and General Manager of the Chemicals Div. Therefore, the Company has nominated him as a candidate for director.</p>	12,000
7	Yasuko Takayama (March 8, 1958) (Reelection)	<p>April 1980 Joined Shiseido Company, Limited</p> <p>April 2005 General Manager, Website Planning Group, Consumer Information Center</p> <p>April 2006 General Manager, Consumer Information Center</p> <p>October 2008 General Manager, Consumer Relations Department</p> <p>April 2009 General Manager, Social Affairs and Consumer Relations Department</p> <p>April 2010 General Manager, Corporate Social Responsibility Department</p> <p>June 2011 Audit & Supervisory Board Member</p> <p>June 2015 Advisor To the present Outside Director, The Chiba Bank, Ltd. To the present Outside Director, the Company To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company expects Yasuko Takayama will be able to further enhance the Company's management structure by utilizing, in the management of the Company, her practical experience that includes being in charge of Corporate Social Responsibility as well as her experience as an Audit & Supervisory Board Member for other companies. Therefore, the Company has nominated her as a candidate for director.</p>	1,000

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
8	Tetsuo Narukawa (April 15, 1949) (New election)	<p>April 1974 Joined The Industrial Bank of Japan, Ltd.</p> <p>December 1997 Chairman of the Board of Managing Directors, Industriebank von Japan (Deutschland) Aktiengesellschaft, IBJ (Germany)</p> <p>April 2002 Executive Officer and General Manager of Credit Risk Management Department No. 3, Mizuho Bank, Ltd.</p> <p>April 2003 Managing Executive Officer</p> <p>April 2004 Managing Director</p> <p>April 2006 Senior Managing Executive Officer and COO of Corporate Planning & Management Division, Kowa Real Estate Co., Ltd.</p> <p>July 2006 Senior Managing Director and COO of Corporate Planning & Management Division</p> <p>July 2008 Executive Vice President and COO of Office Building Business Division</p> <p>April 2010 President</p> <p>June 2010 Outside Director, Daido Kogyo Co., Ltd. To the present</p> <p>December 2010 Outside Corporate Auditor, Nihon Sekkei, Inc.</p> <p>October 2012 President & CEO, Nippon Steel Kowa Real Estate Co., Ltd.</p> <p>June 2014 Director & Executive Adviser To the present</p> <p>June 2015 Outside Director (Audit and Supervisory Committee Member), Okasan Securities Group Inc. To the present</p> <p><u>Reasons for nomination as candidate for director</u></p> <p>The Company expects Tetsuo Narukawa to provide useful advice in regard to the Company's overall management based on his many years of experience involved in the management of financial institutions and business corporations as well as broad understanding. Therefore, the Company has nominated him as a candidate for director.</p>	0

- Notes:
1. There are no special interests between each of the above-mentioned candidates and the Company.
 2. Yasuko Takayama and Tetsuo Narukawa are candidates for outside director.
 3. Yasuko Takayama's term of office as outside director will be one (1) year upon the conclusion of this ordinary general meeting of shareholders.
 4. The Company has concluded an agreement with outside director Yasuko Takayama to limit her liability for damages pursuant to Paragraph 1 of Article 423 of the Companies Act. Under this agreement, amount of her liability for damages is limited to either ¥5 million or the amount prescribed by laws and regulations, whichever is higher. In the case where her reappointment is approved according to the proposal, the Company plans to conclude the same agreement with her.

In the case where Tetsuo Narukawa is elected, the Company plans to enter into an agreement with him to limit his liability for damages pursuant to Paragraph 1 of Article 423 of the Companies Act. Under this agreement, the amount of his liability for damages is limited to either ¥5 million or the amount prescribed by laws and regulations, whichever is higher.
 5. The Company has notified the Tokyo Stock Exchange of Yasuko Takayama as an independent director according to a provision prescribed by the exchange, and in the case where she is elected according to the proposal, the Company plans to continually appoint her as an independent director.

Tetsuo Narukawa satisfies requirements for an independent director prescribed by the Tokyo Stock Exchange, and in the case where he is elected according to the proposal, the Company plans to notify the exchange of him as an independent director.

Proposal 4: Election of Three (3) Audit & Supervisory Board Members

The terms of office of audit & supervisory board members, Ryuichiro Yagi, Mitsuru Kobayashi and Isomi Suzuki will expire at the conclusion of this meeting. Accordingly, we propose to elect three (3) audit & supervisory board members.

The Audit & Supervisory Board has already given their consent to this proposal.

The candidates for audit & supervisory board members are as follows:

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions	Number of the Company's shares held
1	Mitsuru Kobayashi (May 11, 1957) (Reelection)	<p>April 1982 Joined The Norinchukin Bank July 2002 General Manager, Kochi Office June 2005 General Manager, Yamagata Branch June 2009 Manager, Systems Planning Div. July 2011 Executive Manager, Compliance Div. June 2012 Audit & Supervisory Board Member, the Company To the present</p> <p><u>Reasons for nomination as candidate for audit & supervisory board member</u> Because Mitsuru Kobayashi has worked at a financial institution for many years and has considerable knowledge in regard to finance and accounting, the Company expects he will utilize this knowledge in the Company's audit operations. Therefore, the Company has nominated him as a candidate for audit & supervisory board member.</p>	5,000
2	Keichi Aoki (September 11, 1957) (New election)	<p>April 1981 Joined the Company April 2007 Substitute General Manager, Osaka Branch Office April 2010 Manager, Secretariat April 2014 Manager, General Affairs & Legal Group and Secretariat Group, General Affairs & Human Resources Dept. April 2016 Chief, Corporate Planning Dept. To the present</p> <p><u>Reasons for nomination as candidate for audit & supervisory board member</u> The Company has determined that Keichi Aoki is qualified to be an audit & supervisory board member because he has a considerable amount of knowledge related to finance and accounting from his experience working in the finance dept., in addition to broad knowledge based on experience in the General Affairs & Legal Dept. and the Secretariat Dept. Therefore, the Company has nominated him as a candidate for audit & supervisory board member.</p>	13,000
3	Shigeo Ogi (November 17, 1951) (New election)	<p>November 1974 Joined Deloitte Haskins & Sells August 1979 Registered as a certified public accountant July 1990 Partner, Tohmatsu & Co. (current Deloitte Touche Tohmatsu LLC) July 1997 Senior Partner October 2003 Chief, Financial Industry Group October 2013 Chief, IFRS Center of Excellence (COE) December 2015 Chief, Ogi CPA Office To the present</p> <p><u>Reasons for nomination as candidate for audit & supervisory board member</u> Shigeo Ogi has no experience of direct involvement in corporate management, but has extensive knowledge as a certified public accountant, including overseas experience, and the Company expects he will utilize this broad knowledge in audit operations. Therefore, the Company has nominated him as a candidate for outside audit & supervisory board member.</p>	0

- Notes:
1. There are no special interests between the above-mentioned candidates and the Company.
 2. Mitsuru Kobayashi and Shigeo Ogi are candidates for outside audit & supervisory board member.
 3. The Company has concluded a consulting agreement with Deloitte Tohmatsu Group (Deloitte Japan) of which Deloitte Touche Tohmatsu LLC is a member. Shigeo Ogi is a former partner of Deloitte Tough Tohmatsu LLC; however, he has not engaged in any consulting services provided under such consulting agreement. In addition, the amount of consulting fees is less than one percent of the operating revenue of Deloitte Tohmatsu Group (Deloitte Japan). Accordingly, the Company has determined Shigeo Ogi is unlikely to have a conflict of interest with general shareholders of the Company and maintains his independence.
 4. In the case where Shigeo Ogi is elected according to the proposal, the Company plans to enter into an agreement with him to limit his liability for damages pursuant to Paragraph 1 of Article 423 of the Companies Act. Under this

agreement, the amount of his liability for damages is limited to either ¥5 million or the amount prescribed by laws and regulations, whichever is higher.

5. The Company has notified the Tokyo Stock Exchange of Mitsuru Kobayashi as an independent director according to a provision prescribed by the exchange, and in the case where he is elected according to the proposal, the Company plans to continually appoint him as an independent director.

Shigeo Ogi satisfies requirements for an independent director prescribed by the Tokyo Stock Exchange, and in the case where he is elected according to the proposal, the Company plans to notify the exchange of him as an independent director.

Proposal 5: Introduction of New Compensation Plan for Directors

1. Reasons for proposal

We will revise the officers compensation system. Specifically, we will introduce a plan called Board Benefit Trust (BBT) (hereinafter, the “Plan”).

As restated in 2. below, the Plan is a performance-linked and share-based compensation plan under which the Company’s shares are acquired through a trust using money contributed by the Company as the underlying funds, and directors, executive officers, and advisors (hereinafter, “Officers, etc.,” detailed in 2. (2) below) are provided with the Company’s shares and money equivalent to the amount obtained if converting the Company’s shares at the market price on the date of retirement from office (hereinafter, such shares and money shall be “the Company’s Shares, etc.”) through the trust in accordance with the Regulations for Provision of Shares to Officers formulated by the Company and by Nippon Soda Group companies subject to the Plan.

The introduction of the Plan is intended to increase the motivation of Officers, etc. to contribute to improving medium- to long-term corporate performance and to increasing corporate value by more clarifying the linkage between compensation for Officers, etc. and the Company’s performance and the value of the Company’s shares and by having the Officers, etc. share with the shareholders not only the benefits of increases in the share price, but also the risk of decreases in the share price. This proposal is a request for approval to provide new share-based compensation for the Company’s directors (excluding outside directors), separately from the compensation, etc. for directors (up to 350 million yen per year) that was approved at the 143rd Ordinary General Meeting of Shareholders held on June 28, 2012.

Please note that we would like to entrust the details of the Plan with the Board of Directors within the scope in 2. below.

If “Proposal 3: Election of Eight (8) Directors” is approved, the number of directors eligible to the Plan will be six (6) (after excluding two (2) outside directors).

2. Amount of compensation, etc. under the Plan and information for reference

(1) Outline of the Plan

The Plan is a performance-linked and share-based compensation plan under which the Company’s shares are acquired through a trust (hereinafter, the trust established under the Plan shall be the “Trust”) using money contributed by the Company as the underlying funds, and Officers, etc. are provided with the Company’s Shares, etc. through the Trust in accordance with the Regulations for Provision of Shares to Officers formulated by the Company. It should be noted that the timing of receipt of the Company’s Shares, etc. by Officers, etc. shall be, as a general rule, when Officers, etc. retire from office.

(2) Individuals eligible for the Plan

Directors (excluding outside directors), executive officers, and advisors

(3) Trust period

From August 2016 (planned) until the termination of the Trust. (With regard to the trust period, we shall not set a specific date of the termination of the Trust, and the Trust will continue as long as the Plan continues. The Plan will terminate upon the delisting of the Company’s shares or abolition of the Regulations for Provision of Shares to Officers, or in certain other cases.)

(4) Amount of trust money (amount of compensation, etc.)

Subject to the approval of this proposal, the Company will establish the Trust if contributing to the Trust the amount of funds necessary for the Trust to acquire, in a certain period in advance, the Company’s shares in the number reasonably deemed necessary for provision of the Company’s Shares, etc. as per (6) and (7) below. The Trust will acquire the Company’s shares using the funds

contributed by the Company as the underlying funds as per (5) below.

Specifically, if this proposal is approved, the Company will contribute money as funds required for the three fiscal years from the fiscal year ending on March 31, 2017 to the fiscal year ending on March 31, 2019 (hereinafter, the “Initial Plan Period”) with an upper limit of 206 million yen (among which 122 million yen is for directors of the Company) and establish the Trust.

It should be noted that even after the Initial Plan Period has elapsed, as a general rule, every three fiscal years the Company shall make additional contributions to the Trust with an upper limit of 206 million yen (among which 122 million yen is for directors of the Company) for the following three fiscal years (hereinafter, the “Next Plan Period”) until the termination of the Plan. However, if, when conducting such additional contributions, the Company’s shares (excluding the Company’s shares that are corresponding to the points granted to Officers, etc. and of which provision to Officers, etc. has not yet been completed) and money are remaining in the Trust on the day immediately preceding the commencement of the Next Plan Period (hereinafter, such shares and money shall be “Residual Shares, etc.”), the Residual Shares, etc. shall be allocated to the underlying funds for payment based on the Plan in the Next Plan Period, and the upper limit for the additional contributions that the Company can make in the Next Plan Period shall be the amount calculated by deducting the amount of the Residual Shares, etc. (for shares, the amount of money converted, as to be equivalent to the market value on the day immediately preceding the commencement of the Next Plan Period) from 206 million yen (among which 122 million yen is for directors of the Company). When the Company determines additional contributions, we will make an appropriate disclosure in a timely manner.

As a reference, if the acquisition of the Company’s shares at the closing price of 499 yen on May 19, 2016 is assumed, the number of shares to be acquired using the funds up to 206 million yen as the underlying funds that the Company will contribute as the funds for acquiring shares to be provided to Officers, etc. in the Initial Plan Period will be 412,000 shares.

(5) Method of acquisition of the Company’s shares

The Trust shall acquire the Company’s shares through the stock market or subscribing to the Company’s disposal of treasury shares by using the funds contributed as in (4) above as the underlying funds. The details of the method for acquisition of the Company’s shares by the Trust shall be announced separately once they are determined.

(6) Specific details of the Company’s Shares, etc. to be provided to Officers, etc.

Each fiscal year, Officers, etc. will be granted a specified number of points fixed according to factors including the degree of achievement of performance of the Company will be granted in accordance with the Regulations for Provision of Shares to Officers.

It should be noted that when providing the Company’s Shares, etc. as in (7) below, points granted to Officers, etc. will be converted into the Company’s common shares at the rate of one common share of the Company per one point (provided, however, if a share split, allotment without consideration, share consolidation, etc. of the Company’s shares occur after the approval of this proposal, reasonable adjustments will be made to the conversion rate in accordance with the share split ratio, share consolidation ratio or other relevant ratio, etc.).

The number of points for an Officer, etc. that is used as the basis for the provision of the Company’s Shares, etc. as in (7) below will be fixed at the accumulated number of points granted to that Officer, etc. until the time of retirement from office (hereinafter, “Finalized Point Number”).

(7) Timing of provision of the Company’s Shares, etc.

If an Officer, etc. fulfills the beneficiary eligibility requirements stipulated in the Regulations for Provision of Shares to Officers, the Officer, etc. can, after taking the prescribed beneficiary vesting procedures upon retirement from office, receive the Company’s shares corresponding to the Finalized Point Number of points granted as in (6) above, from the Trust. However, if requirements stipulated separately in the Regulations for Provision of Shares to Officers are fulfilled in addition

to the beneficiary eligibility requirements, the Officer, etc. will receive provision of money equivalent to the amount obtained if converting the Company's shares at the market price on the date of retirement from office in lieu of the Company's shares for a certain proportion of the number of points granted to the relevant Officer, etc. It should be noted that the Company's shares may be sold by the Trust in order to provide money to Officers, etc.

(8) Voting rights of shares in the Trust

Voting rights of the Company's shares in the Trust shall not be exercised, without exception, at the instruction of the trust administrator. With that, it is intended to ensure that the exercise of voting rights of the Company's shares in the Trust should be neutral with respect to the management of the Company.

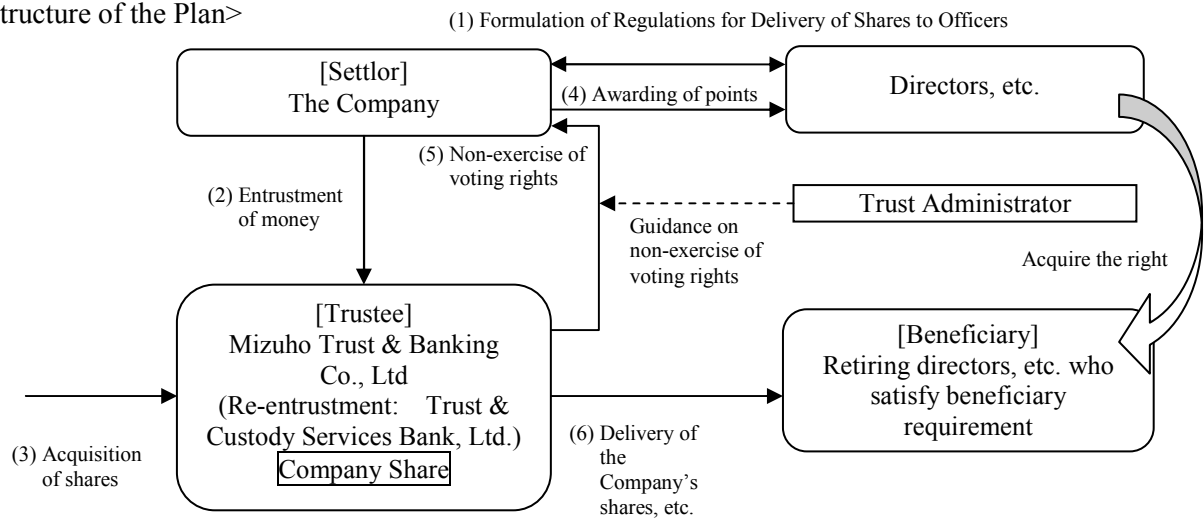
(9) Treatment of dividends

Dividends on the Company's shares in the Trust account will be received by the Trust, and used for the acquisition of the Company's shares and trust fees payable to the trustee of the Trust, among other things. It should be noted that if the Trust is terminated, the dividends remaining in the Trust will be provided to Officers, etc. in office at that time in proportion to the number of points that each of them holds.

(10) Treatment upon the termination of the trust

The Trust will terminate upon the delisting of the Company's shares, abolition of the Regulations for Provision of Shares to Officers, or in certain other cases. With regard to the Company's shares among the residual assets of the Trust at the time of termination of the Trust, the Company plans to acquire all such shares without consideration and cancel them by resolution of the Board of Directors. Of the residual assets of the Trust at the time of termination of the Trust, the balance of money excluding money delivered to Officers, etc. in accordance with (9) above will be provided to the Company.

<Structure of the Plan>



- (1) The Company will formulate the Regulations for Provision of Shares to Officers within the scope of the structure approved in this proposal.
- (2) The Company will entrust money within the scope approved in this proposal.
- (3) The Trust will acquire the Company's shares through the stock market or subscribing to the Company's disposal of treasury shares by using money entrusted as in (2) above as the underlying funds.
- (4) The Company will grant points to Officers, etc. in accordance with the Regulations for Provision of Shares to Officers.
- (5) The Trust will not exercise voting rights of the Company's shares in the Trust account in accordance with the instructions from the trust administrator independent of the Company.
- (6) The Trust will provide those individuals who retire from office as Officers, etc. and fulfill the beneficiary eligibility requirements stipulated in the Regulations for Provision of Shares to Officers (hereinafter, "beneficiaries") with the Company's shares according to the number of points granted to the relevant beneficiary. However, if the Officer, etc. fulfills requirements stipulated separately in the Regulations for Provision of Shares to Officers, the Company will provide the Officer, etc. with money equivalent to the amount obtained if converting the Company's shares at the market price on the date of retirement from office in lieu of the Company's shares for a certain proportion of the number of points granted to the relevant Officer, etc.