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(Stock Exchange Code 4403)
June 7, 2016

To Shareholders with Voting Rights:

Akiharu Kobayashi
President & Chief Executive Officer
NOF CORPORATION
20-3, Ebisu 4-chome, Shibuya-ku,
Tokyo, Japan

**NOTICE OF
THE 93RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

We would like to express our sympathy to those affected by the recent Kumamoto Earthquake and pray for a swift recovery in the region.

You are cordially invited to attend the 93rd Annual General Meeting of Shareholders of NOF CORPORATION (the “Company”). Details of the meeting are as described below.

If you are unable to attend the meeting, you can exercise your voting rights via either of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights.

[Exercise of Voting Rights in Writing (by Mail)]

Please indicate your votes for or against each of the proposals on the enclosed Voting Rights Exercise Form, and return the form for arrival by 5:30 p.m. on June 28, 2016 (Tuesday), Japan time.

[Exercise of Voting Rights by Electromagnetic Means (the Internet, etc.)]

To exercise your voting rights via the Internet, please carefully read the “Guide for Exercising Voting Rights via the Internet, etc.” on page 30 and exercise your voting rights no later than 5:30 p.m. on June 28, 2016 (Tuesday), Japan time.

The Company participates in the “Electronic Voting Platform” for institutional investors operated by ICJ, Inc.

- 1. Date and Time:** Wednesday, June 29, 2016, at 10 a.m. Japan time
2. Place: The Garden Room (inside Yebisu Garden Place)
13-2, Mita 1-chome, Meguro-ku, Tokyo, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report and Consolidated Financial Statements for the Company’s 93rd Fiscal Year (April 1, 2015–March 31, 2016), and the results of audits on the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
 2. Non-Consolidated Financial Statements for the Company’s 93rd Fiscal Year (April 1, 2015–March 31, 2016)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus
Proposal No. 2: Election of Ten (10) Directors
Proposal No. 3: Election of One (1) Substitute Corporate Auditor
Proposal No. 4: Approval of the Policy Toward the Large-Scale Purchase of NOF Shares

4. Other Decisions of the Board of Directors with Regard to the Convocation of Annual General Meeting of Shareholders of the Company

Exercise of voting rights multiple times

- (1) In the event that voting rights are exercised both by mail and via the Internet, etc., the vote via the Internet, etc. shall prevail.
 - (2) In the event that voting rights are exercised multiple times via the Internet, etc., the most recent vote shall prevail.
- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please bring this NOTICE OF THE 93RD ANNUAL GENERAL MEETING OF SHAREHOLDERS and the enclosed Business Report for the 93rd Fiscal Year with you to the meeting.
 - ◎ Shareholders are asked to come in casual clothes to the Annual General Meeting of Shareholders.
 - ◎ Should any revisions occur to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-Consolidated Financial Statements for the Company's 93rd Fiscal Year, the revisions will be posted on the Company's website (<http://www.nof.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Appropriation of Surplus

Recognizing the profit distribution to shareholders as one of the most important managerial issues, the Company strives to strengthen its financial position and management foundation, while improving the dividend amounts.

With regard to the year-end dividend for the fiscal year under review, considering the business results for the year and the Company's future business development, etc., we hereby propose to appropriate the surplus as described below.

(1) Type of property for dividends:

Cash

(2) Allotment of property for dividends to shareholders and total amount thereof:

¥11 per share of the Company's common stock for a total of ¥1,948,453,342

As we paid ¥7 per share as an interim dividend, the annual dividend would be ¥18 per share for the fiscal year under review, an increase of ¥3 per share from the previous fiscal year.

(3) Effective date of distribution of surplus:

June 30, 2016

Proposal No. 2: Election of Ten (10) Directors

The terms of office of all eleven (11) Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. The Company proposes the election of ten (10) Directors.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Hirokazu Ohike (February 24, 1946)	<p>April 1970 Joined the Company</p> <p>June 2000 Operating Officer; General Manager in charge of Corporate Planning & Strategy Dept. of the Company</p> <p>August 2000 Operating Officer; General Manager, Corporate Planning & Strategy Dept. of the Company</p> <p>June 2002 Director and Operating Officer; General Manager, Corporate Planning & Strategy Dept. of the Company</p> <p>June 2003 Director and Executive Operating Officer of the Company</p> <p>June 2007 President and Chief Executive Officer of the Company</p> <p>June 2012 Executive Chairman of the Company (to present)</p> <p>[Reason for nomination as a candidate for Director] Hirokazu Ohike has been in charge of management of the Company for many years. The Company nominates him as a candidate for Director, expecting him to help strengthen the decision-making and supervision functions of the Board of Directors drawing on his extensive experience and performance.</p>	89,100
2	Akiharu Kobayashi (November 3, 1951)	<p>April 1979 Joined the Company</p> <p>June 2007 Operating Officer; General Manager, DDS Development Div. of the Company</p> <p>June 2009 Director and Operating Officer; General Manager, DDS Development Div. of the Company</p> <p>June 2010 Director and Executive Operating Officer; General Manager, Corporate Planning & Strategy Dept. of the Company</p> <p>June 2011 Director and Executive Operating Officer; General Manager, Anti-Corrosion Coatings Group of the Company</p> <p>June 2012 President and Chief Executive Officer of the Company (to present)</p> <p>[Reason for nomination as a candidate for Director] Akiharu Kobayashi has been in charge of management of the Company for many years. The Company nominates him as a candidate for Director, expecting him to help strengthen the decision-making and supervision functions of the Board of Directors drawing on his extensive experience and performance.</p>	58,000
3	Kengo Inoue (March 18, 1957)	<p>April 1981 Joined the Company</p> <p>June 2011 Operating Officer; General Manager, Functional Chemicals & Polymers Div. of the Company</p> <p>June 2014 Operating Officer; General Manager, Display Materials Div. of the Company</p> <p>June 2015 Director and Operating Officer; General Manager, Display Materials Div. of the Company (to present)</p> <p>[Reason for nomination as a candidate for Director] Kengo Inoue has been engaged in the functional chemicals & polymers business and the display materials business of the Company. The Company nominates him as a candidate for Director, expecting him to help strengthen the decision-making function of the Board of Directors drawing on his extensive experience and performance.</p>	14,000

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
4	Makoto Ihori* (October 9, 1959)	<p>April 1982 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>April 2009 General Manager, Sales Div. No. 2, Head Office of Mizuho Trust & Banking Co., Ltd.</p> <p>October 2010 General Manager, Trust General Sales Div. No. 2 of Mizuho Trust & Banking Co., Ltd.</p> <p>April 2011 Executive Officer; General Manager for Trust Products Unit of Mizuho Trust & Banking Co., Ltd.</p> <p>June 2011 Managing Director of Trust & Custody Services Bank, Ltd.</p> <p>April 2016 Senior Director of the Company (to present)</p> <p>[Reason for nomination as a candidate for Director] Makoto Ihori possesses many years' experience and insight in the financial field and extensive experience and a wide range of knowledge as a Director. The Company nominates him as a candidate for Director, expecting him to help strengthen the supervision functions of the Board of Directors.</p>	—
5	Kazushige Kato (July 30, 1956)	<p>April 1981 Joined the Company</p> <p>June 2011 Operating Officer; General Manager, Corporate Planning & Strategy Dept. of the Company</p> <p>June 2012 Director and Operating Officer; General Manager, Corporate Planning & Strategy Dept. of the Company</p> <p>June 2014 Director and Operating Officer; General Manager, Corporate R&D Div.; and General Manager, Anti-Corrosion Coatings Group of the Company</p> <p>June 2015 Director and Executive Operating Officer; General Manager, Corporate R&D Div.; and General Manager, Anti-Corrosion Coatings Group of the Company (to present)</p> <p>[Reason for nomination as a candidate for Director] Kazushige Kato has been engaged in the management of the anti-corrosion coatings business and corporate planning of the Company. The Company nominates him as a candidate for Director, expecting him to help strengthen the decision-making function of the Board of Directors drawing on his extensive experience and performance.</p>	19,000
6	Hideaki Sakahashi* (May 14, 1959)	<p>April 1983 Joined the Company</p> <p>September 2004 General Manager, Oleo Sales Department, Oleo Senior Sales Department, Oleo & Specialty Chemicals Div. of the Company</p> <p>June 2006 General Manager, Oleo Sales department, Oleo & Specialty Chemicals Senior Sales Department, Oleo & Specialty Chemicals Div. of the Company</p> <p>June 2008 General Manager, Planning & Administration Office, Oleo & Speciality Chemicals Div. of the Company</p> <p>October 2012 General Manager, Planning & Administration Office, Functional Chemicals & Polymers Div. of the Company</p> <p>June 2014 Operating Officer; General Manager, Functional Chemicals & Polymers Div. of the Company (to present)</p> <p>[Reason for nomination as a candidate for Director] Hideaki Sakahashi has been engaged in the management of the Oleo & Specialty Chemicals business and the Functional Chemicals & Polymers business of the Company. The Company nominates him as a candidate for Director, expecting him to help strengthen the decision-making function of the Board of Directors drawing on his extensive experience and performance.</p>	5,000
7	Kazuhito Maeda (November 1, 1956)	<p>April 1981 Joined the Company</p> <p>June 2010 Operating Officer; General Manager, DDS Development Div. of the Company</p> <p>June 2011 Director and Operating Officer; General Manager, DDS Development Div. of the Company</p> <p>June 2012 Director and Executive Operating Officer; General Manager, DDS Development Div. of the Company</p> <p>June 2013 Director and Executive Operating Officer of the Company (to present)</p>	23,000

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
		<p>[Reason for nomination as a candidate for Director] Kazuhito Maeda has been engaged in the management of the Oleo & Specialty Chemicals business and the DDS development business of the Company. The Company nominates him as a candidate for Director, expecting him to help strengthen the decision-making function of the Board of Directors drawing on his extensive experience and performance.</p>	

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
8	Takeo Miyaji (January 12, 1956)	<p>April 1980 Joined the Company</p> <p>June 2010 Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company</p> <p>June 2011 Director and Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company</p> <p>June 2012 Director and Executive Operating Officer; General Manager, Human Resources & General Affairs Dept. of the Company</p> <p>December 2012 Director and Executive Operating Officer of the Company (to present)</p> <p>[Reason for nomination as a candidate for Director] Takeo Miyaji has been engaged in the management of the explosive & propulsion systems business and in charge of human resources, general affairs and supervision/management of financial matters of the Company. The Company nominates him as a candidate for Director, expecting him to help strengthen the supervision function of the Board of Directors drawing on his extensive experience and performance.</p>	25,000
9	Yasuyuki Arima* (January 10, 1953)	<p>April 1975 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.)</p> <p>May 1992 General Manager of the Chigasaki Branch, The Fuji Bank, Limited</p> <p>November 1998 General Manager of the Kawasaki Branch, The Fuji Bank, Limited</p> <p>September 2003 General Manager, Financial Planning Div. of Mizuho Trust & Banking Co., Ltd.</p> <p>April 2004 Executive Officer; General Manager, Financial Planning Div. of Mizuho Trust & Banking Co., Ltd.</p> <p>May 2004 Executive Officer, Mizuho Trust & Banking Co., Ltd.</p> <p>April 2005 Managing Executive Officer, Mizuho Trust & Banking Co., Ltd.</p> <p>June 2005 Managing Director, Mizuho Trust & Banking Co., Ltd.</p> <p>April 2007 Director, Mizuho Trust & Banking Co., Ltd. (Resigned from the position in June 2007)</p> <p>June 2007 Representative Director and President, Fuyo Auto Lease Co., Ltd.</p> <p>April 2016 Director, Fuyo Auto Lease Co., Ltd. (Resigned from the position in May 2016)</p> <p>[Reason for nomination as a candidate for Outside Director] Yasuyuki Arima possesses extensive experience and a wide range of knowledge as a Director. The Company has judged him to be able to fulfill his role as a Director from an expert perspective and nominates him as a candidate for Outside Director.</p>	—

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
10	Masayuki Koderu (February 17, 1947)	<p>April 1971 Joined The Yasuda Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)</p> <p>June 1998 Director; Deputy General Manager, Trust Asset Management Div. of The Yasuda Trust & Banking Co., Ltd.</p> <p>June 1999 Executive Officer; Deputy General Manager, Trust Assets Management Div. of The Yasuda Trust & Banking Co., Ltd.</p> <p>October 1999 Executive Officer; General Manager, Securities Services Div. of The Dai-Ichi Kangyo Fuji Trust & Banking Co., Ltd. (currently Mizuho Trust & Banking Co., Ltd.)</p> <p>October 2000 Managing Executive Officer; General Manager, Securities Services Div. of Mizuho Trust & Banking Co., Ltd.</p> <p>December 2000 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd. (Resigned from the position in January 2001.)</p> <p>January 2001 President & CEO of Trust & Custody Services Bank, Ltd. (Resigned from the position in April 2007.)</p> <p>April 2007 President & CEO of Mizuho Trust Guarantee Co., Ltd. (Resigned from the position in June 2010.)</p> <p>June 2007 Corporate Auditor of the Company (Resigned from the position in June 2011.)</p> <p>June 2011 Director of the Company (to present)</p> <p>[Reason for nomination as a candidate for Outside Director] The Company nominates Masayuki Koderu as Outside Director because for the past five years, as an Outside Director of the Company, he has been providing appropriate opinions with regard to the Company's overall management from a fair and objective standpoint, reflecting his many years' experience and ample knowledge in the financial field in the Company's management, therefore the Company expects him to be able to continue to provide adequate guidance over the decision making of the Board of Directors of the Company.</p>	16,000

Notes:

1. There is no special interest between any candidate for Director and the Company.
2. The candidate with an * is a candidate to be newly appointed as Director.
3. Yasuyuki Arima and Masayuki Koderu are candidates for Outside Director. They are also Independent Directors/Auditors as stipulated in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.
4. Yasuyuki Arima is scheduled to assume office as President of Hotsukyo as of June 17, 2016.
5. The term of office of Masayuki Koderu as Outside Director of the Company will be five years at the conclusion of this year's Annual General Meeting of Shareholders.

Proposal No. 3: Election of One (1) Substitute Corporate Auditor

The election of the current Substitute Corporate Auditor is effective until the beginning of this year's Annual General Meeting of Shareholders. Accordingly, to prepare for a case when the number of Corporate Auditors of the Company might be insufficient in light of the number stipulated by laws and regulations, the election of one (1) Substitute Corporate Auditor is proposed.

The Board of Auditors has already approved this proposal.

The candidate is as follows:

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
1	Toichiro Matsutani (January 29, 1944)	April 1966 Joined The Fuji Bank, Limited (currently Mizuho Bank, Ltd.) November 1990 General Manager, International Business Processing Div. of The Fuji Bank, Limited January 1991 General Manager, Market & International Information System Div. of The Fuji Bank, Limited January 1992 General Manager, General Business Processing Div. of The Fuji Bank, Limited June 1993 Director; General Manager, General Business Processing Div. of The Fuji Bank, Limited June 1994 Director; General Manager, Information System Development Div. of The Fuji Bank, Limited (Resigned as Director in June 1996) June 1996 Representative Director and President, Fuji Business Agency Co., Ltd. October 1999 Representative Director and President, Fuji Business Experts Co., Ltd. February 2002 Representative Director and President, Mizuho Business Services Co., Ltd. March 2006 Full-time Audit & Supervisory Board Member, Mizuho Bank, Ltd. March 2007 Auditor, Nippon Carbon Co., Ltd. June 2007 Audit & Supervisory Board Member, Daido Metal Co., Ltd. June 2011 Director, Takachiho Koheki Co., Ltd. June 2012 Resigned as Director, Takachiho Koheki Co., Ltd.	—

Notes:

1. There is no special interest between the candidate and the Company.
2. Toichiro Matsutani is a candidate for Substitute Outside Corporate Auditor.
3. The reason for the nomination of Toichiro Matsutani as a Substitute Outside Corporate Auditor is as follows:
The Company nominates Toichiro Matsutani because Mr. Matsutani possesses extensive experience and broad knowledge as a Director and an Auditor, and the Company expects him to be able to fulfill the role as a Corporate Auditor from an expert standpoint.

Proposal No. 4: Approval of the Policy Toward the Large-Scale Purchase of NOF Shares

NOF CORPORATION (the “Company”), at the meeting of the Board of Directors held on March 26, 2007, adopted the “Policy Toward the Large-Scale Purchase of NOF Shares (Takeover Defense Measures),” and has continued to “administer it (hereinafter, the “Current Policy”) thereafter given the approval of shareholders at the annual general meetings of shareholders, with the last such approval occurring at the 90th Annual General Meeting of Shareholders held on June 27, 2013. The Current Policy will expire at the conclusion of this Annual General Meeting of Shareholders.

The Company has reviewed the modality of the Current Policy including the judgment on whether to continue it as part of efforts to ensure and/or enhance the corporate value of the Company and the common interests of the shareholders by taking into account changes in social/economic circumstances and various trends, as well as the development of various arguments surrounding the takeover defense measures.

As a result, the Company, at the meeting of the Board of Directors held on May 10, 2016, decided to continue the Current Policy with partial revisions thereto (hereinafter, the revised Current Policy is referred to as the “Policy”), subject to approval of the shareholders for the continuation at this Annual General Meeting of Shareholders, and concurrently make the Policy effective as of the date of this Annual General Meeting of Shareholders upon resolution of said Policy.

As the Company believes that it is appropriate to confirm the intent of all shareholders in view of the importance of the Policy, approval of the Policy is proposed in this proposal with the following details.

If this proposal is approved by the majority of voting rights of all shareholders who are present at this Annual General Meeting of Shareholders, the Policy shall be effective from the conclusion of this Annual General Meeting of Shareholders until the conclusion of the 96th Annual General Meeting of Shareholders to be held in June 2019.

There are no significant or fundamental changes to the content of the Current Policy, however, there are several minor revisions such as amendments to some phrases and the clarification of expressions.

All four corporate auditors have unanimously expressed their affirmative opinion toward the Policy on the condition that specific operation thereof will be appropriately conducted from now onward.

I. Basic Policy Regarding the Control of the Company

The Company believes that persons who control the decisions on the financial and business policies of the Company must be able to ensure and enhance the corporate value of the Company and the common interests of the shareholders by completely understanding the management philosophy, various sources of corporate value and the trust relationships among stakeholders who sustain the Company.

Meanwhile, the Company believes that as the Company is a listed company, its shareholders should be determined through the free trading of its shares on the markets and that such persons who control the decisions on the financial and business policies of the Company should be determined based on the intent of its shareholders. Moreover, the Company believes that the decision as to whether to accept another party’s purchase offer or any similar action for the purpose of making a large-scale purchase of NOF shares, which could accompany a change in the Company’s control, ultimately should be based on the intent of its shareholders.

However, we have witnessed not a few inappropriate large-scale purchases of shares and/or purchase offers that would clearly harm the corporate value of the Company and, by extension, the common interests of the shareholders according to their purposes; those which could actually lead to unilaterally forcing shareholders to sell their shares; and those which do not provide sufficient time and information to allow the shareholders or the management of the targeted companies to review the purchase conditions, etc., or the management of the targeted companies to propose alternative plans.

Therefore, the Company believes that persons who make inappropriate large-scale purchase of shares or purchase offers as described above are exceptionally unqualified to control decisions on the financial and business policies of the Company.

II. Initiatives that Contribute to the Realization of the Basic Policy

Since its foundation in 1937, the Company has grown as a comprehensive chemical manufacturer that has a wide range of business areas by proceeding with such tasks as the diversification and globalization of business and the “select and focus” policy concerning business areas and management resources. At present, the Company endeavors to realize stable and sustainable growth and development under the management philosophy of “Contributing to People and Society by Generating New Value in Wide-ranging Fields from the Biosphere to Outer Space.” At the same time, as a corporate citizen, the Company aims to be a company trusted by all stakeholders by fulfilling its corporate responsibilities to society through measures such as legal compliance, preservation of the natural environment and the security of health and safety. Under the management philosophy above established from a long-term perspective, the Company has formulated the Medium-Term Management Plan, a three-year plan covering three fiscal years with medium-term goals, and currently promotes implementing the measures in said Plan toward the achievement of the goals. The Company is confident that its tangible and intangible management resources including long-nurtured, multifaceted original technologies serve to bolster the corporate value of the Company. The Company, therefore, believes that it will contribute to the common interests of the shareholders to pursue the further enhancement of stable and sustainable corporate value by maximally and effectively taking advantage of such management resources with sufficient understanding.

III. Initiatives to Prevent Decisions on Financial and Business Policies of the Company from Being Controlled by Unqualified Parties that Are against the Basic Policy Regarding the Control of the Company (details of the Policy)

1. Purpose of the Policy

The Policy aims to prevent decisions on the financial and business policies of the Company from being controlled by unqualified parties that are against said Basic Policy Regarding the Control of the Company. Accordingly, even in the case of a large-scale purchase of NOF shares, if its purpose contributes to ensuring and/or enhancing the corporate value of the Company and the common interests of the shareholders, the Company will not necessarily deny the purchaser as unqualified to control decisions on the financial and business policies of the Company. The Company believes that the decision as to whether to accept another party’s purchase offer, which could accompany the transfer of the Company’s control, ultimately should be

based on the intent of its shareholders.

However, we have witnessed not a few inappropriate large-scale purchases of shares and purchase offers that would clearly harm the corporate value of the Company and, by extension, the common interests of the shareholders according to their purposes; those which could actually lead to unilaterally forcing shareholders to sell their shares; and those which do not provide the shareholders or the management of the targeted companies with reasonably necessary and sufficient information to review the purchase conditions, etc., or the management of the targeted companies with necessary and enough time to propose alternative plans.

Under the aforementioned circumstances, NOF's Board of Directors believes that negotiations, etc., of the Board of Directors with the purchaser, which are conducted in compliance with certain reasonable rules so that the shareholders can obtain or have necessary information and sufficient time for their reasonable judgments, benefit both the corporate value of the Company and the common interests of its shareholders. The Company, therefore, has established rules concerning large-scale purchases of NOF shares (hereinafter, the "Large-Scale Purchase Rules") for the provision of information and ensuring sufficient time with the details below. Furthermore, the Company has decided to continue the Policy through partial revisions to the Current Policy as takeover defense measures including the countermeasures to be taken in case of any large-scale purchase by an unqualified party (which would include the issuance of stock acquisition rights or other measures that the Board of Directors is permitted to take under the Companies Act or other laws and regulations and NOF's Articles of Incorporation; hereinafter, the "Countermeasure(s)"), subject to approval of the shareholders at this Annual General Meeting of Shareholders.

2. Purchase of NOF Shares Covered by the Policy

The Policy provides the Company's policy toward (i) any purchases of NOF shares and other securities (Note 3) by a group of shareholders (Note 1) with the intent to hold 20% or more in the voting rights ratio (Note 2), or (ii) any purchases of shares and other securities resulting in the voting rights ratio of a group of shareholders being 20% or more (except for cases where the Board of Directors has given its consent in advance of the purchase set out in (i) or (ii) above without questioning, in either event, specific purchase methods such as market trading and the tender offer; hereinafter, such purchase of NOF shares set out in (i) or (ii) above shall be referred to as the "Large-Scale Purchase," and the person who makes such a purchase of NOF shares shall be referred to as the "Large-Scale Purchaser").

Note 1.

A group of shareholders refers to (i) a holder (including a person, a company, a corporation or any other entity deemed as a holder pursuant to Article 27-23, Paragraph 3 of the Securities and Exchange Law; the same shall apply hereinafter) of shares and other securities (defined in Article 27-23, Paragraph 1, of the Securities and Exchange Law) and any joint holders (defined in Article 27-23, Paragraph 5, of the Securities and Exchange Law, including a person, a company, a corporation or any other entity deemed as a joint holder pursuant to Paragraph 6 thereof; the same shall apply hereinafter),

or (ii) a person, a company, a corporation or any other entity that makes a purchase (defined in Article 27-2, Paragraph 1, of the Securities and Exchange Law, including a purchase made on a securities exchange market) of shares and other securities (defined in Article 27-2, Paragraph 1, of the Securities and Exchange Law) and any specially related parties (defined in Article 27-2, Paragraph 7, of the Securities and Exchange Law).

Note 2.

The voting rights ratio refers to (i) in the case of item (i) in Note 1 above, the shareholding ratio (defined in Article 27-23, Paragraph 4, of the Securities and Exchange Law) of the holder (adding the number of shares (defined in said paragraph; the

same shall apply hereinafter) held by any joint holders),

or (ii) in the case of item (ii) in Note 1 above, the sum of the shareholding ratio (defined in Article 27-2, Paragraph 8, of the Securities and Exchange Law) of the Large-Scale Purchaser and its specially related parties.

In calculating the voting rights ratio, the shareholders' register, the securities report, the quarterly securities report, the extraordinary report and the treasury stock purchase report of the Company, whichever has been submitted to the authorities most recently, as well as the large shareholding report, may be referred to in deciding the total number of voting rights (defined in Article 27-2, Paragraph 8, of the Securities and Exchange Law) or the total number of issued shares (defined in Article 27-23, Paragraph 4, of the Securities and Exchange Law).

Note 3:

The shares and other securities refer to the shares and other securities that are defined either in Article 27-23, Paragraph 1, or Article 27-2, Paragraph 1, of the Securities and Exchange Law.

3. Establishment of the Independent Committee

The Board of Directors shall ultimately determine whether a series of procedures have complied with the Large-Scale Purchase Rules or whether the Countermeasures should be taken on the grounds that said Large-Scale Purchase has remarkably damaged the corporate value of the Company and/or the common interests of the shareholders even if the Large-Scale Purchase Rules have been complied with. The Company has established the Independent Committee, like in the case of the Current Policy, in accordance with the Independent Committee Regulations (refer to Attachment 2 for the outline of the Regulations) to support reasonable operation of the Policy, prevent arbitrary judgment by the Board of Directors and guarantee the objectivity and rationality of the judgment. The committee shall have three or more members. To ensure the expression of objective and neutral viewpoints, the committee members are elected from among the Outside Directors, the Outside Corporate Auditors or outside experts (Note) who have no special interest in the Company and/or with any directors of the Company and are independent from the management that conducts the execution of business. Of the incumbent Independent Committee members, Outside Director Masayuki Kodera, Outside Corporate Auditors Shinichiro Tanaka and Ryouichi Tahara and outside expert Takashi Iizuka are planned to be committee members after the Policy is revised. If Yasuyuki Arima is elected as an Outside Director by this Annual General Meeting of Shareholders, he is also expected to become a committee member (refer to Attachment 3 for his career summary). Any change to the Independent Committee will be promptly announced.

Prior to the invocation of the Countermeasures, NOF's Board of Directors shall consult the Independent Committee on whether the Countermeasures should be invoked. The Independent Committee shall carefully assess and examine the Large-Scale Purchase from the viewpoint of the corporate value of the Company and the common interests of the shareholders and submit recommendations to NOF's Board of Directors on whether the Countermeasures can be invoked under the given conditions. NOF's Board of Directors shall respect such recommendations to the maximum extent possible in making its decision on whether to invoke the Countermeasures. The Independent Committee shall publicly announce the outline of the recommendations in an appropriate manner.

To ensure that the judgment of the Independent Committee protects the corporate value of the Company and the common interests of the shareholders, the Independent Committee may seek and obtain advice, at the Company's expense, from outside professionals (including financial advisors, Certified Public Accountants, lawyers, consultants and other experts).

Note: The “outside experts” refer to persons who have never been directors or other employees of the Company or any of its subsidiaries, and who are experienced corporate managers, those specializing in the investment banking business, lawyers, Certified Public Accountants and academic experts whose main research area is the Companies Act and other laws, or those equivalent to any of the foregoing.

4. Details of the Large-Scale Purchase Rules

(1) Advance submission of a letter of intent by the Large-Scale Purchaser to the Company

If a Large-Scale Purchaser intends to conduct a Large-Scale Purchase, the Company requires the Large-Scale Purchaser to submit to NOF’s President a letter of intent that pledges compliance with the Large-Scale Purchase Rules relative to the items below stated in Japanese, prior to offering the Large-Scale Purchase or a proposal on the Large-Scale Purchase.

- 1) Name and address of the Large-Scale Purchaser;
- 2) Governing law of incorporation;
- 3) Name of its representative;
- 4) Contact details in Japan; and
- 5) An outline of the proposed Large-Scale Purchase

If NOF’s Board of Directors receives such a letter of intent from the Large-Scale Purchaser, it will promptly disclose the fact of such receipt and the content of the letter, as required.

(2) Provision of required information from the Large-Scale Purchaser

Within 10 business days after the day following the date of receiving the letter of intent in the aforesaid (1), the Company will deliver to said Large-Scale Purchaser a list of information that would be necessary and sufficient (hereinafter, the “Required Information”) to help the shareholders of the Company make decisions and NOF’s Board of Directors form its opinion. The Large-Scale Purchaser is required to submit the Required Information in writing to NOF’s Board of Directors according to said list. General items to be entered in the Required Information are the following. Although the specific content of the Required Information may vary depending on the attributes of the Large-Scale Purchaser and/or details of the Large-Scale Purchase, the description of such content shall be limited, in every case, to the necessary and sufficient extent to help the shareholders make decisions and the Board of Directors form its opinion.

- 1) Details (including names, description of business, background or corporate history, capital composition, financial details and information regarding experience, etc., in the business fields of the same type as those in which the Company or the NOF Group engages) of the Large-Scale Purchaser and its group (including joint holders, specially related parties, associated partners for funding and other members);
- 2) Purpose, method and terms of the Large-Scale Purchase (including the type of the Large-Scale Purchase, timing of the Large-Scale Purchase, the mechanism for related transactions, and the method and legality of the Large-Scale Purchase);
- 3) Consideration of and the basis for calculations of the Large-Scale Purchase (including the amount of the consideration of the Large-Scale Purchase, the feasibility of the Large-Scale Purchase and related transactions, the facts behind the calculations, the calculation method, the numerical data used for the calculations and the projected synergies from a series of transactions related to the Large-Scale Purchase), as well as the source of the funds for purchase (including the specific names of fund

- providers or substantial providers, fund-raising methods and the description of relevant transactions);
- 4) Candidates for officers (including the information regarding their experience, etc., in the fields of the same type or similar to the businesses engaged in by the Company and the NOF Group), as well as the Company's or the NOF Group's management policies, business plans, financial plans, capital policies, dividend policies, measures for asset utilization and the like (hereinafter, the "Post-Purchase Management Policies"), which the Large-Scale Purchaser intends to adopt after participation in the management of the Company and the NOF Group is completed; and
 - 5) Possibility of changes and/or relevant details that the Large-Scale Purchaser intends to adopt after participation in the management of the Company and the NOF Group is completed, with regard to the relationships between suppliers, customers, officers and executives, local communities and/or other interested parties of the Company and the Company and the NOF Group.

NOF's Board of Directors may set a time limit for the provision of the Required Information to the Large-Scale Purchaser, as required, from the standpoint of swiftly operating the Large-Scale Purchase Rules. However, NOF's Board of Directors may extend said time limit if the Large-Scale Purchaser requests an extension for any reasonable reason.

If the information initially provided by the Large-Scale Purchaser is deemed insufficient as the Required Information as a result of careful examination thereof, NOF's Board of Directors may require the Large-Scale Purchaser to provide additional information until it receives the complete Required Information by setting a reasonable time limit.

If the completion of the provision of all the Required Information is deemed completed by NOF's Board of Directors, NOF's Board of Directors will send a notice to that effect to the Large-Scale Purchaser and shall publicly make an announcement to that effect.

In addition, in the event that the Large-Scale Purchaser reasonably explains that the provision of all or part of the Required Information is difficult despite the request of additional provision thereof given by NOF's Board of Directors, NOF's Board of Directors may cancel the negotiations with the Large-Scale Purchaser and start the assessment and examination described in (3) below even if all the Required Information requested thereby has not been completely provided.

NOF's Board of Directors will submit the Required Information provided thereto to the Independent Committee, and at the same time, publicly announce all or part thereof at such time as it deems appropriate if such announcement is deemed necessary for the shareholders to make their decision.

(3) Assessment and examination by the Board of Directors

After the provision of all the Required Information is completed, NOF's Board of Directors is allowed to set a maximum 60-day period (in the case of the purchase of all NOF shares by a tender offer with cash-only (Japanese Yen) consideration) or a maximum 90-day period (in the case of any other Large-Scale Purchase), depending on the level of difficulty of the assessment, as the period during which NOF's Board of Directors will assess, examine, negotiate, form an opinion and seek alternatives (hereinafter, the "Board's Assessment Period"). NOF's Board of Directors will thoroughly assess and examine the Required Information with advice from independent outside professionals, as required, during the Board's Assessment Period, then carefully

finalize the board's opinion and publicly announce it while respecting the recommendations from the Independent Committee to the maximum extent possible. In addition, NOF's Board of Directors may negotiate with the Large-Scale Purchaser in order to improve the terms of the proposed Large-Scale Purchase or it may offer alternative plans to the shareholders, as necessary.

5. Actions in Response to the Large-Scale Purchase

(1) If a Large-Scale Purchaser complies with the Large-Scale Purchase Rules

If a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, NOF's Board of Directors shall not take the Countermeasures against the Large-Scale Purchaser, in principle, even if it has an objection to the proposed Large-Scale Purchase, by restricting its objection to expressing a contrary opinion and/or presenting alternative plans to convince the shareholders of the Company. The shareholders are requested to determine whether to accept said proposed Large-Scale Purchase by considering the proposed Large-Scale Purchase, the opinion and/or the alternative plans given by the Company and other factors. However, even if a Large-Scale Purchaser complies with the Large-Scale Purchase Rules, in the exceptional cases where said Large-Scale Purchase is deemed to have any abusing purposes (Note), thereby causing irreparable damage or loss to the Company, or where it might cause severe damage to the corporate value of the Company and, by extension, the common interests of the shareholders in the judgment of NOF's Board of Directors, NOF's Board of Directors may invoke the Countermeasures based on the "duty of due care of a Prudent Manager" of each Director to the extent necessary and appropriate for the purpose of protecting the corporate value of the Company and, by extension, the common interests of the shareholders. In examining and determining whether said Large-Scale Purchase causes severe damage to the corporate value of the Company and, by extension, the common interests of the shareholders, NOF's Board of Directors shall examine specific details of said Large-Scale Purchaser and said Large-Scale Purchase (purposes, methods, targets, type and amount of the consideration for the intended acquisition, etc.), as well as the impact on the corporate value of the Company and/or the common interests of the shareholders, based on the Required Information including the Post-Purchase Management Policies provided by the Large-Scale Purchaser, while obtaining advice from outside professionals.

Note: "Abusing purposes" refer to the predicted cases where the Large-Scale Purchaser is recognized typically as having any of the following circumstances:

- (1) When the Large-Scale Purchaser does not have a true intention of participating in the management of the target company but rather acquires the company's shares, etc., for the purpose of making the parties concerned with the company buy back the shares at an inflated stock price (so-called green mailer);
- (2) When the main purpose of participating in the management of the target company is to temporarily control the management of the company and cause it to transfer to the Large-Scale Purchaser its group companies, etc., the company's intellectual property, know-how, trade secrets, major business partners and customers, which are essential to the company's business operation (so-called scorched earth management);
- (3) When the Large-Scale Purchaser is acquiring the company's shares with the intention of inappropriately utilizing the target company's assets as collateral or funds for repayment of obligations of such Large-Scale Purchaser, its group companies, etc., after taking control over the management of the company; and
- (4) When the main purpose of participating in the management of the target company is to temporarily control the management of the company and sell or otherwise dispose of its real properties, securities and other high-priced assets, which are irrelevant to the company's business for the time being, and then distribute high dividends temporarily with gains from such disposition or sell the shares at a high price, seizing the timing of a sharp rise of the stock price due to temporary high dividend payments.

(2) If a Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules

If a Large-Scale Purchaser does not comply with the Large-Scale Purchase Rules, regardless of the specific purchase methods, NOF's Board of Directors may take the Countermeasures stated in 1. above to protect the corporate value of the Company and, by extension, the common interests of the shareholders in order to oppose the Large-Scale Purchase.

In determining whether the Large-Scale Purchase Rules have been satisfactorily complied with, NOF's Board of Directors shall fully take into account the circumstances at the Large-Scale Purchaser's side and shall not certify that the Large-Scale Purchase Rules are not complied with solely on the grounds that part of the Required Information has not been provided.

(3) Resolution of the Board of Directors and holding of a general meeting of shareholder

In determining the propriety of whether to invoke the Countermeasures pursuant to (1) or (2) above, NOF's Board of Directors shall adopt a resolution of whether to invoke the Countermeasures as an organ under the Companies Act after sufficiently examining the necessity, appropriateness thereof and/or other factors while respecting the recommendations from the Independent Committee to the maximum extent possible.

NOF's Board of Directors shall be allowed to choose a specific means that it deems most optimum at that time. If NOF's Board of Directors elects to make a gratis allotment of stock acquisition rights, the outline of the issuance thereof is as described in Attachment 4 hereto. In actual cases, NOF's Board of Directors may determine the exercise period and exercise conditions of the stock acquisition rights in consideration of the effectiveness thereof as the Countermeasures, that is, specifying that the Large-Scale Purchaser does not belong to a group of shareholders whose voting rights ratio is higher than a specified value or adding a call option that the Company shall acquire said stock acquisition rights in exchange for NOF shares.

In addition, if the Independent Committee submits recommendations on the invocation of the Countermeasures to NOF's Board of Directors and requests holding a general meeting of shareholders with regard to a resolution regarding a possible invocation of the Countermeasures, NOF's Board of Directors is allowed to set a maximum 60-day period (hereinafter, the "Shareholders' Review Period") so that the shareholders can sufficiently examine the propriety of invoking the Countermeasures in accordance with the Policy and may hold a general meeting of shareholders of the Company during the Shareholders' Review Period. If NOF's Board of Directors resolves to hold a general meeting of shareholders and decide the record date for such a meeting, the Board's Assessment Period shall be completed as of the date of resolution and the Shareholders' Review Period shall commence immediately. In holding said general meeting of shareholders, NOF's Board of Directors sends the following documents, on which matters deemed appropriate are prepared by NOF's Board of Directors, to shareholders together with the Notice of the General Meeting of Shareholders to disclose them timely in an appropriate manner: the Required Information provided by the Large-Scale Purchaser, the opinion of NOF's Board of Directors on the Required Information, the alternative plans submitted by NOF's Board of Directors and so on.

If a resolution on the invocation or non-invocation of the Countermeasures is adopted at a general meeting of shareholders, NOF's Board of Directors shall comply with the resolution adopted at said general meeting of shareholders. Accordingly, if a denial of the invocation of the Countermeasures is resolved at said general meeting of shareholders, NOF's Board of Directors shall not invoke the Countermeasures. In this case, the

Shareholders' Review Period shall be completed as of the conclusion of said general meeting of shareholders, then the results thereof will be disclosed timely in an appropriate manner after the resolution is adopted.

(4) Large-Scale purchase waiting period

(i) The Board's Assessment Period in case the Shareholders' Review Period is not established, or (ii) the combined period of the Board's Assessment Period and the Shareholders' Review Period in case the Shareholders' Review Period is established, shall be the Large-Scale Purchase Waiting Period. During the Large-Scale Purchase Waiting Period, the Large-Scale Purchase shall not be implemented.

The Large-Scale Purchase, therefore, may commence only after the Large-Scale Purchase Waiting Period has elapsed.

(5) Non-invocation of the Countermeasures

In the aforesaid (3), if NOF's Board of Directors judges that the invocation of the Countermeasures is not appropriate in cases where said Large-Scale Purchaser withdraws or revises the Large-Scale Purchase after it has been decided to take a specific Countermeasure at NOF's Board of Directors or a general meeting of shareholders, the invocation of the Countermeasures may be suspended after sufficiently respecting the opinion or recommendations from the Independent Committee. For example, in case of a gratis allotment of stock acquisition rights as a Countermeasure, if NOF's Board of Directors judges that the invocation of the Countermeasures is not appropriate because of circumstances such as a withdrawal of or a revision to the Large-Scale Purchase by the Large-Scale Purchaser after the qualified shareholders have been confirmed, the Company shall suspend such a gratis allotment of stock acquisition rights up until the day immediately preceding the effective date of such stock acquisition rights after having received recommendations from the Independent Committee. In addition, the Company shall be allowed to suspend the invocation of the Countermeasures by acquiring those stock acquisition rights without consideration (the shareholders will lose the stock acquisition rights due to the Company's acquisition of such stock acquisition rights, instead) up until the day immediately preceding the date of commencement of the exercise period of such rights after the gratis allotment of the stock acquisition rights.

In the event that such a suspension of the invocation of the Countermeasures is implemented, the content of said decision will be disclosed timely in an appropriate manner pursuant to relevant laws and regulations and the listing regulations, etc., at the financial instruments exchanges on which NOF stock is listed.

6. Effects of the Policy on NOF's Shareholders and Investors

(1) Effects of the Large-Scale Purchase Rules on NOF's shareholders and investors

The Large-Scale Purchase Rules in this Policy have the purpose of providing the shareholders of the Company with various information necessary for their judgment on whether to accept the Large-Scale Purchase and the opinion of the Board of Directors, which currently assumes management responsibility of the Company, as well as ensuring the shareholders receive alternative plans of NOF's Board of Directors. As a result, the Company believes that the shareholders of the Company may make their own decisions on whether to accept the Large-Scale Purchase based on sufficient information provided, which would lead to protecting the corporate value of the Company and, by extension, the common interests of the shareholders. Accordingly,

the Company believes that the establishment of the Large-Scale Purchase Rules contributes to the interests of NOF's shareholders and investors.

Meanwhile, as stated in the aforesaid 5., the Company's actions in response to the Large-Scale Purchase differ depending on whether the Large-Scale Purchaser complies with the Large-Scale Purchase Rules. NOF's shareholders and investors are, therefore, requested to carefully monitor the actions of the Large-Scale Purchaser.

(2) Effects of the invoked Countermeasures on NOF's shareholders and investors

Although NOF's Board of Directors may take the Countermeasures described in the aforesaid 5. (3) for the purpose of protecting the corporate value of the Company and, by extension, the common interests of the shareholders, it does not anticipate that taking the Countermeasures will cause shareholders (other than the Large-Scale Purchaser who has violated the Large-Scale Purchase Rules) the loss of any rights or considerable economic damage. However, in the event that NOF's Board of Directors determines that, depending on the situation that has changed after a specific Countermeasure was invoked, the suspension of said Countermeasure contributes to enhancing the stable and sustainable corporate value of the Company, NOF's Board of Directors may suspend said Countermeasure invoked. In this case, the shareholders and investors who have sold or otherwise disposed of NOF shares anticipating that the dilution of stock value would occur might suffer certain losses as a result of stock price fluctuation.

If NOF's Board of Directors decides to take a specific Countermeasure, the content of said decision will be disclosed timely in an appropriate manner pursuant to relevant laws and regulations and the financial instruments exchange regulations, etc., of the financial instruments exchanges on which NOF stock is listed.

As for the procedures that involve NOF's shareholders with regard to the issuance of stock acquisition rights, a possible option among the Countermeasures, they need to pay the exercise price within a certain prescribed period to exercise such stock acquisition rights to acquire new shares. The Company will separately announce the details of such procedures in accordance with relevant laws and regulations when the Board of Directors actually decides to issue stock acquisition rights.

If NOF's Board of Directors has resolved that the Company acquire the stock acquisition rights, which are held by the shareholders other than the Large-Scale Purchaser and its certain related parties, as of a certain fixed date after the issuance of stock acquisition rights, and, in exchange, deliver NOF shares, the Company will deliver such NOF shares simultaneously to all the qualified shareholders without following the aforementioned procedure of exercising stock acquisition rights.

7. Effective Term of the Policy, as well as Its Abolition, Revision and Amendment

The Policy shall become effective as of the date of resolution at this Annual General Meeting of Shareholders, and its effective term shall be from the conclusion of this Annual General Meeting of Shareholders until the conclusion of the 96th Annual General Meeting of Shareholders to be held in June 2019.

If, even after the Policy has been approved at this Annual General Meeting of Shareholders and has become effective, (i) a general meeting of shareholders of the Company passes a resolution to abolish the Policy, or (ii) NOF's Board of Directors consisting of Directors who are elected by the general meeting of shareholders

of the Company passes a resolution to abolish the Policy, the Policy shall be abolished at that time.

In addition, NOF's Board of Directors may, even during the effective term of the Policy, revise or amend the Policy, as needed, through reviews conducted from the viewpoint of enhancing the corporate value of the Company and, by extension, the common interests of the shareholders, upon approval of the general meeting of shareholders. As described above, if NOF's Board of Directors has made a decision on the abolition or revision of the Policy, the content of said decision will be promptly disclosed to shareholders and investors. Furthermore, NOF's Board of Directors may, even during the effective term of the Policy, revise or amend the Policy upon approval of the Independent Committee, as needed, in the event that such revision/amendment does not cause any disadvantage to shareholders, including cases (i) where any relevant laws and regulations and/or the financial instruments exchange regulations regarding the Policy are newly formulated, amended or abolished, making it appropriate to reflect the effects of such establishment, amendment or abolishment on the Policy, and (ii) where amendment to wording and/or expressions due to reasons such as typographical errors and skipped letters is appropriate.

IV. Rationality of the Policy (The Policy Complies with the Basic Policy Regarding the Control of the Company, Agrees with the Corporate Value of the Company and the Common Interests of the Shareholders, and Does Not Intend to Maintain the Position of the Officers of the Company)

1. Fully Satisfying the Requirements of the Guidelines for Takeover Defense Measures

The Policy fully satisfies the three principles ((i) Protection and Enhancement of Corporate Value and Shareholders' Common Interests, (ii) Prior Disclosure and Shareholders' Intent and (iii) Necessity and Reasonableness) set out in the "Guidelines Regarding Takeover Defense for the Purposes of Ensuring and Enhancing Corporate Value and Shareholders' Common Interests" released by the Ministry of Economy, Trade and Industry and the Ministry of Justice as of May 27, 2005.

The Policy reflects the content of "Takeover Defense Measures in Light of Recent Environmental Changes" released on June 30, 2008, by the Corporate Value Study Group established by the Ministry of Economy, Trade and Industry, as well of "Principle 1-5. Anti-Takeover Measures" of the Corporate Governance Code released on June 1, 2015, by the Tokyo Stock Exchange (TSE).

2. Having the Purpose of Ensuring and Enhancing the Common Interests of the Shareholders

As described in the aforesaid III. 1 "Purpose of the Policy," the Policy was formulated to ensure and enhance the corporate value of the Company and, by extension, the common interests of the shareholders by enabling the shareholders to obtain or have necessary information and sufficient time for their reasonable judgments as to the NOF's Board of Directors negotiations with the Large-Scale Purchaser when a Large-Scale Purchase is proposed.

3. Emphasis on Judgment of Independent Persons Outside the Company

As described in the aforesaid III. 5. "Actions in Response to the Large-Scale Purchase," the invocation of the Countermeasures in the Policy shall require that the Company requests an opinion from the Independent Committee, consisting of members who are independent from the Company's management that conducts the execution of business, and respects the recommendations from the Independent Committee to the maximum

extent possible. Accordingly, the procedure of guaranteeing transparent operation of the Policy is ensured so that it can contribute to the corporate value of the Company and the common interests of the shareholders.

4. Reflection of Shareholders' Intent

The Policy is designed to become effective, subject to approval of the shareholders at a general meeting of shareholders. As the Policy is scheduled to become either effective or not by confirming the shareholders' intent on the relevant proposal at this Annual General Meeting of Shareholders, the intent of the shareholders will be reflected on the continuation thereof.

Furthermore, even before the expiration of the effective term after the continuation of the Policy, the Policy shall be revised or abolished if a resolution of revising or abolishing the Policy is adopted at a general meeting of shareholders. Thus, the life of the Policy rests on the shareholders' rational intent, as a whole.

5. No Dead-Handed or Slow-Handed Defense Measures

As described in the aforesaid III. 7. "Effective Term of the Policy, as well as Its Abolition, Revision and Amendment," the Policy may be abolished by NOF's Board of Directors consisting of Directors who are elected by the general meeting of shareholders of the Company. The Policy, therefore, is not a dead-handed takeover defense measure (a takeover defense measure in which even if a majority of the constituent members of the Board of Directors are replaced, the exercise of the measures cannot be prevented). Also, because the Company adopts a one-year tenure of Directors, the Policy is not a slow-handed takeover defense measure (a takeover defense measure that requires time to prevent the exercise because constituent members of the Board of Directors might not be replaced at one time).

End

(Attachment 1)

Shares of the Company (As of March 31, 2016)

1. Number of shares authorized to be issued 783,828,000
2. Total number of shares issued 177,132,122 (Excluding 3,550,630 treasury shares)
3. Number of shareholders 16,750
4. Major shareholders (top 10)

Shareholder name	Number of shares held (thousand shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (trust account)	9,549	5.39
The Master Trust Bank of Japan, Ltd. (trust account)	9,031	5.09
Mizuho Bank, Ltd. (MHBK)	6,461	3.64
Meiji Yasuda Life Insurance Company	6,256	3.53
JP MORGAN CHASE BANK 385174	4,940	2.78
JX Holdings, Inc.	4,609	2.60
Sompo Japan Nipponkoa Insurance Inc.	4,269	2.41
Mizuho Trust & Banking Co., Ltd.	4,232	2.38
MSIP CLIENT SECURITIES	4,227	2.38
CBNY-GOVERNMENT OF NORWAY	4,138	2.33

Note: The shareholding ratio was calculated by deducting the number of treasury shares (3,550,630 shares).

Outline of the Independent Committee Regulations

- The Independent Committee shall be established by resolution of the Board of Directors of the Company.

- The Independent Committee shall have three or more members. To enable fair and neutral judgments, members of the Independent Committee shall be elected by resolution of the Board of Directors of the Company from among the Company's Outside Directors and Outside Corporate Auditors, who are independent from the management who execute the business of the Company, or outside experts (corporate managers with extensive managerial experience, persons who are adept in investment banking operations, lawyers, Certified Public Accountants, academic experts whose research focus is the Companies Act or persons equivalent to these).

- The term of office of a member of the Independent Committee who is an Outside Director or an Outside Corporate Auditor of the Company shall be the same as his/her term of office as a Director or a Corporate Auditor. The term of office of a member of the Independent Committee who is an outside expert shall be until the conclusion of the Ordinary General Meeting of Shareholders of the Company for the last business year that ends within three years since his/her election. Provided, however, that in the case the abolishment of this Countermeasure Policy is determined at a meeting of the Board of Directors, etc. of the Company, the term of office of the members of the Independent Committee shall end at the same time when this Countermeasure Policy is abolished.

- The Independent Committee shall make decisions with regard to the matters described below and the content of the resolutions shall be reported, together with the reasons for such resolutions, to the Company's Board of Directors as the Committee's recommendation. Each member of the Independent Committee shall make such decisions from the perspectives of contributing to the corporate value of the Company and, further, the common interests of the shareholders of the Company, and not for his/her own sake or for the personal interests of the Directors of the Company.
 - (1) Implementation or non-implementation of a countermeasure against a purchase of the Company that is approved by the Companies Act or other laws and regulations and the Company's Articles of Incorporation such as the issuance of stock acquisition rights;
 - (2) Necessity for holding a general meeting of shareholders associated with the implementation of the countermeasure;
 - (3) Acquisition of stock acquisition rights without compensation, suspension of the issuance of stock acquisition rights or suspension of other countermeasures, based on ex-post negotiation with a Large-Scale Purchaser; and/or
 - (4) Other matters for which the Company's Board of Directors requests recommendation from the Independent Committee.

- When the Independent Committee makes a recommendation, the Company's Board of Directors shall make its final decision with maximum respect for the recommendations from the Independent Committee.

- Other than the above, the Independent Committee shall conduct the following matters:
 - (1) Determine whether a Large-Scale Purchaser has observed the Large-Scale Purchase Rules;
 - (2) Determine what information should be provided as necessary information by a Large-Scale Purchaser for the Board of Directors of the Company;
 - (3) Determine that the provision of necessary information has been completed;
 - (4) Examine and assess a large-scale purchase action by a Large-Scale Purchaser;
 - (5) Determine whether a Large-Scale Purchase action falls under a case that significantly harms the Company's corporate value and, further, the common interests of the shareholders;
 - (6) Determine to extend the period for assessment by the Board of Directors; and/or
 - (7) Approve corrections or revisions to this Countermeasure Policy.

- The Independent Committee may obtain advice from independent third-party experts (financial advisers, Certified Public Accountants, lawyers, consultants or other experts) at the expense of the Company.

- The Independent Committee's resolution shall be made by the affirmative votes of a majority of the attending members with the attendance of a majority of all members of the committee.

Brief Career History of the Members of the Independent Committee

The following five persons are planned to be the members of the Independent Committee after shifting to the Countermeasure Policy.

Takashi Iizuka

(Date of Birth: January 20, 1938)

(Business Experience)	April 1963	Registered as attorney (Tokyo Bar Association) (to present)
	April 1984	Vice-President of Tokyo Bar Association
	April 1999	President of Tokyo Bar Association, Vice-President of Japan Federation of Bar Associations
	June 1999	Audit & supervisory board member of Toyo Ink Manufacturing Co., Ltd. (The trade name was changed to Toyo Ink SC Holdings Co., Ltd., as of April 1, 2011) (to present)
	June 2013	Resigned as Audit & supervisory board member of Toyo Ink SC Holdings Co., Ltd.

There is no special interest between Takashi Iizuka and the Company.

Yasuyuki Arima

(January 10, 1953)

(Business Experience)	April 1975	Joined The Fuji Bank, Limited
	May 1992	General Manager of the Chigasaki Branch, The Fuji Bank, Limited
	November 1998	General Manager of the Kawasaki Branch, The Fuji Bank, Limited
	September 2003	General Manager, Financial Planning Div. of Mizuho Trust & Banking Co., Ltd.
	April 2004	Executive Officer; General Manager, Financial Planning Div. of Mizuho Trust & Banking Co., Ltd.
	May 2004	Executive Officer, Mizuho Trust & Banking Co., Ltd.
	April 2005	Managing Executive Officer, Mizuho Trust & Banking Co., Ltd.
	June 2005	Managing Director, Mizuho Trust & Banking Co., Ltd.
	April 2007	Director, Mizuho Trust & Banking Co., Ltd.
	June 2007	Representative Director and President, Fuyo Auto Lease Co., Ltd.
	April 2016	Director, Fuyo Auto Lease Co., Ltd.
	May 2016	Retired as Director, Fuyo Auto Lease Co., Ltd.

Yasuyuki Arima is a candidate for Outside Director at this General Meeting of Shareholders. There is no special interest between Mr. Arima and the Company.

Masayuki Koderu

(February 17, 1947)

(Business Experience)	April 1971	Joined The Yasuda Trust & Banking Co., Ltd.
	June 1998	Director; Deputy General Manager, Trust Asset Management Div. of The Yasuda Trust & Banking Co., Ltd.
	June 1999	Executive Officer; Deputy General Manager, Trust Assets Management Div. of The Yasuda Trust & Banking Co., Ltd.
	October 1999	Executive Officer; General Manager, Securities Services Div. of The Dai-Ichi Kangyo Fuji Trust & Banking Co., Ltd.
	October 2000	Managing Executive Officer; General Manager, Securities Services Div. of Mizuho Trust & Banking Co., Ltd.
	January 2001	President & CEO of Trust & Custody Services Bank, Ltd.

April 2007	President & CEO of Mizuho Trust Guarantee Co., Ltd.
June 2007	Corporate Auditor of the Company
June 2011	Director of the Company (to present)

Masayuki Kodera is an Outside Director as stipulated in Article 2, Paragraph 15, of the Companies Act. There is no special interest between Mr. Kodera and the Company.

Shinichiro Tanaka
(October 28, 1951)

(Business Experience)	April 1974	Joined The Fuji Bank, Limited
	April 2002	Executive Officer; General Manager, Market Planning Div. of Mizuho Corporate Bank, Ltd.
	December 2002	Executive Officer; Senior Corporate Officer of Market and ALM Unit of Mizuho Corporate Bank, Ltd.
	March 2003	Managing Executive Officer; Head of Transaction Banking Unit of Mizuho Corporate Bank, Ltd.
	April 2004	Managing Executive Officer; Head of Transaction Banking Unit and Operations Group of Mizuho Corporate Bank, Ltd.
	March 2006	Managing Executive Officer; Head of Global Transaction Unit, IT & Systems Group and Operations Group of Mizuho Corporate Bank, Ltd.
	April 2007	Advisor of Fuji Investment Management Co., Ltd.
	July 2007	President & CEO of Mizuho Asset Management Co., Ltd.
	June 2014	Standing Corporate Auditor of Oki Electric Cable Co., Ltd. (to present)
	June 2015	Corporate Auditor of the Company (to present)

Shinichiro Tanaka is an Outside Corporate Auditor as stipulated in Article 2, Paragraph 16, of the Companies Act. There is no special interest between Mr. Tanaka and the Company.

Ryouichi Tahara
(August 11, 1955)

(Business Experience)	April 1978	Joined The Yasuda Trust & Banking Co., Ltd.
	June 2006	Executive Officer; General Manager, Human Resources Div. of Mizuho Trust & Banking Co., Ltd.
	April 2008	Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.
	June 2009	Managing Director and Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.
	October 2010	Managing Director; Managing Executive Officer; General Manager, Trust Products Planning Div. of Mizuho Trust & Banking Co., Ltd.
	February 2011	Managing Director and Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.
	April 2011	President & CEO of Mizuho Trust Business Operations (to present)
	June 2011	Auditor, THE NIPPON SIGNAL CO., LTD.
	June 2015	Corporate Auditor of the Company (to present)

Ryouichi Tahara is an Outside Corporate Auditor as stipulated in Article 2, Paragraph 16, of the Companies Act. There is no special interest between Mr. Tahara and the Company.

Outline of the Stock Acquisition Rights

1. Method to allot stock acquisition rights

Pursuant to the Company's regulations regarding the gratis allotment of stock acquisition rights, stock acquisition rights shall be allotted to shareholders recorded on the last shareholder register as of the allotment date, which is determined by the Board of Directors in its decision making on the issuance of stock acquisition rights, according to the number of shares held by each shareholder. (Provided, however, that the number of common shares held by the Company as of the allotment date shall be excluded.)

2. Total number of stock acquisition rights to be issued

The total number of stock acquisition rights to be issued shall be determined by the Board of Directors according to the number of shares issued by the Company immediately preceding the allotment date, which is determined by the Board of Directors in its decision making on the issuance of stock acquisition rights. (Provided, however, that the number of common shares held by the Company as of the allotment date shall be excluded.) The Board of Directors of the Company may conduct a gratis allotment of stock acquisition rights more than once.

3. Effective date for a gratis allotment of stock acquisition rights

The effective date for a gratis allotment of stock acquisition rights shall be determined by the Board of Directors in its decision making on the issuance of stock acquisition rights.

4. Type of shares for the stock acquisition rights

The type of shares for the stock acquisition rights shall be the common shares of the Company.

5. Total number of shares for the stock acquisition rights

(1) The maximum number of shares for stock acquisition rights at the initial gratis allotment of stock acquisition rights shall be the same as the number of shares issued by the Company immediately preceding the allotment date, which is determined by the Board of Directors in its decision making on the issuance of stock acquisition rights. (Provided, however, that the number of common shares held by the Company as of the allotment date shall be excluded.)

(2) In the case where the Company conducts a stock split or a reverse stock split after issuing the stock acquisition rights, necessary adjustments shall be conducted.

6. Value of the assets to be contributed upon exercise of stock acquisition rights and their calculation method

The value of the assets to be contributed upon exercise of each stock acquisition right shall be ¥1 or more.

7. Period for the exercise of stock acquisition rights

The stock acquisition rights can be exercised within six months from the date determined by the Board of Directors in its decision making on the issuance of stock acquisition rights.

8. “Capital stock” and “Legal capital surplus” in the case when new shares are issued due to the exercise of stock acquisition rights

In case of the issuance of the Company’s common shares due to the exercise of stock acquisition rights, the total value of assets to be contributed upon exercise of stock acquisition rights shall be accounted for as “Capital stock.”

9. Limitation of transfer

Transfer of stock acquisition rights shall require the approval of the Company’s Board of Directors.

10. Conditions for the exercise of stock acquisition rights

A Large-Scale Purchaser and its associates shall not be allowed to exercise stock acquisition rights. The details shall be determined separately at a meeting of the Board of Directors of the Company.

11. Acquisition term

(1) As of the date to be determined separately by the Company’s Board of Directors, the Company may acquire all stock acquisition rights excluding those of the persons who are not allowed to exercise the stock acquisition rights pursuant to the provision 10 above. In this case, the Company shall deliver its common shares in exchange for these stock acquisition rights.

(2) During the period from the effective date for stock acquisition rights until the day before the start date of the period for the exercise of the stock acquisition rights or the date when the Company acquires the stock acquisition rights as described in (1) above, whichever is earlier, if the Company’s Board of Directors has deemed that it is appropriate to acquire stock acquisition rights, the Company may acquire stock acquisition rights without compensation as of the date that is determined separately by the Company’s Board of Directors.

12. Matters related to the delivery of stock acquisition rights by a surviving company, etc., resulting from a merger, absorption-type corporate split, new establishment-type corporate split, share exchange or share transfer

In case the Company conducts a merger (only a merger that makes the Company an extinct company), an absorption-type corporate split, a new establishment-type corporate split, a share exchange or a share transfer, the stock company’s stock acquisition rights stipulated by the provision of Article 236, Paragraph 1, Item 8 (a) through (e), of the Companies Act can be delivered.

13. Issuance of certificates, etc., of stock acquisition rights

The Company shall not issue certificates related to stock acquisition rights.

Outline of this Countermeasure Policy Flow of procedures at the start of a large-scale (Reference documents)

Large-Scale Purchaser

If the Large-Scale Purchase Rules are observed

If the Large-Scale Purchase Rules are not observed

Large-Scale Purchase Rules

Submission of the letter of intent from the Large-Scale Purchaser

If the letter of intent is not submitted

Submission of a list of necessary information from the Board of Directors

Submission of necessary information from the

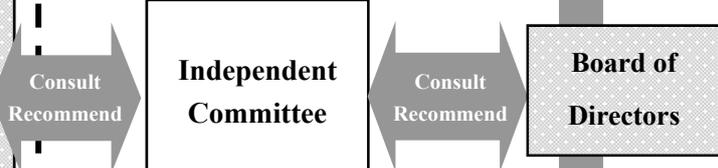
If necessary information is not submitted

Board of Directors:
Period for the assessment by the Board of Directors: 60 or 90 days

- Evaluation and examination of the proposal of purchase of the Company
- Formulation of an alternative plan
- Negotiation with the Large-Scale Purchaser

In case the large-scale purchase plan significantly harms corporate value and interests of shareholders

Purchase before the assessment period



Judgment to implement a measure

Decision by the Board of Directors not to implement

In case a general meeting of shareholders is held
Period for the assessment by shareholders: 60 days

Judgment of implementation or non-implementation of the countermeasure by resolution of the meeting of shareholders

Disapprove Approve

Decision by the Board of Directors to implement

Non-implementation of the countermeasure
 ↓
Shareholders' decision

Implementation of the countermeasure

Note: This chart shows a flow of major procedures for easier understanding of this Countermeasure Policy and does not necessarily show all the related procedures. For details, please read the related explanation.

<Guide for Exercising Voting Rights via the Internet, etc.>

I. Exercise of Voting Rights via the Internet (Guide for individual shareholders)

1. Items that need to be understood before exercising voting rights via the Internet

To exercise your voting rights via the Internet, please carefully read the following items and exercise your voting rights accordingly.

- (1) You may exercise your voting rights via the Internet only through the Web site for exercising voting rights specified by the Company (<http://www.it-soukai.com/>). When exercising your voting rights via the Internet, you are required to have the “Code for the Exercise of Voting Rights” and the “Password” printed on the enclosed Voting Rights Exercise Form.
- (2) The “Code for the Exercise of Voting Rights” and the “Password” printed on the Voting Rights Exercise Form are effective only for this Annual General Meeting of Shareholders. For the next Annual General Meeting of Shareholders, a new “Code for the Exercise of Voting Rights” and “Password” will be issued.
- (3) In the event that voting rights are exercised both by mail and via the Internet, the vote via the Internet shall prevail.
- (4) In the event that voting rights are exercised multiple times via the Internet, the most recent vote shall prevail.
- (5) Any fees that arise from accessing the site for the exercise of voting rights (e.g., Internet access fee and communication charges) shall be borne by the shareholder.

2. Specific Procedures to Exercise Your Voting Rights via the Internet

- (1) Access the Web site <http://www.it-soukai.com/>.
- (2) Enter the “Code for the Exercise of Voting Rights” and the “Password” and click on the “Log-in” button.

The “Code for the Exercise of Voting Rights” and the “Password” are printed at the lower right on the enclosed Voting Rights Exercise Form.
- (3) Follow the instructions on the screen and exercise your voting rights no later than 5:30 p.m. on June 28, 2016 (Thursday), Japan time.

3. System Requirements

For system requirements, please visit the Web site for exercising voting rights via the Internet (<http://www.it-soukai.com/>).

4. Security

Security is in place with an encryption technology used to prevent your votes from being altered or intercepted.

The “Code for the Exercise of Voting Rights” and the “Password” on the enclosed Voting Rights Exercise Form are important private information that helps identify each shareholder. Please be careful not to let them be known to other people. The Company never asks for a shareholder’s password.

5. Inquiries

- (1) In case you need instructions for how to operate your personal computer, etc. in order to exercise your voting rights via the Internet, please contact the following support desk:
Internet Help Dial: Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
Phone: 0120-768-524 (toll-free)
Hours: 9 a.m. to 9 p.m. (excluding Saturdays, Sundays and national holidays), Japan time
- (2) Inquires other than the above:
Stock Transfer Agency Department, Mizuho Trust & Banking Co., Ltd.
Phone: 0120-288-324 (toll-free)
Hours: 9 a.m. to 5 p.m. (excluding Saturdays, Sundays and national holidays), Japan time

II. Electronic Voting Platform for Institutional Investors

Institutional investors registered in the name of a trust and custody services bank, etc. (including a standing proxy), may use the “Electronic Voting Platform” operated by ICJ, Inc. as an alternative

electromagnetic method other than the use of the Internet as explained in I. above for exercising voting rights at the General Meeting of Shareholders of the Company, provided that the shareholder has already subscribed to use of the platform.