



株式会社ニラク・ジー・シー・ホールディングス
NIRAKU GC HOLDINGS, INC.*

(Incorporated in Japan with limited liability)

(Stock Code: 1245)

* *For identification purposes only*

**PROCEDURES FOR SHAREHOLDER TO PROPOSE A PERSON FOR
ELECTION AS A DIRECTOR OF THE COMPANY**

株式会社ニラク・ジー・シー・ホールディングスNIRAKU GC HOLDINGS, INC.* (the “**Company**”) adopts a formal, considered and transparent procedure for shareholders of the Company (the “**Shareholders**”) to propose a person for election as a director of the Company (a “**Director**”) at any general meeting of the Company. The following procedures are subject to the Company’s articles of incorporation* (定款), the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Companies Act (Act No.86 of 2005) of Japan (the “**Japan Companies Act**”), and other applicable legislation and regulations in Hong Kong and Japan:

ORDINARY PROCEDURES

- If a Shareholder, who has held either (i) no less than 1% of the voting rights in the Company; or (ii) no less than 300 voting rights of the Company, wishes to propose a person for election as a Director at a general meeting, he/she shall have to make such proposal to our Chief Executive Officer by lodging a written notice at the Company’s headquarters at 1-39 Hohaccho 1-chome, Koriyama-shi, Fukushima, Japan, for the attention of the Company Secretary of the Company, or at the office of Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong share registrar, at Shops 1712–1716, 17/F Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

- In order for the Company to inform all shareholders of that proposal, the written notice must state (i) his/her intention to propose such person for election as a Director, and (ii) the biographical details of such nominated candidate as required under Rule 13.51(2) of the Listing Rules for publication by the Company and be signed by the shareholder concerned and the person who has been proposed indicating his/her willingness to be elected.
- Any proposal for election of Directors will be considered at the first general meeting (annual or extraordinary) scheduled to be held eight weeks after the above notice is lodged at the Company. If a Shareholder wishes to have his/her proposal considered at the annual general meeting of the Company, the above notice must be lodged at the Company no later than eight weeks prior to the date of the annual general meeting. This date will be notified to the Shareholders by way of announcement on the Stock Exchange no less than ten weeks prior to such date.

EXTRAORDINARY PROCEDURES

- Notwithstanding the ordinary procedures stated above, if the original meeting agenda of a general meeting (annual or extraordinary) includes a proposal of the appointment of a new Director, or Directors, to the Company's Board of Directors, a Shareholder may propose last-minute amendments to such existing meeting agenda and nominate a person for election as a Director any time before the relevant general meeting or at the meeting, provided however that a shareholders may not be able to propose a person for election as a Director as a last-minute amendment if a last-minute nomination of the same person as a proposed Director failed to receive 10% favourable votes in a general meeting held over the three preceding years (so long as the backgrounds or conditions of both proposals are similar). Such last-minute amendments may be made (i) by writing to the Company's headquarters at 1-39 Hohaccho 1-chome, Koriyama-shi, Fukushima, Japan, for the attention of the Company Secretary of the Company; or (ii) verbally at the relevant general meeting.
- Upon receipt of a last-minute amendment to an existing meeting agenda on the election and/or re-election of Director(s), so long as it is made before the date of the relevant general meeting, the Company will use all means and resources reasonably available to it to make an announcement to inform the Shareholders as soon as reasonably practicable in English and Chinese on the Stock Exchange's website at www.hkexnews.com and the Company's website at www.ngch.co.jp.
- Any Shareholder who has no less than 3% of the voting rights in the Company may request our Chief Executive Officer to convene a general meeting to elect a person as a Director.

Where necessary, our Company may contact the nominating shareholder to obtain further details of the Director candidate as required under Article 74 of the Ordinance for Enforcement of the Companies Act* (Ministry of Justice Regulation No. 12 of 2006).

Beneficial owners holding the pecuniary interests and voting rights with respect to the shares in the Company which are deposited into the Central Clearing and Settlement System (“**CCASS**”) are not considered as Shareholders under the Japan Companies Act. These CCASS beneficial owners are not entitled to nominate a person as a Director. CCASS beneficial owners wishing to do so must withdraw the relevant shares from CCASS and re-register himself/herself as a Shareholder in the Company’s share register.

Shareholders should note that, because the Company was incorporated in Japan, the above procedures are different from those applicable to other companies listed on the Stock Exchange that were incorporated in other jurisdictions. Shareholders are advised to refer to the section headed “Key Japan Legal and Regulatory Matters” in the Company’s website at www.ngch.co.jp from time to time.