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Securities Code: 7294

May 25, 2018

To Our Shareholders:

3-7-60 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa

YOROZU CORPORATION

President Ken Shido

Notice of the 73rd Ordinary General Meeting of Shareholders

The Company would hereby like to request shareholders to attend the Company's 73rd Ordinary General Meeting of Shareholders as described below.

If you are unable to attend the meeting on the date, you may also exercise your voting rights by either of the following methods, and are kindly requested to exercise your voting rights on or before the close of the Company's business hours (5:30 p.m.), Friday, June 15, 2018 (Japan Standard Time), after examining Reference Materials for the General Meeting of Shareholders in the following pages.

1. Date:	10:00 a.m., Monday, June 18, 2018
2. Venue:	3-7-60 Tarumachi, Kohoku-ku, Yokohama-shi, Kanagawa Yorozu Corporation Head office
3. Purposes:	<p>1. The business report, the consolidated financial statements and the results of consolidated financial statement audits by the Accounting Auditor and the Audit and Supervisory Committee for the 73rd business period (April 1, 2017 to March 31, 2018)</p> <p>2. The non-consolidated financial statements for the 73rd business period (April 1, 2017 to March 31, 2018)</p>
Items to be reported:	
Items to be resolved:	
	<p>Agenda Item No. 1: Election of six (6) Directors (excluding those who are the members of the Audit and Supervisory Committee)</p> <p>Agenda Item No. 2: Election of one (1) Director who is a substitute member of the Audit and Supervisory Committee</p> <p>Agenda Item No. 3: Continuation of YoroZu's policy on large-scale purchasing of its own shares (Anti-Takeover Measures)</p>
4. Other Matters on this Notice of the Meeting:	Of the matters to be provided with this notice, Share Subscription Rights of the Company, Notes to Consolidated Financial Statements and Notes to Non-consolidated Financial Statements are disclosed on YoroZu's website (http://www.yorozu-corp.co.jp/en/) and are not included in this Notice pursuant to the laws and regulations and provisions of Article 14 of the Articles of Incorporation.

◎ If any revisions are made to the reference materials for shareholders' meeting, business reports, non-consolidated financial statements or consolidated financial statements, the revisions will be disclosed on YoroZu's website (<http://www.yorozu-corp.co.jp>).

◎ The notice of resolutions of this General Meeting of Shareholders will be posted on the website mentioned above.

Reference Materials for the General Meeting of Shareholders

Agenda Item No. 1: Election of six (6) Directors (excluding those who are the members of the Audit and Supervisory Committee)

The terms of office for five (5) Directors will end at the conclusion of this General Meeting. Therefore, we ask that six (6) Directors be appointed by increasing the number of Outside Directors by one (1) in order to enhance the management oversight function.

If this Agenda Item is approved as proposed, three (3) out of nine (9) Directors of the Company, including Directors who are members of the Audit and Supervisory Committee, will be independent outside directors as stipulated by the Tokyo Stock Exchange, accounting for one-third of the Board of Directors.

Below is the list of candidates.

Candidate Number	Candidate Name		Age	Current position and responsibility at the Company	Attendance at Board of Directors meetings	Service years
1	Akihiko Shido	Re-election	75	Chairman, Chief Executive Officer of the Company, Chief Officer of YGHO All Functions	14 out of 14 meetings (100%)	35
2	Kazumi Sato	Re-election	64	Vice Chairman, Director and Executive Officer of the Company, Vice Chairman of YGHO, Chairman of YGHO Americas Group Function	14 out of 14 meetings (100%)	14
3	Ken Shido	Re-election	48	President and Chief Operating Officer of the Company, Vice Chairman of YGHO	14 out of 14 meetings (100%)	2
4	Akira Saso	Re-election	59	Director, Vice President and Executive Officer, Chief Financial Officer of the Company, Chief Officer of YGHO Finance Function and General Manager of Finance Department	14 out of 14 meetings (100%)	8
5	Tsutomu Hiranaka	Re-election	59	Director, Vice President and Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department	13 out of 14 meetings (92.9%)	6
6	Masashi Oshita	New Outside Independent	62	—	—	—

Note: Yorozu Global Headquarters Organization (YGHO) is an organization for promoting management revolution (global matrix for each function).



Brief history, title, position, and other important posts held

April 1968	Entered the Company
October 1981	Manager of Production Control Department of the Company
June 1983	Director of the Company
June 1988	Managing Director of the Company
June 1991	Executive Director of the Company
June 1992	Executive Vice President of the Company
June 1996	Senior Executive Vice President of the Company
June 1998	President of the Company
June 2001	President, Chief Executive Officer, and Chief Operating Officer of the Company
June 2008	Chairman, Chief Executive Officer of the Company, Chief Officer of YGHO All Functions To date

Other important posts held

Chairman of Yorozu Tochigi Corporation
 Chairman of Yorozu Oita Corporation
 Chairman of Yorozu Aichi Corporation
 Chairman of Shonai Yorozu Corporation
 Chairman of Yorozu Service Corporation
 Outside Director of Yorozu Express Co., Ltd.
 Outside Director of Ogura Co., Ltd.
 Outside Director of Toho Corporation
 Outside Director for Ahresty Corporation
 (Audit & Supervisory Committee Member)
 Outside Director of Univance Corporation
 Outside Director of MarkLines Co., Ltd.
 Director and President of Auto Parts Center (to be assumed)

- Number of Company's shares held: 5,874
- Number of years served as director: 35 years
- Attendance at Board of Directors meetings: 14 out of 14 meetings (100%)

Reasons for Nomination as Candidate for Director

We have determined that Akihiko Shido remains a suitable choice for the position of Director because he has managed the Group as representative director and chairman of the Company to date, and his achievements in leading the Group with his strong leadership skills and his extensive knowledge and experience in overall management would enable him to contribute to further strengthening the functions of the Board of Directors.



- Number of Company's shares held: 7,300
- Number of years served as director: 14
- Attendance at Board of Directors meetings: 14 out of 14 meetings (100%)

Brief history, title, position, and other important posts held

March 1976	Entered the Company
April 1995	Senior Manager of Quality Assurance Department of Calsonic Yorozu Corporation (current Yorozu Automotive Tennessee Inc.)
January 2001	Supervisor of Design Department of the Company
April 2001	President of Yorozu America Corporation
June 2002	Executive Officer of the Company
June 2004	Director and Executive Officer of the Company
June 2006	Director and Managing Executive Officer of the Company
June 2008	President and Chief Operating Officer of the Company, Chief Officer of YGHO Human Resources Function
June 2013	President and Chief Operating Officer of the Company, Vice Chairman of YGHO
June 2014	President and Chief Operating Officer of the Company, Vice Chairman of YGHO, Chief Officer of YGHO Quality Assurance Function
April 2015	President and Chief Operating Officer of the Company, Vice Chairman of YGHO
June 2016	Vice Chairman, Director and Executive Officer of the Company, Vice Chairman of YGHO, Chairman of YGHO Americas Group Function
	To date

■ Other important posts held

Chairman of Yorozu America Corporation
 Chairman of Yorozu Automotive Tennessee, Inc.
 Chairman of Yorozu Automotive Alabama, Inc.
 Chairman of Yorozu Automotive North America Inc.
 Chairman of Yorozu Mexicana, S. A. de C. V.
 Chairman of Yorozu Automotive Guanajuato de Mexico, S. A. de C. V.
 Director of Yorozu Thailand Co., Ltd.
 Director of Y-Ogura Automotive Thailand Co., Ltd.
 Director of Yorozu Engineering Systems Thailand Co., Ltd.
 Chairman of Yorozu JMB Automotive Tamil Nadu Pvt. Ltd.
 Director of Guangzhou Yorozu Bao Mit Automobile Co., Ltd.
 Director of Wuhan Yorozu Bao Mit Automotive Co., Ltd.

Reasons for Nomination as Candidate for Director

We have determined that Kazumi Sato remains a suitable choice for the position of Director based on his management of the Group as Representative Director and President from 2008 and Vice Chairman, Director and Executive Officer of the Company from 2016 to date, his achievements in leading the Group with his strong leadership skills and his profound knowledge based on wide-ranging experience, particularly in overseas business and the technology sector.

Candidate
Number

3

Ken Shido

(August 29, 1969; age 48)

Re-
election



Brief history, title, position, and other important posts held

May 2003	Entered the Company
January 2013	General Manager of Management Department
April 2013	Executive Officer and General Manager of Management Department of the Company
May 2014	Executive Officer of the Company, President of Yorozu Engineering Corporation
June 2014	Executive Officer of the Company, President of Shonai Yorozu Corporation, President of Yorozu Engineering Corporation
June 2016	President and Chief Operating Officer of the Company, Vice Chairman of YGHO To date

- Number of Company's shares held: 77,000
- Number of years served as director: 2
- Attendance at Board of Directors meetings: 14 out of 14 meetings (100%)

Reasons for Nomination as Candidate for Director

Upon assuming the office of Representative Director and President, Ken Shido set out a long-term vision and spearheaded the implementation of measures to address management issues of the Group as Chief Operating Officer. We expect that he will continue contributing to improving the Group's corporate value. Accordingly, we have determined that he remains a suitable choice for the position of Director.



- Number of Company's shares held: 4,000
- Number of years served as director: 8
- Attendance at Board of Directors meetings: 14 out of 14 meetings (100%)

Brief history, title, position, and other important posts held

- March 1981 Entered the Company
- March 2002 Chief Financial Officer of Yorozu America Corporation
- June 2006 Executive Officer of the Company
- June 2008 Executive Officer and General Manager of Finance Department of the Company
- June 2010 Director, Executive Officer, Chief Financial Officer and General Manager of Finance Department of the Company
- June 2012 Director, Managing Executive Officer, Chief Financial Officer of the Company, Chief Officer of YGHO Finance Function, and General Manager of Finance Department
- June 2013 Director, Senior Executive Officer, Chief Financial Officer of the Company, Chief Officer of YGHO Finance Function and General Manager of Finance Department
- June 2016 Director, Vice President and Executive Officer, Chief Financial Officer of the Company, Chief Officer of YGHO Finance Function and General Manager of Finance Department
- To date

■ Other important posts held

- Director of Yorozu Tochigi Corporation
- Director of Yorozu Oita Corporation
- Director of Yorozu Aichi Corporation
- Director of Shonai Yorozu Corporation
- Director of Yorozu Engineering Corporation
- Director of Yorozu Service Corporation
- Outside Corporate Auditor of Yorozu Express Co., Ltd.

Reasons for Nomination as Candidate for Director

We have determined that Akira Saso remains a suitable choice for the position of Director because he has led the finance and accounting departments as the Group's Chief Financial Officer and has impressive knowledge based on wide-ranging experience in these fields.



- Number of Company's shares held: 1,300
- Number of years served as director: 6
- Attendance at Board of Directors meetings: 13 out of 14 meetings (92.9%)

Brief history, title, position, and other important posts held

April 1982	Entered Nissan Motor Co., Ltd.
April 2003	Supervisor of Second Procurement Department of Nissan Motor
April 2004	Supervisor of LCV Business Department of Nissan Motor
April 2005	Vice Manager of Second Project Department of Nissan Motor
April 2006	Manager of Second Project Department of Nissan Motor
April 2007	Manager of Purchasing Control Department of Nissan Motor
April 2012	Entered the Company, Executive Officer and General Manager of Marketing and Sales Department
June 2012	Director, Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function and General Manager of Marketing and Sales Department
June 2014	Director, Managing Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department
June 2015	Director, Senior Executive Officer, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department
June 2016	Director, Vice President and Executive Officer of the Company, Chief Officer of YGHO Marketing and Sales Function, and General Manager of Marketing and Sales Department
	To date

Reasons for Nomination as Candidate for Director

Tsutomu Hiranaka has played a key leadership role in expanding the group's sales channels with his exceptional judgment and negotiation skills in the M&S Function. He is expected to bring his experience and insight to the board in supporting further development of the Group, which is why we believe he is fully qualified to continue to serve on the board.

Candidate
Number

6

Masashi Oshita

(May 8, 1956; age 62)

New

Outside

Independent



- Number of Company's shares held: 1,000

Brief history and other important posts held

- April 1981 Entered Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry (METI))
- July 2009 Director General for the Japan External Trade Organization, JETRO Paris
- April 2012 Director General of National Institute of Public Administration, National Personnel Authority
- June 2014 Director General of Human Resources Bureau, National Personnel Authority
- March 2016 Retired from METI
- June 2016 Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association
- To date

■ Other important posts held

- Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association
- Director of the Japan Automobile Research Institute
- Director of the Automobile Business Association of Japan
- Director of Japan Society for the Promotion of Machine Industry

Reasons for Nomination as Candidate for Outside Director

We have determined that Oshita Masashi is a suitable choice for new Outside Director because, while he does not have experience being directly involved in corporate management, we expect him to contribute to enhancing the effectiveness of the decision-making and oversight functions of the Company's Board of Directors with his abundant experience based on his extensive knowledge acquired through his service at METI.

- Note 1: Director candidate Akihiko Shido is to retire as Chairman of Japan Auto Parts Industries Association on May 24, 2018 and assume the position of Director and President of Auto Parts Center on June 11, 2018.
2. Candidate Kazumi Sato is the Chairman of Yorozu Automotive Tennessee Inc., Yorozu Automotive Alabama, Inc., Yorozu Mexicana, S. A. de C. V., Yorozu Automotive Guanajuato de Mexico, S. A. de C. V. and Yorozu JBM Automotive Tamil Nadu Pvt. Ltd. There is commercial trade between each of these companies and the Company.
 3. Masashi Oshita is a candidate for Outside Director. The Company considers Masashi Oshita is highly independent with no possibility of conflicts of interest with general shareholders. Accordingly, we intend to designate him as an independent director as prescribed by the Tokyo Stock Exchange and notify the Tokyo Stock Exchange to that effect.
 4. If Masashi Oshita is appointed as Outside Director, the Company plans to sign a contract with him for limited liability with the minimum liability limit as stipulated in Article 425, Paragraph 1 of the Companies Act based on the Articles of Incorporation regarding the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act.
 5. Special interest between Outside Director candidate Masashi Oshita and the Company
 - He serves as Vice Chairman and Executive Managing Director of Japan Auto Parts Industries Association, with which the Company has a transactional relationship of paying membership fees. However, we have determined that it has no impact on his independence because the percentage of the transaction amount to the Company's net sales and the Association's ordinary income in the most recent business year is respectively less than 1%.
 - He serves as Director of the Automobile Business Association of Japan, with which the Company has a transactional relationship of paying membership fees. However, we have determined that it has no impact on his independence because the percentage of the transaction amount to the Company's net sales and the Association's ordinary income is respectively less than 1%.
 - He serves as Director of the Japan Automobile Research Institute, with which the Company has a transactional relationship in the certification business. However, we have determined that it has no impact on his independence because the percentage of the transaction amount to the Company's net sales and the Association's ordinary income is respectively less than 1%.
 6. Overview of Opinions of the Audit & Supervisory Committee on Election of Directors (excluding those who are members of the Audit & Supervisory Committee)

The Audit & Supervisory Committee has examined the election of Directors (excluding those who are members of the Audit & Supervisory Committee) from perspectives such as the qualifications of each candidate, effectiveness of the Board of Directors as a whole and enhancement of corporate value.

As a result, the Audit & Supervisory Committee has determined that it is appropriate to elect the candidates for Directors because, for inside Director candidates, they have deep expertise and abundant experience, are qualified as Directors, and have contributed to increased earnings of the Company; and, for the outside Director candidate, his independence is ensured and his internationality and extensive knowledge in industrial policies is expected to increase diversity of the Board of Directors.

Agenda Item No. 2: Election of one (1) Director who is a substitute member of the Audit and Supervisory Committee

One (1) substitute Director who is a member of the Audit & Supervisory Committee is to be appointed in case the number of Directors who are the members of the Audit & Supervisory Committee falls below the number stipulated in the law.

The consent of the Audit & Supervisory Committee to this Agenda Item has been obtained in advance.

Below is the candidate for the substitute Director who is a member of the Audit & Supervisory Committee.

Kazuhiko Saito

(August 23, 1956; age 61)

Re-election	
Outside	Independent



Brief history and other important posts held

April 1988	Registered as a lawyer (Tokyo Bar Association)
April 1992	Founded Okada Saito Law Office
April 2006	Executive Director of Kanto Federation of Bar Associations
April 2007	Director of Tokyo Family Conciliation Association
April 2009	Founded Saito Law Office
	To date

- Number of Company's shares held: 0

Reasons for Nomination as Candidate for Outside Director

We have determined that Kazuhiko Saito is a suitable choice for the position of substitute Director (Outside Director) who is a member of the Audit & Supervisory Committee because he would be able to contribute to enhancement of the decision-making and oversight functions of the Company's Board of Directors by leveraging his professional knowledge acquired as a lawyer and his abundant experience.

- Note
1. There are no special interests between the above candidate and the Company.
 2. Kazuhiko Saito is a candidate for a substitute Outside Director who is a member of the Audit & Supervisory Committee. He satisfies the requirements for an independent director under the regulations of the Tokyo Stock Exchange.
 3. If Kazuhiko Saito is appointed as Outside Director, the Company plans to sign a contract with him for limited liability with the minimum liability limit as stipulated in Article 425, Paragraph 1 of the Companies Act based on the Articles of Incorporation regarding the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act.

Agenda Item No. 3: Continuation of Yorozu's policy on large-scale purchasing of its own shares (Anti-Takeover Measures)

As a basic policy on the way a person is to control decisions on Yorozu's financial matters and business policies (as defined in Article 118 (iii) main paragraph of the Ordinance for Enforcement of the Companies Act (hereinafter, the "Basic Policy")) and one of the approaches to prevent the decisions on Yorozu's finance matters and business policies from being controlled by an inappropriate person in light of the Basic Policy (Article 118 (iii)(b)2) of the same Ordinance); Yorozu, at its Board of Directors meeting held on May 8, 2015, resolved to continue Yorozu's Policy on Large-Scale Purchasing of its Shares (Anti-Takeover Measures) approved by its shareholders at the 67th Ordinary General Meeting of Shareholders held on June 13, 2012 after making some amendments (the amended Plan is hereinafter referred to as the "Existing Plan"). The continuation of Anti-Takeover Measures under the Existing Plan was approved by its shareholders at the 70th Ordinary General Meeting of Shareholders held on June 10, 2015.

The term of validity of the Existing Plan is planned to remain in force and effect until the time of conclusion of this Ordinary General Meeting of Shareholders. Nevertheless, given the recent trends in arguments concerning anti-takeover measures subsequent to the introduction of the Existing Plan, and with the advice sought from Yorozu's Independent Advisory Committee established on April 1, 2015 (hereinafter, the "Independent Advisory Committee"), Yorozu, at the meeting of its Board of Directors held on May 10, 2018, with a unanimous vote of all Directors including those who are members of the Audit & Supervisory Committee, decided to submit to this Ordinary General Meeting of Shareholders an agenda item. This item relates to approval for the continuation of the Anti-Takeover Measures after making necessary amendments to the Existing Plan as follows (the amended Plan is hereinafter referred to as the "Plan"), as part of its approach to prevent the decisions on Yorozu's financial and business policies from being controlled by an inappropriate person in the context of its Basic Policy.

Yorozu hereby requests that its shareholders approve the Plan as presented in this Agenda Item.

The Plan shall take effect on condition that it is approved by the shareholders, and the Existing Plan shall be changed to the Plan on that condition.

The intent of amending the Existing Plan is to further clarify that these Anti-Takeover Measures are aimed at ensuring and increasing Yorozu's enterprise value or common interests of shareholders, not at protecting Yorozu's management or the Board of Directors, and further ensuring the rationality of the Measures' continuation and operation. The major changes from the Existing Plan include the following:

- (i) The requirements for exercise of countermeasures are limited to the four situations in which defensive measures were ruled by the Tokyo High Court to be acceptable as countermeasures in hostile takeovers and coercive two-tiered tender offers (for details, see 3.(2)(f) i)2) below.
- (ii) Other matters put in order

If and when the Companies Act, the Financial Instruments and Exchange Act, ordinances, cabinet orders, Cabinet Office Orders and ministerial orders (hereinafter referred to collectively as the "Laws and Regulations") are amended (including amendment of law names and establishment of a new law succeeding the old one), and such amendments are enforced, the clauses of the Laws and Regulations quoted in the Plan shall be replaced by the clauses that effectively succeed the amended clauses of such Laws and Regulations, respectively, unless otherwise determined by Yorozu's Board of Directors.

1. Basic Policy

(1) Content of Basic Policy

Yorozu is of the view that its enterprise value has its origin in enhancing common interests of its shareholders as Yorozu and its subsidiaries and affiliates (hereinafter referred to as the "Yorozu Group") and it vigorously pushes forward agile corporate activities drawing fully upon the strength of its know-how in sales, technology, production and brand image that the Yorozu Group has accumulated over many years based on the management philosophy discussed in (2) below and hence contributes to the growth of society at home and abroad. For that reason, in a situation where a specified person or group seeks to prejudice Yorozu's enterprise value or common interests of shareholders by acquiring voting shares equal to or more than twenty percent (20%) of Yorozu's total voting rights (hereinafter referred to as the "Controlling Shares"), Yorozu will make it a Basic Policy to deem such specified person or group to be a party inappropriately controlling the decisions of Yorozu's financial matters and business policies and take reasonable measures to secure and

enhance Yorozu's enterprise value and common interests of its shareholders within the limits permitted by law and the articles of incorporation.

(2) Background to Formulation of Basic Policy

Since its foundation in 1948, based on its management stance to “run business in a trustworthy manner,” the Yorozu Group has devoted itself daily to be an automotive parts manufacturer primarily in the area of suspensions, and has earned the trust as “Yorozu the suspension manufacturer” from various automobile manufacturers. The manufacturing of suspensions, the flagship business of the Yorozu Group, is not limited to mere manufacturing and selling of regular products, but extends to a level where automobile manufacturers' needs are fully understood and developments are made together with automobile manufacturers in a manner conforming to such needs. Therefore, in order to respond to the needs of automobile manufacturers and manufacture suspensions as important security products, it is critically important not only to have cutting-edge and advanced technological capabilities but also to develop products by accurately understanding automobile manufacturers' business processes and often by getting right inside such business processes. The Yorozu Group has made a systematic attempt not only to pursue operating efficiency, cut costs and shorten delivery time but also maintain the overriding product quality by taking advantage of the developmental and technological capabilities of its own and manufacturing suspensions in a consistent way from development to production. In order to continuously maintain and enhance its enterprise value and common interests of its shareholders, the Yorozu Group expands overseas and makes capital investments actively with the aim of expanding its customer base and earnings capability.

We believe what constitutes the sources of the approaches discussed above and enhancement of the enterprise value of the Yorozu Group exemplified by the achievements based on such approaches are as follows. They are the shareholders' medium- and long-term understanding and support, the status and business lineup of the automotive parts industry, of which the Yorozu Group is a part, management approaches based on the medium- and long-term relationship of mutual trust with automobile manufacturers, active implementation of capital investments based on a sound financial position, a management team with ample knowledge and experience in market attributes, the motivation of the employees who are sincere about the company's business to be aware of their individual roles and simultaneously strengthen the management base consistently, maintenance and further improvement of a high level of technology, maintenance of a high level of motivation of all employees supporting them, and the deep understanding of the long years of the relationship of mutual trust with the stakeholders built by them.

While technological innovation progresses on a global scale, the Yorozu Group understands accurately the trends of demand in the markets at home and abroad, makes effective and maximum use of these management resources, fulfills its social responsibilities by continuing to conduct environmentally friendly corporate activities, and makes every effort to enhance its enterprise value.

On the other hand, against the backdrop of the new legal system and changes in the economic structure and corporate culture, unilateral movements to forcibly purchase a large quantity of shares without the approval of the target company's management have recently been observed, and the possibility that the sustainable enhancement of the Yorozu Group's enterprise value based on the foregoing management resources may be hindered can no longer be ruled out.

In light of such situation, Yorozu finds it necessary to assume that a party seeking to acquire the Controlling Shares and its group (hereinafter referred to as the “Purchaser”) may make an appearance. From the outset, Yorozu does not hold a negative view against any sort of act of acquiring Controlling Shares.

However, certain recent acts of acquiring Controlling Shares do include those acts which are likely to cause irreparable damage to Yorozu's enterprise value or common interests of the shareholders such as (i) those acts, given the Purchaser's purposes for acts to acquire Controlling Shares, which obviously do not seek genuinely reasonable management, (ii) those acts which are likely to force the general shareholders to effectively sell their shares under unfavorable conditions, (iii) those acts in which the information necessary for the general shareholders to properly determine whether or not to accede to acts of acquiring Controlling Shares or a reasonable period for consideration is not provided or secured, or (iv) those acts in which the information including opinions for or against the acts of acquisition of Controlling Shares or Business Plan, etc. substituting the purchase proposal or business plan presented by the Purchaser, an opportunity for negotiation with the Purchaser or a reasonable period for consideration is not provided to the Board of Directors.

Yorozu deems those persons who seek to acquire its Controlling Shares in a manner not consistent with

securing or enhancing its enterprise value or common interests of shareholders to be inappropriate as persons controlling the decisions of Yorozu's financial matters and business policies, and finds it necessary to take some sort of measures against such persons in order to prevent such situation from coming into being.

2. Special Approach to Implementing the Basic Policy

In order for a large number of investors to be able to continue investing in Yorozu over a medium- and long-term period, and as an approach to enhancing and securing Yorozu's enterprise value or common interests of the shareholders, Yorozu, with the corporate philosophy and basic management stance described in (1) below, implements its approach aimed at enhancing its enterprise value as described in (2) below, its approach aimed at reinforcing its corporate governance as described in (3) below, proactive return to shareholders as described in (4) below, and its approach to fulfilling what Yorozu believes to be its social responsibilities as described in (5) below. Yorozu is of the view that it can prevent a situation impeding sustainable enhancement of its enterprise value based on the abovementioned management resources from occurring by enhancing its enterprise value or common interest of shareholders and appropriately reflecting those on its share value, and therefore that these approaches contribute to the realization of the Basic Policy as discussed in 1 above.

(1) Corporate Philosophy and Basic Management Stance

Yorozu has strived to sustainably increase its enterprise value and shareholders' common interests through the corporate philosophy of "contributing to society by continually striving to deliver technological innovation and create products that are beneficial to people" from long-term perspectives with understanding of the sources of enterprise value described above.

(2) Approach Aimed at Enhancing Enterprise Value

In March 2015, in order to further increase its enterprise value, Yorozu set forth the corporate vision of "creating new value through suspension systems, and building the presence of the 'Yorozu Brand' throughout the world" as well as long-term vision for a 10-year period of "becoming a 'manufacturer of suspension systems that handles an integrated system for suspension parts and peripheral products from performance development to mass-production'" as a roadmap for achieving the corporate vision and sustainable corporate growth. In addition, Yorozu announced "Yorozu Spiral-up Plan 2017," a medium-term management plan for the FY2015–FY2017 period (hereinafter referred to as the "Medium-Term Management Plan") in March 2015 as a milestone for achieving this long-term vision.

Based on the Medium-Term Management Plan, Yorozu implemented the following as focus initiatives for improving enterprise value.

(i) Further strengthen product competitiveness and development capabilities

By introducing unmanned production lines in Japan ahead of other bases, we have accumulated the know-how and applied them to new lines. In addition, we have expanded and strengthened Yorozu Engineering to concentrate manufacturing technologies in Japan and establish a platform for boosting competitiveness.

(ii) Expand sales channels to major automakers worldwide

To lay the groundwork for acquiring businesses for future development, we have expanded sales channels to Daimler, Renault, and the Toyota Group.

(iii) Strengthen global management with respect for diversity

We have pushed forward with talent development through industry-academia collaboration, and recruitment and appointments with respect for diversity. In addition, we have made concerted efforts to drive the work style reform by establishing the Smart Work Committee.

We fell short of the targets for FY2017 results set in the Medium-Term Management Plan, weighed down by foreign exchange fluctuations and deterioration of earnings in the U.S. and other bases. However, we believe that we were able to take strategic moves toward the next medium-term management plan, such as by launching a new U.S. base one year ahead of schedule to reboot the troubled U.S. base.

Based on the results of the Medium-Term Management Plan described above, in May 2018, Yorozu formulated a new medium-term management plan "Yorozu Spiral-up Plan 2020" (the "New Medium-Term Management Plan") for the second period from FY2018 to FY2020. Focus initiatives under the New Medium-Term Management Plan are as follows.

(i) Strengthen earnings power

(ii) Improve product competitiveness and development capabilities

(iii) Enhance corporate capabilities

Yorozu will steadily carry out the New Medium-Term Management Plan to achieve sustainable growth and increase enterprise value with strategies based on medium- to long-term perspectives.

(3) Approach Aimed at Reinforcing Corporate Governance

Yorozu makes it the foundation of its management to “drive fair and transparent corporate activities forward with a high sense of ethics and law-abiding spirit.” Its Board of Directors makes decisions on the basic management policy, matters prescribed by law, and other important management matters, and is positioned as the organ to supervise the business executions by the Directors and Executive Officers. In order to further clarify the management team’s responsibility to the shareholders, YoroZu shortened the terms of office of each Director to one year from two, with effect from the 56th Ordinary General Meeting of Shareholders held on June 27, 2001.

Furthermore, from the perspective of further reinforcing its corporate governance, YoroZu strengthened its audit and supervisory functions by making the shift to a “company with an Audit & Supervisory Committee” a majority of whose members are Outside Directors, at the 70th Ordinary General Meeting of Shareholders held on June 10, 2015. In association with this, two female professionals with deep knowledge in the fields of law and accounting who satisfy the requirements for independent outside directors stipulated by the Tokyo Stock Exchange were newly elected as Directors who are Audit & Supervisory Committee members, in addition to two already elected Outside Corporate Auditors. Their successors, another two female Directors who are Audit & Supervisory Committee members, elected at the 72nd Ordinary General Meeting of Shareholders held on June 16, 2017, also meet the requirements of independent outside directors and have deep knowledge in the fields of law and accounting. Accordingly, diversity has been considered with regards to the composition of the Board of Directors.

Furthermore, we will increase the number of Outside Directors by one (1), subject to approval of the relevant Agenda Item by shareholders at this Ordinary General Meeting of Shareholders. As a result, three (3) out of nine (9) Directors of the Company, including Directors who are members of the Audit and Supervisory Committee, will be independent outside directors as stipulated by the Tokyo Stock Exchange, accounting for one-third of the Board of Directors.

The Company clarifies its basic approach and operation policy on corporate governance by establishing the “Corporate Governance Guideline” (<http://www.yorozu-corp.co.jp/csr/governance/>) so that it can achieve corporate growth and increase enterprise value from a medium- to long-term viewpoint.

YoroZu will continue striving to increase its enterprise value for all stakeholders by strengthening its corporate governance through these efforts and driving sustainable corporate growth.

(4) Proactive Return to Shareholders

YoroZu’s basic policy on financial strategy under the Medium-Term Management Plan was to focus on shareholder return in addition to financial stability. Accordingly, YoroZu changed its dividend policy from that of “stable dividends” to that of “establishment of a targeted dividend payout ratio,” and sets the consolidated dividend payout ratio at 35% from FY2015 to FY2017.

In accordance with this basic policy and dividend policy, YoroZu achieved the consolidated payout ratio of 35% from FY2015 to FY2017. In addition, in September 2016, YoroZu at its Board of Directors meeting resolved to acquire 4.0% of its total issued and outstanding shares as treasury stock and acquired them.

This basic policy continues under the New Medium-Term Management Plan with the target for the consolidated payout ratio set at 35%. YoroZu will continue striving to return profits to shareholders proactively.

(5) Approach Aimed at Fulfillment of What YoroZu Believes to Be Its Social Responsibilities

Ever since its foundation, YoroZu has adopted the management style of “driving fair and transparent corporate activities forward with a high sense of ethics and law-abiding spirit,” and has conducted its business activities not only by complying with the relevant laws but also by recognizing that it is necessary to fulfill its social responsibilities as a good corporate citizen. Going forward, YoroZu will continue to fulfill its social responsibilities by ensuring customers’ satisfaction, achieving technological innovation, complying with the Laws and Regulations, tackling environmental issues, growing as a global corporation, disclosing corporate information, respecting human rights, conducting fair transactions, and clearly defining the responsibilities of its top-level executives.

3. Content of the Plan (Approach to prevent Yorozu's financial matters and business policies from being controlled by an inappropriate party in the context of the Basic Policy)

(1) Purpose of Continuation of Anti-Takeover Measures under the Plan

As stated in 1 above, Yorozu may find it necessary to take some measures against the Purchaser in some cases. However, being a listed corporation, Yorozu is of the view that the final judgment as to whether or not to sell the shares to the Purchaser or on the pros and cons of entrusting the Purchaser to run the company should essentially be left to the wishes of individual shareholders.

However, in order for the shareholders to make an appropriate judgment, Yorozu is of the view that as a premise to making an appropriate judgment, they would need to fully understand the peculiar characteristic features of Yorozu's business as mentioned above as well as the Yorozu Group's history, and then properly understand Yorozu's enterprise value and the source of such enterprise value. In order to understand what sort of influence the acquisition by the Purchaser of Yorozu's Controlling Shares may exert on Yorozu's enterprise value or on the source of such enterprise value, the information provided by the Purchaser alone may well be inadequate. Yorozu is of the view that, in order to allow the shareholders to make an appropriate judgment, it would be necessary for them to obtain the information from Yorozu's Board of Directors, which fully understands the peculiar characteristic features of Yorozu's business, evaluations and opinions of Yorozu's Board of Directors on the act of acquiring Controlling Shares or, in some cases, new proposals from Yorozu's Board of Directors based on said evaluations and opinions.

Therefore, Yorozu is of the view that it would be very important to secure ample time for the shareholders to analyze and examine the multifaceted information.

On the other hand, Yorozu thinks that there may be cases in which this does not function effectively in response to an act of acquiring Controlling Shares in the Company because: stock accumulation in the market is not regulated under the current tender offer regulations and therefore abusive accumulation in the market cannot be dealt with; and, even in cases in which the tender offer regulations apply, there will be restrictions such as that sufficient information will not be disclosed to shareholders and adequate time to consider whether or not to accept a tender offer cannot be secured with the result that information is not provided before the tender offer starts and Yorozu is obliged to submit the statement of position on the tender offer within 10 business days from the date on which the start of the tender offer is announced. From the foregoing perspectives and in light of the abovementioned Basic Policy, Yorozu would make it possible for the shareholders to make a proper judgment as to whether or not they should accede to the Large-Scale Purchase of Yorozu's Shares (defined in (2)(a) below; hereafter the same shall apply), for Yorozu's Board of Directors to present opinions for or against said Large-Scale Purchase or present to the shareholders a business plan substituting a purchase proposal or Business Plan, etc. presented by the person seeking to conduct or currently conducting the Large-Scale Purchase of Yorozu's Shares (hereinafter referred to as the "Large-Scale Purchaser") (hereinafter referred to as the "Substitute Plan"), or for Yorozu's Board of Directors to conduct negotiations with said Large-Scale Purchaser for and on behalf of the shareholders, by seeking in advance to be provided with the necessary information on the Large-Scale Purchase of Yorozu's Shares and seeking to secure a period of time for consideration and examination. Yorozu has thereby reached the conclusion that it would be necessary to continue with the anti-takeover measures under the Plan as part of the approach to prevent decisions on Yorozu's financial matters and business policies from being controlled by inappropriate persons in the context of the Basic Policy (specifically meaning "Persons Falling under Exceptions" defined in (2) (h) below).

It goes without saying that, when continuing with the anti-takeover measures under the Plan, it would be desirable to confirm the wishes of the shareholders. For this reason, Yorozu plans to confirm the wishes of the shareholders on whether or not the anti-takeover measures should continue under the Plan.

For the reasons stated above, Yorozu's Board of Directors plans to confirm the wishes of the shareholders by submitting the proposal for approval of the continuation of the anti-takeover measures under the Plan, and decided today to continue with the anti-takeover measures under the Plan on condition that the Plan shall concurrently come into effect if an approval of the shareholders is obtained at this Ordinary General Meeting of Shareholders.

At this point in time, Yorozu has not received any specific proposal for Large-Scale Purchase of its shares. The status of Yorozu's major shareholders as of March 31, 2018 is as described in the "Overview of the Status of Holding of Yorozu's Shares" (Exhibit 1).

(2) Content of the Plan

The specific content of the Plan is as follows. A flowchart summarizing an overview of the procedures relating to the Plan is as described in Exhibit 2.

(a) Definition of a Large-Scale Purchase of Shares against Which Countermeasures Would Be Exercised

When an act which falls or may fall under any of items (i) through (iii) (excluding an act approved in advance by Yorozu's Board of Directors; hereinafter referred to as the "Large-Scale Purchase of Yorozu's Shares") is committed or is about to be committed, the countermeasures under the Plan may be exercised.

- (i) Purchase or other forms of acquisition (Note 3) of the share certificates issued by Yorozu (Note 1) in which the ratio of holding of share certificates (Note 2) by a Specified Shareholder of Yorozu would be equal to or greater than 20%.
- (ii) Purchase or other forms of acquisition (Note 7) of the share certificates issued by Yorozu (Note 4) in which the ratio of holding of share certificates by a Specified Shareholder (Note 5) and its Specially Related Parties (Note 6) would be equal to or greater than 20%.
- (iii) Irrespective of whether or not the act prescribed in (i) or (ii) above has been committed, the act of Yorozu's Specified Shareholder establishing a relationship with Yorozu's Other Shareholders (including cases where there are multiple such shareholders; the same shall apply in the text of (iii)) in which the Other Shareholders fall under Co-Holders of the Specified Shareholder or a relationship (Note 9) in which one party effectively controls the other party or acts jointly or in cooperation with the other party (Note 8), (limited to cases where the sum of the holding of share certificates issued by Yorozu and held by the Specified Shareholder and by the Other Shareholders is equal to or greater than 20%)

(Note 1) Means the share certificates defined in Article 27-23, paragraph 1 of the Financial Instruments and Exchange Act (hereinafter referred to as the "FIX Act"). Hereafter the same shall apply unless otherwise prescribed.

(Note 2) Means the ratio of holding of share certificates defined in Article 27-23, paragraph 4 of the FIX Act. Hereafter the same shall apply unless otherwise prescribed. However, for the purpose of calculating such ratio of holding of share certificates, (i) the Specially Related Parties defined in Article 27-2, paragraph 7 of the FIX Act, and (ii) investment banks, securities companies and other financial institutions, TOB agents for the specified shareholders, and lead-managing securities companies concluding a financial advisory contract with the Specified Shareholder (hereinafter referred to as the "Financial Institutions under Contract") shall be deemed to be Co-Holders of the Specified Shareholder (meaning the Co-Holders defined in Article 27-23, paragraph 5 of the FIX Act; hereafter the same shall apply). In addition, for the purpose of calculating such ratio of holding of share certificates, the aggregate number of Yorozu's issued and outstanding shares may be based on the most recent information published by Yorozu.

(Note 3) Includes claims for handover of share certificates under a sale/purchase or other contract and transactions prescribed in Article 14-6 of the Order for Enforcement of the FIX Act.

(Note 4) Means the share certificates defined in Article 27-2, paragraph 1 of the FIX Act. The same shall apply in the text for (ii).

(Note 5) Means the ratio of holding of share certificates defined in Article 27-2, paragraph 8 of the FIX Act. Hereafter the same shall apply unless otherwise prescribed. For the purpose of calculating such ratio of holding of share certificates, the aggregate number of Yorozu's issued shares may be based on the most recent information published by Yorozu.

(Note 6) Means Specially Related Parties defined in Article 27-2, paragraph 7 of the FIX Act; provided, however, that the persons specified in item 1 of said paragraph shall exclude those who are prescribed in Article 3, paragraph 2 of the Cabinet Office Order concerning Disclosure of TOB of Share Certificates by Persons Other Than Issuer. (i) Co-Holders and (ii) Financial Institutions under Contract shall be deemed to be the Specially Related Parties of the Specified Shareholder under the Plan. Hereafter the same shall apply unless otherwise prescribed.

(Note 7) Includes purchase and other acceptance of transfer for value (including those prescribed in Article 6, paragraph 3 of the Order for Enforcement of the FIX Act).

(Note 8) Judgment as to whether or not the relationship in which the Specified Shareholder effectively controls Other Shareholders or vice versa or the relationship in which one party acts jointly or in cooperation with the other exists shall be based on the formation or otherwise of a new equity contribution

relationship, a business affiliation relationship, a transactional or contractual relationship, a concurrent executive service relationship, a financing relationship, a credit relationship, or an effective relationship of interests in Yorozu's shares through derivatives and stock lending, or direct and indirect effect such Specified Shareholders or Other Shareholders have on Yorozu.

(Note 9) Judgment as to whether or not the act prescribed in text (iii) has been committed shall be made by Yorozu's Board of Directors in accordance with the recommendations of the Independent Advisory Committee. Yorozu's Board of Directors may, after consulting the Independent Advisory Committee, ask Yorozu's shareholders to provide necessary information within the limits necessary for judgment on whether or not the requirements of text (iii) are fulfilled.

(b) Submission of a Letter of Intention

Except where Yorozu's Board of Directors otherwise permits, the Large-Scale Purchaser shall, prior to commencement or execution of the Large-Scale Purchase of Yorozu's Shares, submit to Yorozu's President & COO a document signed or sealed by the representative of the Large-Scale Purchaser, in a form and substance prescribed by Yorozu, which would covenant to Yorozu's Board of Directors that the Large-Scale Purchaser would comply with the procedures prescribed in the Plan (hereinafter referred to as the "Large-Scale Purchase Rules") and a certificate of qualification of the representative (hereinafter referred to collectively as the "Letter of Intention"). Yorozu's President & COO shall submit the abovementioned Letter of Intention to Yorozu's Board of Directors and the Independent Advisory Committee immediately upon its receipt.

In addition to the covenant to comply with the Large-Scale Purchase Rules, the following matters must be stated in the Letter of Intention. The language to be used in the Letter of Intention shall be limited to Japanese.

1) Overview of Large-Scale Purchaser

(i) Name

(ii) Address, or location of head office, business office, and the like

(iii) Governing law for incorporation

(iv) Name of representative

(v) Contact information in Japan

2) Class and number of shares currently held by the Large-Scale Purchaser

3) The Large-Scale Purchaser's status of trading shares of Yorozu during the period of 60 days before submission of the Letter of Intention and an overview of the planned Large-Scale Purchase

When a Letter of Intention is submitted by a Large-Scale Purchaser, Yorozu will disclose those matters which are deemed appropriate by its Board of Directors or the Independent Advisory Committee in a timely and appropriate manner in accordance with the applicable laws and regulations, and the rules and regulations of Financial Instruments Exchanges.

(c) Information Provision Demand against a Large-Scale Purchaser

Within five (5) business days (not counting the first day) from the date of receipt of the Letter of Intention by Yorozu's Board of Directors or the Independent Advisory Committee, the Large-Scale Purchaser shall submit to Yorozu's Board of Directors the information specified in (1) through (12) below (hereinafter referred to collectively as the "Large-Scale Purchase Information"), together with a document covenanting that the Large-Scale Purchase does not fall under the category of an abusive acquisition (defined in (f) i) 2) below). Yorozu's Board of Directors will submit the Large-Scale Purchase Information to the Independent Advisory Committee immediately upon its receipt.

If Yorozu's Board of Directors or the Independent Advisory Committee finds that just on the basis of the Large-Scale Purchase Information provided initially by the Large-Scale Purchaser, it would be difficult for the shareholders to properly determine whether or not to accede to the Large-Scale Purchase of Yorozu's Shares or for Yorozu's Board of Directors and the Independent Advisory Committee to form opinions for or against said Large-Scale Purchase (hereinafter referred to as the "Formation of Opinions") or prepare a substitute plan (hereinafter referred to as the "Preparation of a Substitute Plan") and properly present Opinions or a Substitution Plan to the shareholders, Yorozu's Board of Directors or the Independent Advisory Committee shall be entitled to set a reasonable period of up to sixty (60) days from the date of request (not counting the first day) for additional information to the Large-Scale Purchaser (hereinafter referred to as the "Necessary Information Provision Period"), disclose to the shareholders the specific period set and the reason why such period is required, and then demand that the Large-Scale Purchaser provide the additional Large-Scale

Purchase Information necessary for facilitating the proper judgment by the shareholders and the Formation of Opinions and the Preparation of a Substitute Plan by Yorozu's Board of Directors and the Independent Advisory Committee; provided, however, that since the specific content of the Large-Scale Purchase Information may vary according to the content and scale of the Large-Scale Purchase contemplated, Yorozu's Board of Directors shall take into consideration the content and scale of the Large-Scale Purchase and the specific status of provision of the Large-Scale Purchase Information, and if the information provided by the time of expiration of the Necessary Information Provision Period is inadequate for the shareholders to make a proper judgment and for Yorozu's Board of Directors and the Independent Advisory Committee to come up with the Formation of Opinions and the Preparation of a Substitute Plan, then Yorozu's Board of Directors shall be entitled, upon recommendations of the Independent Advisory Committee, to extend the Necessary Information Provision Period by up to thirty (30) days, in which cases Yorozu's Board of Directors shall value the opinions of the Independent Advisory Committee to the maximum extent possible.

If Yorozu's Board of Directors or the Independent Advisory Committee determines that provision of Large-Scale Purchase Information has been completed (including cases in which part of the information demanded was not submitted but a reasonable explanation on such non-submission is given and hence provision of Large-Scale Purchase Information may be considered to have been completed) or when the Necessary Information Provision Period expires, Yorozu will immediately disclose that fact to the shareholders in accordance with the applicable laws and regulations, and the rules and regulations of the Financial Instruments Exchanges. As described in (d) below, the Board of Directors' Evaluation Period (defined in (d) below) shall be calculated from the day immediately following the date of said disclosure. Furthermore, in principle, Yorozu will disclose the information that is part of the Large-Scale Purchase Information and may be necessary for the shareholders to determine whether or not to accede to the Large-Scale Purchase in a timely and appropriate manner at a certain appropriate time subsequent to receipt of the initial or additionally provided Large-Scale Purchase Information pursuant to the decision of Yorozu's Board of Directors or the Independent Advisory Committee in accordance with the applicable laws and regulations, and rules and regulations of the Financial Instruments Exchanges.

The language to be used in providing the Large-Scale Purchase Information pursuant to the Large-Scale Purchase Rules and other notices and communications to Yorozu shall be limited to Japanese.

- (i) An overview (including specific name, capital structure, equity investment ratios, financial conditions and presence or otherwise of law violation over the past 10 years (plus an overview of such law violation if present), executives' names, brief personal histories and presence or otherwise of law violation in the past (plus an overview of such law violation if present) of the Large-Scale Purchaser and its group (including major shareholders or equity investors and significant subsidiaries/affiliates, major partners and equity investors (irrespective of whether they are direct or indirect equity investors) and other constituent members, managing partners and persons continuously performing investment advisory services if the Large-Scale Purchaser is a fund or a business entity involved in equity investments in such fund; hereafter the same shall apply);
- (ii) The specific content and presence or absence, or state of effectiveness in the internal control system of the Large-Scale purchaser and its group (including the group internal control system; hereafter the same shall apply);
- (iii) The status of holding of Yorozu's share certificates, status of holding of derivatives and other financial derivatives instruments against Yorozu's share certificates or the Yorozu Group's business-related assets as underlying assets, and status of stock lending and short selling of Yorozu's share certificates;
- (iv) Purpose, method and content of the Large-Scale Purchase of Yorozu's Shares (including the class and number of share certificates being the object of the Large-Scale Purchase, type and price of consideration for the Large-Scale Purchase, timing for the Large-Scale Purchase, structure of related transactions, lawfulness of the method of the Large-Scale Purchase, feasibility of the Large-Scale Purchase and related transactions (details of terms if the Large-Scale Purchase is made related to certain specific terms), and the statement of a possibility that Yorozu's share certificates will be delisted after completion of the Large-Scale Purchase and the reason for such possibility; an opinion of a qualified attorney at law on the lawfulness of the method of the Large-Scale Purchase shall be submitted);
- (v) Presence or absence of communication of intent with a third party on the occasion of the Large-Scale

- Purchase (including the communication of intent on performing the Important Proposed Act, etc. to Yorozu (meaning the Important Proposed Act, etc. defined in Article 27-26, paragraph 1 of the FIX Act; hereafter the same shall apply), and its specific aspect and content if the communication of intent exists;
- (vi) Calculation basis for consideration of the purchase related to the Large-Scale Purchase and its calculation details (including facts and assumptions constituting the premises of calculation, calculation method, name of calculating organ, information on said calculating organ, numerical value information used for calculation, amounts of synergy and dis-synergy that are expected to arise from a series of transactions relating to the Large-Scale Purchase);
 - (vii) Support for funding of the purchase relating to the Large-Scale Purchase (including specific name of the providers of funds (including effective providers of funds irrespective of whether they are direct or indirect providers), procurement method, presence or absence of terms and content of execution of funding provision including collateral after funding provision, presence or absence and content of any covenant, and specific content of related transactions);
 - (viii) Yorozu Group's management policy, business plan, financial plan, funding plan, investment plan, capital policy and dividend policy (including a plan on sale of Yorozu's assets, provision of collateral, and other disposition after completion of the Large-Scale Purchase) contemplated after completion of the Large-Scale Purchase, and policies on responding to and dealing with Yorozu Group's officers, employees, business partners, customers, community-related persons (including local public bodies of areas where research laboratories and factories are located) and Yorozu's other stakeholders;
 - (ix) Presence or absence of any connection with antisocial forces or terrorism-related organizations (irrespective of whether such connection is direct or indirect) and, if there is a connection, details of such connection and policy to deal with such connection;
 - (x) Matters subject to regulations under the domestic and foreign Laws and Regulations that may be applied to the Large-Scale Purchase, probability of approval or permission being obtained from domestic or foreign governments or third parties under the Antimonopoly Act and other Laws and Regulations (a legal opinion on these matters of a qualified attorney at law shall be submitted);
 - (xi) Possibility of maintaining domestic and foreign permissions necessary for the Yorozu Group's management after completion of the Large-Scale Purchase, and possibility of compliance with various domestic and foreign Laws and Regulations; and
 - (xii) Any other information that Yorozu's Board of Directors or the Independent Advisory Committee may reasonably find necessary and a Letter of Intention in writing, in principle, within five (5) business days from the date of receipt by Yorozu's Board of Directors of a flawless and appropriate request.
- (d) Establishment of Board of Directors' Evaluation Period, etc.

In accordance with the contents of Large-Scale Purchase disclosed by the Large-Scale Purchaser, Yorozu's Board of Directors shall establish the following period (i) or (ii) as the period for the Board of Directors to evaluate, examine, formulate its opinion, draft alternative proposals, and negotiate with the Large-Scale Purchaser (both periods shall start on the date following the day when the Company has disclosed that the Board of Directors or Independent Advisory Committee judged the completion of the provision of information on the Large-Scale Purchase or the period for providing necessary information ended; hereinafter referred to as the "Board of Directors' Evaluation Period"). A Large-Scale Purchase shall be commenced only after the expiration of the Board of Directors' Evaluation Period, unless otherwise stated. The said Board of Directors' Evaluation Period was established taking into consideration the difficulty in evaluating and examining the contents of Yorozu's business, and the degree of difficulty in formulating its opinion and drafting alternative proposals, etc.

- (i) In cases where purchase of all shares, etc. of the Company is to be done by a tender offer which proposes cash (yen currency) as the only consideration: Sixty (60) days at maximum; or
- (ii) In cases where a Large-Scale Purchase other than (i) above is to take place: Ninety (90) days at maximum.

Based on the information provided by the Large-Scale Purchaser, Yorozu's Board of Directors shall evaluate, examine, formulate its opinion, draft alternative proposals, and negotiate with the Large-Scale Purchaser concerning Large-Scale Purchase which is intended to protect and enhance the corporate value of the Company and shareholders' common interests during the Board of Directors' Evaluation Period. When Yorozu's Board of Directors takes these actions, it shall receive advice from third-party experts (financial

advisors, attorneys, certified public accountants, certified public tax accountants, etc.) independent of the Board, if necessary. All expenses incurred shall be borne by Yorozu, except for exceptional cases which are specifically deemed unreasonable.

If there are unavoidable circumstances where Yorozu's Board of Directors is unable to initiate countermeasures or resolves not to initiate them during the Board of Directors' Evaluation Period because the Independent Advisory Committee does not make recommendations listed in (f) below during the Board of Directors' Evaluation Period, Yorozu's Board of Directors, in accordance with the recommendation of the Independent Advisory Committee, may extend the Board of Directors' Evaluation Period up to thirty (30) days (the first day of the period shall not be included in the calculation). If Yorozu's Board of Directors resolves to extend the Board of Directors' Evaluation Period, the said specific period resolved and the reasons why said specific period is necessary shall be disclosed in a timely and appropriate manner in accordance with applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

(e) Consultation with Independent Advisory Committee

At its Board of Directors' meeting held on April 1, 2015, Yorozu established the Independent Advisory Committee as an advisory organization for the Board of Directors, judging that there might be occasions where it is appropriate to request advice of an independent advisory committee, consisting of people who are independent of the management responsible for Yorozu's business execution, on corporate governance, capital policy and other important management issues. When determining whether to take countermeasures against the Large-Scale Purchase in accordance with this plan, Yorozu's Board of Directors shall consult with the Independent Advisory Committee in advance in order to preclude an arbitrary judgment of Yorozu's Board of Directors for their initiation.

The Independent Advisory Committee may receive advice from third-party experts (financial advisors, attorneys, certified public accountants, certified public tax accountants, etc.) independent of the Board and the Committee, if necessary. All expenses incurred shall be borne by Yorozu, except for exceptional cases which are specifically deemed unreasonable.

The Independent Advisory Committee shall be composed of three or more people who are independent of the management of Yorozu: Exhibit 3 shows the names and curricula vitae of the current Independent Advisory Committee members.

As far as this plan is concerned, the resolution of the Independent Advisory Committee shall be made by unanimous vote with the attendance of all the current Committee members in principle. Provided, however, that if an Independent Advisory Committee member has an unavoidable reason including an accident, it shall be made by unanimous vote of all the Independent Advisory Committee members in attendance except for the said one.

(f) Recommendation procedures of the Independent Advisory Committee and Resolution by Yorozu's Board of Directors

i) Recommendations of the Independent Advisory Committee

In accordance with (1)–(4) below, the Independent Advisory Committee shall give recommendations concerning the Large-Scale Purchase to Yorozu's Board of Directors during the Board of Directors' Evaluation Period.

1) In cases where the Large-Scale Purchase Rules are not complied with

In cases where the Large-Scale Purchaser violates the Large-Scale Purchase Rules on important points, if the said violation is not rectified within five (5) business days (the first day of the period shall not be included in the calculation; hereinafter referred to as the "rectification period") after Yorozu's Board of Directors demands in writing that the said Large-Scale Purchaser rectifies the violation, the Independent Advisory Committee shall recommend that Yorozu's Board of Directors **take** countermeasures against the Large-Scale Purchase (if it is clear that the said violation is not going to be rectified, the initiation of countermeasures shall be recommended even before the expiration of the rectification period) except for cases where it is clearly necessary for the protection and enhancement of the corporate value of Yorozu and shareholders' common interests not to initiate countermeasures, or there are other specific circumstances. If such recommendations are made, Yorozu shall disclose in a timely and appropriate manner the opinion of the Independent Advisory Committee and the reasons for its opinion as well as other information deemed appropriate in accordance with applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

It should be noted that even after having recommended the initiation of countermeasures, if the Large-Scale Purchase is withdrawn or there have otherwise been changes to the facts which were the preconditions for the decision, the Independent Advisory Committee may recommend the revocation of countermeasures, the suspension of the initiation, etc. When such new recommendation is made, Yorozu shall also disclose in a timely and appropriate manner the opinion of the Independent Advisory Committee and the reasons for its opinion as well as other information deemed appropriate in accordance with the applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

2) In cases where the Large-Scale Purchase Rules are observed

If a Large-Scale Purchaser observes the Large-Scale Purchase Rules, the Independent Advisory Committee shall recommend to Yorozu's Board of Directors a non-initiation of the countermeasures against the Large-Scale Purchase.

However, even for cases where the Large-Scale Purchase Rules are observed, if the Independent Advisory Committee judges that the said Large-Scale Purchase is found to significantly undermine Yorozu's enterprise value and common interests of shareholders due to reasons specified either in item a. or b. below (hereinafter collectively referred to as an "Abusive Purchase") and the initiation of countermeasures would be appropriate, the Committee shall recommend the initiation of countermeasures against such Large-Scale Purchase:

- a. In cases where it is clear that a Large-Scale Purchase will significantly undermine Yorozu's enterprise value and common interests of shareholders due to the acts listed below:
 - (i) Act of acquiring share certificates of Yorozu merely for the purpose of raising its stock price and selling them to relevant parties of Yorozu at high prices despite having no intention to truly participate in Yorozu's management, (so-called green mailers);
 - (ii) Act of acquiring share certificates of Yorozu for the purpose of conducting so-called scorched-earth management, such as temporarily controlling the management of Yorozu in order to transfer intellectual property rights, know-how, confidential business information, major business partners and customers, etc. to the Large-Scale Purchaser or its group companies, etc.;
 - (iii) Act of acquiring share certificates of Yorozu so that after gaining control over Yorozu's management, it will divert assets of Yorozu to collateral or funds for repayment of the said Large-Scale Purchaser or its group companies, etc.
 - (iv) Act of acquiring share certificates of Yorozu for the purpose of temporarily controlling the management of Yorozu in order to dispose of, by selling, etc., valuable assets such as properties and securities so that high dividends are paid temporarily with the gains of such disposals, or shares will be bought at high prices upon a rapid rise of stock prices due to temporary high dividends;
- b. In cases where the methods of purchase proposed by the Large-Scale Purchaser, represented by so-called coercive two-tier tender offers (executing purchases of shares, such as tender offers, whereby all shares are not purchased in the initial purchase, and disadvantageous purchase terms are set, the purchase terms are not made explicitly clear, or concerns arise about future marketability of Yorozu by the delisting, etc. in the second stage; and as a result shareholders may essentially be forced to accept tender offers)—which structurally restrict the opportunities or freedom of shareholders to decide, may effectively force shareholders to sell the share certificates of Yorozu;

Procedures for disclosure concerning such recommendations and the subsequent new recommendations shall be in accordance with those in 1) above.

3) Recommendation by the Independent Advisory Committee for the confirmation of shareholders' intent

The Independent Advisory Committee may recommend that Yorozu's Board of Directors confirm shareholders' intent in the form of a vote about the need and contents of the initiation of countermeasures against the Large-Scale Purchase at the general meeting of shareholders.

If such recommendation is made, Yorozu shall disclose the matters deemed appropriate by its Board of Directors in a timely and appropriate manner in accordance with the applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

It should be noted that even after having recommended that Yorozu's Board of Directors confirm shareholders' intent, if the Large-Scale Purchase is withdrawn or there have otherwise been changes to

the facts which were the preconditions for the decision, the Independent Advisory Committee may newly recommend the revocation of countermeasures, the suspension of the initiation, etc. When such new recommendation is made, Yorozu shall also disclose in a timely and appropriate manner the opinion of the Independent Advisory Committee and the reasons for its opinion, and other information deemed appropriate in accordance with applicable laws and regulations as well as rules and regulations of Financial Instruments Exchanges.

4) Other recommendations, etc. by the Independent Advisory Committee

In addition to the above, the Independent Advisory Committee may give Yorozu's Board of Directors recommendations deemed appropriate from the viewpoint of maximizing the enterprise value of Yorozu or common interests of shareholders as appropriate. The Independent Advisory Committee may also recommend that Yorozu's Board of Directors cancel countermeasures or suspend their initiation.

Procedures for the disclosure of such recommendations and the subsequent new recommendations shall be in accordance with those in 1) above.

ii) Resolution by Yorozu's Board of Directors

Unless there are some extraordinary circumstances which clearly run counter to the Duty of Due Care of a Prudent Manager as Director, Yorozu's Board of Directors, while respecting the recommendations of the Independent Advisory Committee to the maximum extent, shall make the initiation or non-initiation of countermeasures, convocation of Yorozu's General Meeting of Shareholders in the method stated in iii) below, and other necessary resolutions in accordance with the prescribed procedures under the Plan without delay.

Moreover, it should be noted that even after the Independent Advisory Committee recommends that Yorozu's Board of Directors initiate countermeasures, if the Large-Scale Purchase is withdrawn or there have otherwise been changes in the facts which were the preconditions for the decision, Yorozu's Board of Directors may decide on the cancellation of the initiation of countermeasures, etc.

When such resolution is made, Yorozu shall disclose in a timely and appropriate manner the opinion of its Board of Directors and the reasons for its opinion, and other information deemed appropriate in accordance with the applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges.

iii) Convocation of Yorozu's General Meeting of Shareholders

Yorozu's Board of Directors shall convene Yorozu's General Meeting of Shareholders as soon as possible if it decides to hold Yorozu's General Meeting of Shareholders to vote on the initiation of countermeasures under the Plan. In this case, a Large-Scale Purchase shall be executed after the disapproval of the proposal to initiate countermeasures at Yorozu's General Meeting of Shareholders and its conclusion. If the proposal to initiate countermeasures under the Plan is approved, Yorozu's Board of Directors shall resolve to initiate countermeasures under the Plan against the said Large-Scale Purchase. If the proposal to initiate countermeasures under the Plan is disapproved at the said General Meeting of Shareholders, countermeasures under the Plan shall not be initiated against the said Large-Scale Purchase.

Even when convocation procedures are started for the said General Meeting of Shareholders, if subsequently Yorozu's Board of Directors resolves to not initiate countermeasures, or it is decided that it is appropriate for Yorozu's Board of Directors to resolve to initiate countermeasures, Yorozu may cancel the convocation procedures for its General Meeting of Shareholders. When such resolution is made, Yorozu shall also disclose in a timely and appropriate manner the opinion of Yorozu's Board of Directors and the reasons for its opinion, and other information deemed appropriate in accordance with the applicable laws and regulations as well as the rules and the regulations of Financial Instruments Exchanges.

(g) Changes of Large-Scale Purchase Information

In accordance with the provisions in (c) above, after Yorozu discloses that the provision of Large-Scale Purchase information has completed, and if Yorozu's Board of Directors or Independent Advisory Committee judges that important changes have been made by the Large-Scale Purchaser to the information on the said Large-Scale Purchase, by disclosing the same in a timely and appropriate manner and its reasons, and other information deemed appropriate in accordance with the applicable laws and regulations as well as the rules and regulations of the Financial Instruments Exchanges, procedures under the Plan concerning the Large-

Scale Purchase based on previous information on the Large-Scale Purchase (hereinafter referred to as the “Pre-Change Large-Scale Purchase”) shall be cancelled, and the Large-Scale Purchase based on the information after the change on the Large-Scale Purchase shall be treated as a different Large-Scale Purchase from the previous one, and new procedures under the Plan shall be applied.

(h) Specific Contents of Countermeasures

The countermeasures to be initiated by Yorozu under the Plan against the Large-Scale Purchase are expected to be those by Allotment of Subscription Rights without Contribution under Article 277 et seq. of the Companies Act (hereinafter the allotted subscription rights are referred to as the “Share Subscription Rights”). Provided, however, that if it is judged appropriate to initiate other measures recognized as falling under the mandate of the Board of Directors by the Companies Act or other Laws and Regulations as well as the Articles of Incorporation of Yorozu, said measures may be taken.

While Exhibit 4 shows an outline of the Allotment of Share Subscription Rights without Contribution as a countermeasure against the Large-Scale Purchase, when the Allotment of Share Subscription Rights is implemented in practice, the exercise period, exercise conditions, acquisition clauses, etc. take into consideration the effect of the countermeasure against the Large-Scale Purchase, including the acquisition clause stipulating (i) exercise conditions which will not allow the exercise of rights by those who fall under the categories of exceptional matters (meaning certain Large-Scale Purchasers determined by the Board of Directors in accordance with the prescribed procedures and co-holders and Specially Related Parties of them, and those who are found by Yorozu’s Board of Directors to be persons effectively controlled by these parties and act jointly or in coordination with them); or (ii) conditions for the exercise that Yorozu may only acquire said Share Subscription Rights of those with Share Subscription Rights other than those who fall under the categories of exceptional matters.

Yorozu may make shelf registration concerning the Share Subscription Rights with the resolution of Yorozu’s Board of Directors, in order to enable flexible Allotment of Share Subscription Rights.

4. Term of Validity of the Plan and Its Continuation, Abolishment and Changes

On continuing the Anti-Takeover Measures by the Plan, Yorozu shall submit a proposal for approval concerning the continuation of the Anti-Takeover Measures by the Plan to this Ordinary General Meeting of Shareholders, in order to have an opportunity to appropriately reflect the intention of shareholders.

The Term of Validity of the Plan shall be from the point in time when a proposal for approval concerning the continuation of the Anti-Takeover Measures by the Plan is approved at the conclusion of the first Board of Directors’ meeting to be held after the last Ordinary General Meeting of Shareholders which ends within three years from the conclusion of this Ordinary General Meeting of Shareholders. Provided, however, that if at the conclusion of the said Board of Directors’ meeting, there are persons, stipulated by the Independent Advisory Committee, who are engaging in or intend to engage in a Large-Scale Purchase, the Plan shall continue to be applied in relation to the action being taken or intended to be taken after the conclusion of the above Board of Directors’ meeting. However, even before the expiration of the Term of Validity, the Plan shall be abolished when: (1) a proposal to abolish the Plan is approved at Yorozu’s General Meeting of Shareholders; or (2) a resolution to abolish the Plan is made at a meeting of Yorozu’s Board of Directors. Moreover, since the terms of office for Directors of the Company is one (1) year, it is possible to confirm the intent of shareholders concerning the continuation or abolition of the Plan through the exercise of voting rights concerning a proposal for the selection of Directors at Yorozu’s Ordinary General Meeting of Shareholders. If the proposal for approval concerning the continuation of the Anti-Takeover Measures by the Plan is not approved by shareholders in this Ordinary General Meeting of Shareholders, the Plan shall be abolished immediately.

From this year onward, the pros and cons of the continuation of, abolishment of or changes to the Plan shall be examined at the first meeting of Yorozu’s Board of Directors to be held after Yorozu’s Ordinary General Meeting of Shareholders; and required resolutions shall be made, if necessary.

Moreover, there are cases where Yorozu revises or changes the Plan, with the approval of the Independent Advisory Committee, to the extent deemed reasonably necessary due to the revision of laws and regulations, and the rules and regulations of the Financial Instruments Exchanges; changes in their interpretation and implementation; or changes in the tax system, judicial precedents, etc. Provided, however, that when making important changes to the contents of the Plan, in order to have an opportunity to appropriately reflect the intent of shareholders, Yorozu shall submit to its General Meeting of Shareholders a proposal for approval

concerning the introduction of the Plan after the change; the Plan after the change shall take effect on condition of shareholders' approval.

When a resolution for abolition, changes, etc. of the Plan is approved, Yorozu shall disclose in a timely and appropriate manner matters deemed appropriate by its Board of Directors in accordance with applicable laws and regulations as well as rules and regulations of the Financial Instruments Exchanges.

5. Impact on Shareholders and Investors

(1) The Plan's impact on shareholders and investors at the time of its taking effect

Share Subscription Rights themselves are not issued when the Plan takes effect. As a result, the Plan shall not have a direct and concrete effect on the rights and economic interests of shareholders and investors when the Plan takes effect.

(2) Impact on shareholders and investors at the time of providing Share Subscription Rights without Contribution

While there are cases where Yorozu's Board of Directors takes countermeasures against a Large-Scale Purchase with the aim of ensuring and improving enterprise value or shareholders' common interests, it is not envisaged to have a direct and concrete impact on statutory rights and economic interests of shareholders and investors, because due to the structure of the expected countermeasures, at the time of issuing Share Subscription Rights, despite dilution of value per share possessed by shareholders, dilution of value for all the shares of Yorozu possessed by shareholders does not occur.

Provided, however, that if Anti-Takeover Measures are initiated, there is a possibility that there will consequently be an impact on the statutory rights or economic interests of Persons Falling under Exceptions. Moreover, in cases where Allotment of Share Subscription Rights without contribution is resolved as a countermeasure, and after shareholders to receive Share Subscription Rights without Contribution are determined, if Yorozu cancels the Allotment of Share Subscription Rights without Contribution or acquires without compensation Share Subscription Rights allotted without contribution, dilution of value per share of Yorozu shall not occur; and therefore, there is a possibility that investors who have performed transactions assuming that dilution of value per share of Yorozu will occur will suffer from corresponding damages due to changes in stock prices.

Moreover, regarding procedures for the exercise and acquisition of allotted Share Subscription Rights without Contribution, procedures concerning shareholders are as follows:

If Yorozu's Board of Directors resolves to allot Share Subscription Rights without Contribution, Yorozu shall set the record date for the allotment of Share Subscription Rights, and allot Share Subscription Rights according to the number of owned shares to the shareholders who are written or recorded on the last list of shareholders on the said record date. The Company shall send the shareholders whose names are written or recorded on the last list of shareholders on the said record date the request form for exercising Share Subscription Rights. (It should be in the form specified by Yorozu, which may include wording to the effect that shareholders themselves pledge to be not Persons Falling under Exceptions, and if such pledge includes a false statement, the allotted common stock of Yorozu shall be returned immediately.) By paying one (1) yen per Subscription Right and submitting the required documents within the exercise period stipulated separately by Yorozu's Board of Directors, one Yorozu common stock shall be issued for one Subscription Right; provided, however, that there are cases where Persons Falling under Exceptions cannot exercise Share Subscription Rights.

On the other hand, in cases where mandatory repurchase of Share Subscription Rights is attached to Share Subscription Rights, and Yorozu acquires the Share Subscription Rights, shareholders shall, without paying the equivalent of the Exercise price, receive Yorozu's common stock as consideration for the acquisition by Yorozu of Share Subscription Rights. (Please be advised that in this case, shareholders may be required to submit documents stating to the effect that shareholders themselves pledge that they are not Persons Falling under Exceptions, etc., and if such pledge included a false statement, they would return Yorozu's allotted common shares immediately, in addition to the document for personal identification and the one describing information on the account for the transfer of Yorozu's common stock.) Provided, however, that as stated above, for Persons Falling under Exceptions, Share Subscription Rights owned by them may not become subjects of acquisition.

Details of these procedures shall be disclosed in a timely and appropriate manner in accordance with

applicable laws and regulations, as well as the rules and regulations of the Financial Instruments Exchanges when these procedures are required in practice; please confirm the said contents.

6. Rationality of the Plan

As shown below, the Plan meets the three principles 1) Principle of protecting and enhancing enterprise value and shareholders' common interests; 2) Principle of prior disclosure and the principle of shareholders' intent; and 3) Principle of ensuring necessity and reasonableness stipulated in the "Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests" published by the Ministry of Economy, Trade and Industry and the Ministry of Justice on May 27, 2005. In addition, it has high rationality, taking into account "Takeover Defense Measures in Light of Recent Environmental Changes" published by the Corporate Value Study Group on June 30, 2008; "Principle 1.5 Anti-Takeover Measures" in "Japan's Corporate Governance Code: Seeking Sustainable Corporate Growth and Increased Corporate Value over the Mid- to Long-Term" published by the Tokyo Stock Exchange on June 1, 2015; and other practices and discussions on anti-takeover measures.

(1) Protection and enhancement of enterprise value or shareholders' common interests

As stated in 3 (1) above, the Plan makes it possible—by requiring Large-Scale Purchasers to provide in advance necessary information concerning the Large-Scale Purchase and ensure the period for consideration and negotiation—that shareholders decide appropriately whether or not to accept the said Large-Scale Purchase; Yorozu's Board of Directors provides shareholders with its opinion (approval or disapproval) as well as substitute plans; or it negotiates with the Large-Scale Purchasers on behalf of shareholders; therefore, it should continue with some changes with the objective of protecting and enhancing Yorozu's enterprise value and common interests of its shareholders.

(2) Prior disclosure

The Company shall disclose the Plan in order to increase predictability for shareholders, investors and Large-Scale Purchasers, as well as ensure appropriate opportunities for selection for shareholders. Moreover, going forward, Yorozu will disclose in a timely and appropriate manner in accordance with the applicable laws and regulations, and the rules and regulations of the Financial Instrument Exchange.

(3) Giving importance to shareholders' intent

The Company shall confirm shareholders' intent by submitting for approval a proposal concerning the continuation of Anti-Takeover Measures of the Plan at this Ordinary General Meeting of Shareholders. If shareholders do not approve, the Plan will be abolished. As stated above, if a proposal to the effect of abolishing the Plan at Yorozu's General Meeting of Shareholders is approved, the Plan shall be abolished at that point in time, leaving its existence at the will of shareholders.

(4) Acquisition of outside experts' opinion

As stated in 3(2)(d) above, when Yorozu's Board of Directors evaluates, examines, forms opinions, and prepares a Substitute Plan concerning a Large-Scale Purchase, and negotiates with the Large-Scale Purchaser, it shall receive advice from third-party experts (financial advisors, attorneys, certified public accountants, certified public tax accountants, etc.) independent of the Board, if necessary. This process will ensure the objectivity and rationality of the judgment by Yorozu's Board of Directors.

(5) Consultation with Independent Advisory Committee

As stated in 3(2)(e) above, Yorozu shall utilize the existing Independent Advisory Committee in order to ensure necessity and reasonableness, at the same time to prevent managers from abusing the Plan for their self-protection. When Yorozu's Board of Directors initiates countermeasures, it shall respect the recommendation of the Independent Committee to the maximum extent in order to ensure the fairness of its judgment and to preclude arbitrary judgment of the Board. Moreover, the Independent Advisory Committee may receive advice from third-party experts (financial advisors, attorneys, certified public accountants, certified public tax accountants, etc.) independent of the Board and the Committee, if necessary. This process will ensure the objectivity and rationality of the judgment of the Independent Advisory Committee on its recommendations.

(6) Establishment of Rational Objective Requirements

As described in 3 (2) above, this Plan is designed in ways so that countermeasures will not be exercised unless predetermined rational and objective requirements are satisfied. Therefore, a framework is in place for ensuring that countermeasures will not be arbitrarily initiated by Yorozu's Board of Directors.

(7) No Dead-Hand Feature or Slow-Hand Feature among the Anti-Takeover Measures

As stated in 4 above, since it can be abolished at any time by Yorozu's General Meeting of Shareholders or the Board of Directors composed of Directors selected by the General Meeting of Shareholders, the Plan is not a so-called Dead-Hand Feature among the Anti-Takeover Measures (which cannot be prevented even by changing the majority of the members of the Board of Directors) or Slow-Hand Feature among the Anti-Takeover Measures (which requires time to prevent initiation as the members of the Board of Directors cannot be changed all at once).

(Exhibit 1)

Overview of the Status of Holding of Yorozu's Shares (as of March 31, 2018)

1. Total Number of Shares

Class	Number of Total Shares Authorized (Shares)
Ordinary shares	64,000,000
Total	64,000,000

2. Issued and outstanding shares

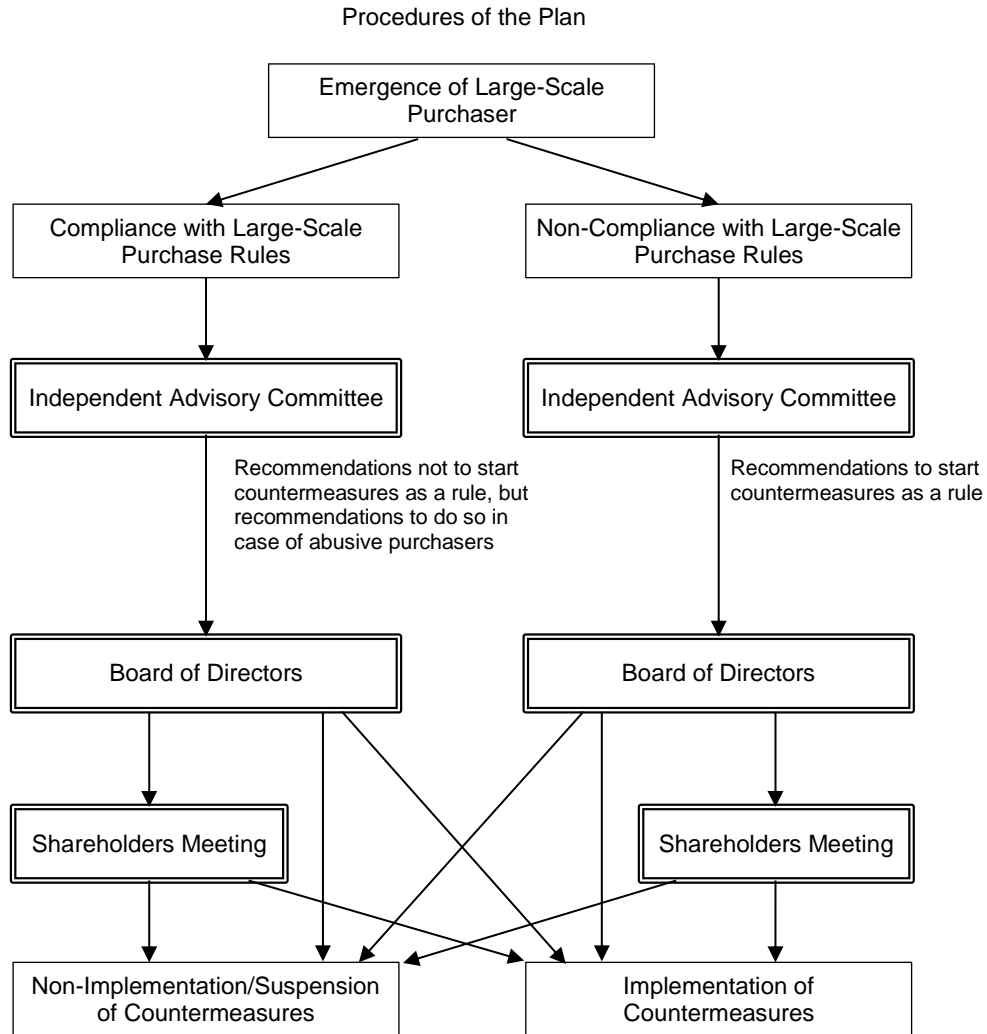
Class	Total Number of Issued and Outstanding Shares	Listing Financial Instruments Exchange	Details
Ordinary shares	25,055,636	Tokyo Stock Exchange The First Section	The number of shares constituting one trading unit is 100 shares.

3. Major Shareholders

Name	Number of Shares Owned (1,000 shares)	Ownership Ratio (%)
Japan Trustee Services Bank, Ltd. (trust account)	2,590	10.90
BBH FOR FIDELITY PURITAN TR:FIDELITY SR INTRINSIC OPPORTUNITIES FUND	1,852	7.79
The Master Trust Bank of Japan (trust account)	925	3.89
Shido Holdings Co., Ltd.	883	3.72
JFE Steel Corporation	843	3.55
Mizuho Bank, Ltd.	842	3.55
The Bank of Yokohama, Ltd.	842	3.55
Suzuki Motor Corporation	800	3.37
STATE STREET BANK AND TRUSTCOMPANY 505224	689	2.90
Mitsubishi UFJ Trust and Banking Corporation	682	2.87

- Note: 1. Any number of shares owned that is less than 1,000 has been rounded down, and the ownership ratio has been rounded off.
2. The Company owns 1,285,000 treasury shares, but the ownership ratio has been calculated by deducting treasury shares from the total number of issued and outstanding shares.

(Exhibit 2)



* Exhibit 2 indicates an outline of the procedures of the Plan. For further details, please see the text.

(Exhibit 3)

Names and Profiles of Independent Advisory Committee Members

Name (DOB)	Profile	
Masaharu Hino (January 9, 1936)	Apr. 1961	Appointed as public prosecutor
	Jul. 1993	Head of the Public Safety Department of the Supreme Public Prosecutors Office
	Nov. 1994	Director General, Research and Training Institute of the Ministry of Justice
	Jun. 1996	Superintending Prosecutor, Sendai High Public Prosecutors Office
	Feb. 1997	Superintending Prosecutor, Nagoya High Public Prosecutors Office
	Jun. 1998	Commissioner, Financial Supervisory Agency
	Jul. 2000	Commissioner, Financial Services Agency
	Jan. 2001	Advisor, Financial Services Agency (until June 2002)
	Feb. 2001	Certified as an attorney, opened Masaharu Hino Law Office
Hidenobu Nakagawa (November 20, 1967)	Apr. 1992	Certified as an attorney, Nagashima & Ohno Law Office
	Sep. 1997	Kirkland & Ellis LLP
	Apr. 1998	Qualified as a lawyer in the State of New York
	Sep. 1999	Merrill Lynch Securities, Tokyo Branch
	Apr. 2003	Seconded to UFJ Strategic Partner Co., Ltd.
	Aug. 2004	Partner, TMI Associates
Toshinaga Koizumi (January 28, 1943)	Apr. 1965	The Industrial Bank of Japan, Limited
	Jun. 1996	Managing Director of the Bank
	Jun. 1997	Managing Director, Nissan Motor Co., Ltd.
	Jul. 2000	Auditor, Kowa Real Estate Co., Ltd.
	Jun. 2001	Vice President & Representative Director, Riken Corporation
	Jun. 2003	President & Representative Director, Riken Corporation
	Jun. 2009	Chairman & Representative Director, Riken Corporation
	Jun. 2017	Special Advisor, Riken Corporation
Chiaki Tsuji (April 29, 1953)	Apr. 1979	Registered as a lawyer (Tokyo Bar Association)
	Apr. 1979	Joined Yamamoto Eisoku Law Office
	Oct. 1990	Qualified as a lawyer in Germany (Japanese law)
	Oct. 1990	Partner of Peter & Beyer Law Office (Germany)
	Jul. 2001	Partner Lawyer of YOSHIOKA.TSUJI LAW OFFICE
	Apr. 2004	Professor at the Graduate School of Law, Yamanashi Gakuin University
	Jun. 2017	Outside Director of the Company (Audit & Supervisory Committee Member)
	Apr. 2018	Visiting Professor at the Faculty of Law, Yamanashi Gakuin University

Name (DOB)	Profile	
Chieko Ogawa (February 14, 1963)	Apr. 2005	Registered as certified public accountant
	Feb. 2006	Joined Nihombashi Corporation Certified Public Accountants
	Jul. 2010	Joined Resources Global Professionals Japan K.K.
	Sep. 2010	Registered as U.S. certified public accountant (licensed in Washington State)
	Feb. 2014	Registered as a tax accountant
	Mar. 2014	Established Ogawa Accounting Office
	Jun. 2017	Outside Director of the Company (Audit & Supervisory Committee Member)

* Between the independent advisory committee members and their organizations and Yorozu, there is no payment or receipt of money except for compensation as a member of the independent advisory committee (compensations as outside directors for Chiaki Tsuji and Chieko Ogawa).

(Exhibit 4)

Outline of Procedure for Exercising Share Subscription Rights without Contribution

1. Target shareholders

One Share Subscription Right will be allocated without contribution for one share owned by the shareholders who are listed or recorded on the final shareholders list on the record date separately designated by the Board of Directors (excluding Yorozu's common shares owned by Yorozu).

2. Number of shares to be granted upon the exercise of Share Subscription Rights

The class of the shares to be delivered upon the exercise of Share Subscription Rights will be Yorozu's common shares, and the number of the common shares to be granted by exercising the Share Subscription Rights will be one.

3. Effective date of Share Subscription Rights without Contribution

The effective date will be designated separately at Yorozu's Board of Directors.

4. Amount of assets contributed upon exercise of Share Subscription Rights

The objective of investment upon the exercise of Share Subscription Rights will be money, and the value of one common share of Yorozu, which is the asset to be invested upon the exercise of share option rights, will be one yen.

5. Restrictions on transfer of Share Subscription Rights

Any acquisition by transfer of Share Subscription Rights shall require approval of Yorozu's Board of Directors.

6. Conditions for exercise of Share Subscription Rights

Conditions to exercise Share Subscription Rights shall be separately specified by Yorozu's Board of Directors (conditions to exercise the rights may be attached considering the effectiveness of countermeasures against large-scale purchases, such as conditions for exercise that any exercise of the rights by certain large-scale purchasers provided in accordance with the prescribed procedures by Yorozu's Board of Directors and their co-holders, specially related parties, and those who are approved by Yorozu's Board as being under effective control by these people and acting in cooperation with or in collaboration with them (hereinafter referred to as "Persons Falling under Exceptions") will not be permitted).

7. Acquisition of Share Subscription Rights by the Yorozu

Acquisition provisions may be attached in consideration of the effectiveness as countermeasures against large-scale purchases, such as acquisition provisions that Yorozu can acquire all of the Share Subscription Rights or the rights only owned by those but subject to exceptional reasons in accordance with the decisions of Yorozu's Board of Directors, subject to either the arrival of the day when large-scale purchasers violate the large-scale purchase rules and the occurrence of other certain reasons, or the arrival of the day that Yorozu's Board of Directors has separately specified.

8. Reasons for Share Subscription Rights without contribution (reasons for eliminating countermeasures)

When any one of the following reasons occurs, Yorozu may acquire all Share Subscription Rights without payment of contribution.

- (a) When an acquisition offer by a large-scale purchaser is approved by ordinary resolution at Yorozu's Board of Directors,
- (b) When a unanimous decision is reached at the independent advisory committee, and
- (c) When Yorozu's Board of Directors decides separately.

9. Exercise period for Share Subscription Rights

The exercise period and other necessary issues for Share Subscription Rights shall be specified separately at Yorozu's Board of Directors in consideration of the effectiveness as countermeasures against large-scale purchases.