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Securities code: 7483

June 11, 2019

To our shareholders:

Masayuki Nomura  
President  
**DOSHISHA CO., LTD.**  
1-5-5 Higashi-Shinsaibashi, Chuo-ku, Osaka

## NOTICE OF THE 43RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 43rd Ordinary General Meeting of Shareholders of DOSHISHA CO., LTD. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 5:30 p.m. on Wednesday, June 26, 2019 (Japan Standard Time).

**1. Date and Time:** Thursday, June 27, 2019 at 10:00 a.m. (Japan Standard Time)  
(Reception will open at 9:00 a.m.)

**2. Place:** DOSHISHA CO., LTD. Osaka Head Office, 11th Floor  
1-5-5 Higashi-Shinsaibashi, Chuo-ku, Osaka

### **3. Agenda:**

#### **Matters to be reported:**

- 1 Business Report and Consolidated Financial Statements for the 43rd Term (from April 1, 2018 to March 31, 2019), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 43rd Term (from April 1, 2018 to March 31, 2019)

#### **Matters to be resolved:**

- Proposal 1:** Appropriation of surplus  
**Proposal 2:** Election of eight (8) Directors  
**Proposal 3:** Election of four (4) Audit & Supervisory Board Members  
**Proposal 4:** Election of one (1) Substitute Audit & Supervisory Board Member

### **4. Disclosure via the Internet**

In accordance with the applicable laws and regulations and the provisions of Article 16 of the Company’s Articles of Incorporation, we have posted on our website (<http://www.doshisha.co.jp/>) the following matters, and thus omitting them from this Notice.

- “Systems for Ensuring the Properness of Business Activities” in the Business Report
- “Outline of the Operation of Internal Control System” in the Business Report
- “Consolidated Statement of Changes in Equity” in the Consolidated Financial Statements
- “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
- “Statement of Changes in Equity” in the Financial Statements
- “Notes to the Non-consolidated Financial Statements” in the Financial Statements

These matters are included in the Business Report, the Consolidated Financial Statements and the Financial Statements that the Accounting Auditor or the Audit & Supervisory Board Members audited to prepare the Financial Audit Report or the Audit Report.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

Having identified the appropriate return of profits to shareholders as its most important management policy, the Company has made it its basic policy to, while bearing in mind the need to maintain a proactive and stable dividend, also consider the need to maintain internal reserves to fund further business expansion and to strengthen the corporate structure so that it can respond to changes in the business environment, as well as the need for a compensation system that reflects employee performance.

Taking into account factors such as future business expansion, the Company proposes the year-end dividends for the 43rd Term and other appropriation of surplus as follows:

1. Matters related to year-end dividends
  - (1) Type of dividend property  
Cash
  - (2) Allocation of dividend property and total amount thereof  
¥25 per common share of the Company  
Total amount of dividends: ¥932,429,925  
Note that the Company paid an interim dividend of ¥25 per share, bringing the dividend for the entire fiscal year to ¥50 per share.
  - (3) Effective date of distribution of dividends of surplus  
June 28, 2019
2. Matters related to other appropriation of surplus
  - (1) Item of surplus to be increased and amount of increase thereof  
General reserve: ¥2,000,000,000
  - (2) Item of surplus to be decreased and amount of decrease thereof  
Retained earnings brought forward: ¥2,000,000,000

**Proposal 2:** Election of eight (8) Directors

The term of all eight (8) Directors expires at the conclusion of this General Meeting of Shareholders. Therefore, the Company proposes the election of eight (8) Directors.

The candidates for Directors are as follows:

| No.  | Name<br>(Date of birth)                 | Career summary, position and responsibilities<br>(Significant concurrent positions outside the Company)  | Number of the<br>Company's shares<br>owned |
|--|---|--|--|
| 1  | Masaharu Nomura<br>(September 18, 1946) | Jan. 1977      Established the Company<br>Took office as President<br>Apr. 2014      Chairman and Chief Executive Officer (present<br>position)  | 1,079,583                                  |
| <p>[Reasons for nomination as candidate for Director]<br/>As the founder of the company, he has led the management of the company for over 40 years since its foundation and developed the Company into the distribution service group with its annual turnover exceeding ¥100 billion. The Company has nominated him as a candidate to continue serving as Director due to his achievements that prove his ability and insight as an operator.</p>  |   |  |  |
| 2  | Masayuki Nomura<br>(June 3, 1972)       | Jan. 1998      Joined the Company<br>June 2004      Director<br>Apr. 2006      Managing Director, General Manager of PB<br>Division<br>May 2006      General Manager of Second Business Division<br>May 2007      Senior Managing Director<br>May 2010      Representative Senior Managing Director,<br>Officer In Charge of Investor Relations &<br>Public Relations<br>Apr. 2011      Representative Director and Executive Vice<br>President, Chief Director of Sales and Officer<br>In Charge of Investor Relations & Public<br>Relations<br>Apr. 2014      President and Chief Operating Officer (present<br>position)<br>Significant concurrent positions outside the Company<br>Director, MS SHOJI KK | 59,900                                     |
| <p>[Reasons for nomination as candidate for Director]<br/>He has abundant experience, achievements and insight into management, obtained through having acted in important positions since joining the Company and serving currently as the President of the Company since April 2014. The Company has nominated him as a candidate to continue serving as Director due to his ability, experience and insight, required for supervising and leading the administration of business matters.</p> |   |  |  |

| No.   | Name<br>(Date of birth)            | Career summary, position and responsibilities<br>(Significant concurrent positions outside the Company)  | Number of the<br>Company's shares<br>owned |
|---|------------------------------------|--|--|
| 3   | Toneri Kimbara<br>(August 5, 1952) | <p>Feb. 1990      Joined the Company</p> <p>June 1995      Director</p> <p>June 2001      Managing Director</p> <p>Nov. 2002      Senior Managing Director</p> <p>Dec. 2004      Vice President, General Manager of PB Division</p> <p>Mar. 2005      General Manager of PB Division and Officer In Charge of Quality Assurance</p> <p>Apr. 2006      Chief Director of Sales and Officer In Charge of Investor Relations &amp; Public Relations</p> <p>July 2006      Chief Director of Sales, Officer In Charge of Quality Assurance, Investor Relations &amp; Public Relations</p> <p>Feb. 2007      Chief Director of Sales, Chief Director of Quality Assurance/Affiliated Companies Business, and Officer In Charge of Investor Relations &amp; Public Relations</p> <p>Apr. 2008      Chief Director of Sales and Officer In Charge of Investor Relations &amp; Public Relations</p> <p>July 2010      Chief Director of Sales</p> <p>Apr. 2011      Representative Director and Executive Vice President, Advisor to the President</p> <p>May 2013      Advisor to the President and Officer In Charge of Sales Planning</p> <p>June 2014      Vice Chairman and Advisor to the Chairman</p> <p>Nov. 2018      Vice President and Chief Director of Sales (present position)</p> <p>Significant concurrent positions outside the Company</p> <p>President, Victoria Well Holdings Limited</p> <p>President, Shanghai Comrade Trade Company</p> <p>Director, Life Net Co., Ltd.</p> <p>Director, Karinpia Co., Ltd.</p> <p>Director, Rainbow Warehouse (Shenzhen) Limited</p> <p>Director, Lianyungang Brilliant Daily Products Co., Ltd.</p> <p>Director, Lianyungang Brilliant Industrial Co., Ltd.</p> | 91,704                                     |
| <p>[Reasons for nomination as candidate for Director]</p> <p>The Company has nominated him as a candidate to continue serving as Director due to his abundant experience, achievements and insight into management, obtained through having acted in important positions since joining the Company and serving currently as the Representative Director of the Company since December 2004.</p> |                                    |  |  |

| No.  | Name<br>(Date of birth)                 | Career summary, position and responsibilities<br>(Significant concurrent positions outside the Company)  | Number of the<br>Company's shares<br>owned |
|--|---|--|--|
| 4  | Kazuhiro Niki<br>(November 1, 1955)     | Oct. 1983    Joined the Company<br>May 1997    Eighth Business Company President<br>Apr. 2004    Executive Officer<br>June 2005    Director<br>May 2006    General Manager of Third Business Division<br>May 2007    Managing Director<br>Apr. 2011    Director, Senior Managing Executive Officer<br>(present position)<br>July 2011    General Manager of the First Business Division<br>Apr. 2017    General Manager of the First Business Division<br>and Executive Officer In Charge of Office in<br>Italy<br>Apr. 2019    Vice Director of Sales, and Executive Officer In<br>Charge of New Business and Office in Italy<br>(present position)<br>Significant concurrent positions outside the Company<br>Director, Doshisha Logistics Co., Ltd.   | 19,412                                     |
| [Reasons for nomination as candidate for Director]<br>The Company has nominated him as a candidate to continue serving as Director due to his abundant experience, achievements and insight into management, obtained through having abundant experience in sales activities of the Company since joining the Company and serving currently as the Director and Senior Managing Executive Officer of the Company since April 2011. |   |  |  |
| 5  | Takahiro Matsumoto<br>(August 25, 1970) | Apr. 1994    Joined Daiwa Bank, Ltd. (now Resona Bank,<br>Limited.)<br>Apr. 2012    Joined the Company, Director of Corporate<br>Planning Department<br>Aug. 2013    Supervising Director of System Development<br>Department, Director of Corporate Planning<br>Department, and Officer In Charge of Investor<br>Relations & Public Relations<br>June 2014    Executive Officer, Executive Officer In Charge<br>of System Development and Supervising<br>Director of Financial & Accounting<br>Department, Foreign Trade Operation<br>Department and Business Management<br>Department<br>June 2016    Director and Executive Officer In Charge of<br>Financial & Accounting, Foreign Trade<br>Operation and Business Management<br>Apr. 2018    Director and Executive Officer In Charge of<br>Financial & Accounting, Foreign Trade<br>Operation, Business Management and<br>Investigation<br>Apr. 2019    Director and Managing Executive Officer In<br>Charge of Financial & Accounting, Foreign<br>Trade Operation and Business Management<br>(present position) | 514  |
| [Reasons for nomination as candidate for Director]<br>The Company has nominated him as a candidate to continue serving as Director due to his superior ability, experience and insight into management, obtained through having extensive experience in the Management Department of the Company since joining the Company and serving currently as the Director of the Company since June 2016.                                   |   |  |  |

| No.  | Name<br>(Date of birth)  | Career summary, position and responsibilities<br>(Significant concurrent positions outside the Company)  | Number of the<br>Company's shares<br>owned |
|--|--|--|--|
| 6  | Outside Director<br><br>Chohachi Goto<br>(February 9, 1945)    | Jan. 1972      Joined SHIMAMURA Co., Ltd.<br>May 1985      Director of SHIMAMURA Co., Ltd.<br>May 1987      Managing Director of SHIMAMURA Co., Ltd.<br>May 1990      Senior Managing Director of SHIMAMURA Co., Ltd.<br>May 2009      Resigned from SHIMAMURA Co., Ltd.<br>June 2015      Director of the Company (present position)  | 5,243                                      |
| <p>[Reasons for nomination as candidate for Outside Director]<br/>Based on his abundant experience obtained from the post of corporate manager for many years, the Company has nominated him as a candidate to continue serving as Outside Director with his valuable opinions and insights regarding the management of the Company, and the appropriate direction he provides for business execution.</p> <p>[Tenure as Outside Director]<br/>At the conclusion of this meeting, his tenure as an Outside Director of the Company will be four (4) years.</p>   |  |  |  |
| 7  | Outside Director<br><br>Noriaki Kumamoto<br>(November 9, 1947) | Apr. 1966      Appointed Police Officer with Osaka Prefectural Police<br>Mar. 2001      Chief of Fuse Police Station<br>Mar. 2002      Head of Criminal Administration Division, Criminal Investigation Department<br>Mar. 2003      Head of Inspection Office, Police Administration Department<br>Mar. 2004      Chief of Minami Police Station<br>Mar. 2005      Head of Osaka City Police Department and Head of Organized Crime Division, Osaka Prefectural Police<br>Jan. 2006      Head of Criminal Investigation Department, Osaka Prefectural Police Headquarters<br>Mar. 2008      Resigned as Police Officer with Osaka Prefectural Police<br>Apr. 2008      Head of Osaka Office of the Japan Safe Driving Center<br>Mar. 2010      Resigned as Head of Osaka Office of the Japan Safe Driving Center<br>June 2015      Director of the Company (present position) | 11,056                                     |
| <p>[Reasons for nomination as candidate for Outside Director]<br/>Based on his extensive experience obtained through serving as Head of the Criminal Investigation Department at Osaka Prefectural Police Headquarters and Head of the Organized Crime Division, he is always in a position to provide valuable opinions and insights regarding the management of the Company as well as appropriate direction for business execution.</p> <p>The Company has nominated him as a candidate to continue serving as Outside Director, because the Company has judged that, based on his extensive experience at the police, he can properly perform the duties of an Outside Director, nevertheless he has no direct experience of managing any private enterprises other than as an Outside Director.</p> <p>[Tenure as Outside Director]<br/>At the conclusion of this meeting, his tenure as an Outside Director of the Company will be four (4) years.</p> |  |  |  |

| No.  | Name<br>(Date of birth)   | Career summary, position and responsibilities<br>(Significant concurrent positions outside the Company)  | Number of the<br>Company's shares<br>owned |
|--|---|--|--|
| 8  | <p style="text-align: center;">Outside Director</p> <p style="text-align: center;">Keiji Takamasu<br/>(March 2, 1953)</p> | <p>Apr. 1977      Joined The Sumitomo Bank, Limited (now Sumitomo Mitsui Banking Corporation)</p> <p>May 2005      Executive Officer of Sumitomo Mitsui Banking Corporation</p> <p>May 2008      Senior Managing Officer of Kansai Urban Banking Corporation (now Kansai Mirai Bank, Limited)</p> <p>June 2008      Senior Managing Director and Senior Managing Officer of Kansai Urban Banking Corporation</p> <p>June 2011      Senior Managing Officer of The Royal Hotel, Limited</p> <p>June 2012      Representative Director and Vice President of The Royal Hotel, Limited</p> <p>Mar. 2015      Representative Director and Vice President of The Royal Hotel, Limited, and Representative Director and President of RIHGA Royal Hotel Hiroshima, Limited, and Representative Director and President of RIHGA Royal Hotel Kokura, Limited</p> <p>June 2017      Resigned from The Royal Hotel, Limited</p> <p>June 2018      Director of the Company (present position)</p> <p>Significant concurrent positions outside the Company<br/>Representative Director, iBNet Co., Ltd.</p> | 1,204                                      |
| <p>[Reasons for nomination as candidate for Outside Director]<br/>He has acted in important positions in financial institutions and hotel management companies for many years and obtained abundant knowledge and experience regarding finance and corporate management through his career. The Company has nominated him as a candidate to continue serving as Outside Director in the expectation that he could provide valuable opinions and insights regarding the management of the Company based on such knowledge and experience.</p> <p>[Tenure as Outside Director]<br/>At the conclusion of this meeting, his tenure as an Outside Director of the Company will be one (1) year.</p> |   |  |  |

- Notes:
1. The Company engages in transactions such as goods procurement with Victoria Well Holdings Limited, the company where candidate for Director Toneri Kimbara serves as President.
  2. There is no special interest between any of the other candidates and the Company.
  3. The Company has designated Chohachi Goto, Noriaki Kumamoto and Keiji Takamasu as Independent Officers in accordance with the rules of the Tokyo Stock Exchange, and has registered them as such at the exchange. If each of their elections is approved, the Company plans for their appointment as Independent Officers to continue.
  4. Chohachi Goto, Noriaki Kumamoto and Keiji Takamasu are candidates for Outside Director. Pursuant to the Company's Articles of Incorporation and Article 427 Paragraph 1 of the Companies Act, the Company has concluded limited liability agreements with them to limit their liability, provided that they have acted in good faith and without gross negligence, to the extent defined by the laws and regulations. If each of their elections is approved, the Company plans to retain these limited liability agreements with each of them.

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

The term of all four (4) Audit & Supervisory Board Members expires at the conclusion of this General Meeting of Shareholders.

Therefore, the Company proposes the election of four (4) Audit & Supervisory Board Members.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

| No.  | Name<br>(Date of birth)                  | Career summary and position in the Company<br>(Significant concurrent positions outside the Company)   | Number of the<br>Company's shares<br>owned |
|--|--|--|--|
| 1  | Toshihiro Fujimoto<br>(January 25, 1951) | June 2000      Joined the Company<br>June 2003      Director<br>Sept. 2003      Officer In Charge of Financial & Accounting,<br>Business Management and Foreign Trade<br>Operation, and Supervising Director of<br>Financial & Accounting Department<br>Sept. 2004      Officer In Charge of Financial & Accounting,<br>Business Management, Foreign Trade<br>Operation, General Affairs and Tokyo Offices<br>Dec. 2006      Officer In Charge of Financial & Accounting,<br>Business Management and Foreign Trade<br>Operation, and Supervising Director of<br>Financial & Accounting Department and<br>Business Management Department<br>June 2008      Officer In Charge of Financial & Accounting,<br>Business Management and Foreign Trade<br>Operation, and Supervising Director of<br>Business Management Department<br>July 2008      Officer In Charge of Financial & Accounting<br>and Foreign Trade Operation<br>Apr. 2010      Managing Director<br>Apr. 2011      Director and Managing Executive Officer<br>Feb. 2014      Executive Officer In Charge of Financial &<br>Accounting, Foreign Trade Operation and<br>Business Management<br>June 2016      Full-time Audit & Supervisory Board Member<br>(present position)<br>Significant concurrent positions outside the Company<br>Audit & Supervisory Board Member, Doshisha Logistics Co.,<br>Ltd.<br>Audit & Supervisory Board Member, Karinpia Co., Ltd.<br>Audit & Supervisory Board Member, Orion Co., Ltd.<br>Audit & Supervisory Board Member, Doing Co., Ltd.<br>Audit & Supervisory Board Member, Doshisha Staff Service<br>Co., Ltd.<br>Supervisor, Lianyungang Brilliant Daily Products Co., Ltd.<br>Supervisor, Lianyungang Brilliant Industrial Co., Ltd.<br>Supervisor, Shanghai Comrade Trade Company<br>Supervisor, Rainbow Warehouse (Shenzhen) Limited | 38,812                                     |
| [Reasons for nomination as candidate for Audit & Supervisory Board Member]<br>Since joining the Company, he has extensive experience in various sections including the Financial & Accounting Department, and has contributed to boosting corporate value in business management, finance and accounting as Managing Director.<br>The Company has nominated him as a candidate to continue serving as an Audit & Supervisory Board Member due to his abundant knowledge and insight regarding the overall corporate management, sincere personality, and high discernment and ability. |  |  |  |



| No.   | Name<br>(Date of birth)   | Career summary and position in the Company<br>(Significant concurrent positions outside the Company)   | Number of the<br>Company's shares<br>owned |
|---|---|--|--|
| 2   | Akira Sakamoto<br>(December 18, 1947)   | June 1972    Joined Ito-Yokado Co., Ltd.<br>May 1999    Director of Ito-Yokado Co., Ltd.<br>May 2004    Executive Officer and Manager of Store<br>Development of Ito-Yokado Co., Ltd.<br>Aug. 2004    Managing Executive Officer Responsible for<br>Merchandising of KOMERI Co., Ltd.<br>June 2005    Joined the Company, Senior Managing<br>Director, General Manager of NB Division<br>June 2006    Officer In Charge of General Corporate<br>Planning, System Development, General<br>Affairs, Tokyo Offices, and Investor Relations<br>& Public Relations<br>Dec. 2007    Officer In Charge of Sales Planning, Quality<br>Assurance and Investor Relations & Public<br>Relations<br>Dec. 2008    Officer In Charge of Sales Planning, Quality<br>Assurance and Tokyo Offices<br>June 2011    Full-time Audit & Supervisory Board Member<br>(present position)<br>Significant concurrent positions outside the Company<br>Corporate Auditor, Life Net Co., Ltd. | 2,445                                      |
| <p>[Reasons for nomination as candidate for Audit &amp; Supervisory Board Member]<br/>           Since joining the Company, he has extensive experience in various sections including the Management Department, and has contributed to boosting corporate value in business management and quality assurance as Senior Managing Director.<br/>           The Company has nominated him as a candidate to continue serving as an Audit &amp; Supervisory Board Member due to his abundant knowledge and experience regarding the overall corporate management, and deep insight and high abilities in corporate governance.</p>   |   |  |  |
| 3   | Outside Audit & Supervisory<br>Board Member<br><br>Shiro Koyama<br>(January 11, 1935) | Apr. 1953    Joined Osaka Regional Taxation Bureau<br>July 1992    District Director of Sakai Tax Office<br>Oct. 1993    Established Koyama Shiro Certified Tax<br>Accountant Office (present position)<br>June 2000    Audit & Supervisory Board Member of the<br>Company (present position)<br>(Significant concurrent positions outside the Company)<br>Certified tax accountant (Representative of Koyama Shiro<br>Certified Tax Accountant Office)  | 14,021                                     |
| <p>[Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member]<br/>           The Company has nominated him as a candidate to continue serving as Outside Audit &amp; Supervisory Board Member because the Company has judged that he will be able to enhance the monitoring function of corporate management from a professional perspective regarding tax and accounting as a certified tax accountant.<br/>           He has never in the past been directly involved in the management of a company other than as an outside Audit &amp; Supervisory Board Member. However, based on the above reasons, the Company has judged that he has sufficient insight on the corporate auditing and will appropriately fulfill his duties as an outside Audit &amp; Supervisory Board Member.<br/>           [Tenure as Outside Audit &amp; Supervisory Board Member]<br/>           At the conclusion of this meeting, his tenure as an Outside Audit &amp; Supervisory Board Member of the Company will be 19 years.</p> |   |  |  |

| No.  | Name<br>(Date of birth)  | Career summary and position in the Company<br>(Significant concurrent positions outside the Company)   | Number of the<br>Company's shares<br>owned |
|--|--|--|--|
| 4  | Outside Audit & Supervisory<br>Board Member<br><br>Tadashi Edo<br>(September 16, 1944) | Apr. 1963      Joined Osaka Regional Taxation Bureau<br>July 1992      Deputy District Director of Higashiyodogawa<br>Tax Office<br>July 1997      District Director of Tanabe Tax Office<br>July 1998      Appeals Judge, Second Department of Osaka<br>Regional Tax Tribunal<br>July 1999      Chief Internal Inspector Dispatched to Osaka<br>July 2001      Assistant Manager, First Taxation Department<br>of Osaka Regional Taxation Bureau<br>July 2002      General Manager, Second Examination Group<br>of Osaka Regional Taxation Bureau<br>Aug. 2003      Established Edo Tadashi Certified Tax<br>Accountant Office (present position)<br>June 2015      Audit & Supervisory Board Member of the<br>Company (present position)<br><br>Significant concurrent positions outside the Company<br>Certified tax accountant (Representative of Tadashi Edo<br>Certified Tax Accountant Office)<br>Outside Audit & Supervisory Board Member, Toyo Tanso Co.,<br>Ltd. | 1,027                                      |
| <p>[Reasons for nomination as candidate for Outside Audit &amp; Supervisory Board Member]<br/>The Company has nominated him as a candidate to continue serving as Outside Audit &amp; Supervisory Board Member because the Company has judged that he will be able to enhance the monitoring function of corporate management leveraging his expertise as a tax accountant and years of experience in tax and accounting.<br/>He has never in the past been directly involved in the management of a company other than as an outside Audit &amp; Supervisory Board Member. However, based on the above reasons, the Company has judged that he has sufficient insight on the corporate auditing and will appropriately fulfill his duties as an outside Audit &amp; Supervisory Board Member.</p> <p>[Tenure as Outside Audit &amp; Supervisory Board Member]<br/>At the conclusion of this meeting, his tenure as an Outside Audit &amp; Supervisory Board Member of the Company will be four (4) years.</p> |  |  |  |

- Notes:
1. There is no special interest between any of the candidates and the Company.
  2. The Company has designated Shiro Koyama and Tadashi Edo as Independent Officers in accordance with the rules of the Tokyo Stock Exchange, and has registered them as such at the exchange. If both their elections are approved, the Company plans for their appointment as Independent Officers to continue.
  3. Shiro Koyama and Tadashi Edo are candidates for Outside Audit & Supervisory Board Member. Pursuant to the Company's Articles of Incorporation and Article 427 Paragraph 1 of the Companies Act, the Company has concluded limited liability agreements with both to limit their liability, provided that they have acted in good faith and without gross negligence, to the extent defined by the laws and regulations. If both their elections are approved, the Company plans to retain these limited liability agreements with both of them.

**Proposal 4:** Election of one (1) Substitute Audit & Supervisory Board Member

The Company requests approval for the election of one (1) substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number required by laws and regulations, because at the commencement of this meeting, the effectiveness of the election of Audit & Supervisory Board Member Yoshio Suzuka at the 39th Ordinary General Meeting of Shareholders held on June 26, 2015 has expired.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

| Name<br>(Date of birth)             | Career summary and significant concurrent positions outside the Company   | Number of the<br>Company's shares<br>owned |
|-------------------------------------|---|--|
| Yoshio Suzuka<br>(October 28, 1952) | Apr. 1975      Joined Osaka Regional Taxation Bureau<br>July 1997      Chief of Finance Office, Finance Department of West Japan<br>Railway Company<br>July 2003      District Director of Maizuru Tax Office<br>July 2011      District Director of Amagasaki Tax Office<br>July 2012      General Manager, Second Taxation Department of Osaka<br>Regional Taxation Bureau<br>Sept. 2013     Established Suzuka Yoshio Certified Tax Accountant Office<br>(present position)<br>June 2014      Corporate Auditor of HURXLEY CORPORATION (present<br>position)<br>June 2015      Outside Audit & Supervisory Board Member, GUNZE<br>LIMITED (present position) | 0  |

[Reasons for nomination as candidate for substitute Audit & Supervisory Board Member]

The Company has nominated him as a candidate to continue serving as Outside Audit & Supervisory Board Member in the expectation that he could leverage his expertise as a tax accountant and years of experience in tax and accounting for the Company's audit system when appointed as an Audit & Supervisory Board Member.

He has never in the past been directly involved in the management of a company other than as an outside Audit & Supervisory Board Member. However, based on the above reasons, the Company has judged that he has sufficient insight on the corporate auditing and will appropriately fulfill his duties as an outside Audit & Supervisory Board Member.

- Notes:
1. There is no special interest between the candidate and the Company.
  2. Yoshio Suzuka is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. If Yoshio Suzuka is elected as an Audit & Supervisory Board Member, pursuant to the Company's Articles of Incorporation and Article 427 Paragraph 1 of the Companies Act, the Company plans to enter into a limited liability agreement with him to limit his liability, provided that he has acted in good faith and without gross negligence, to the extent defined by the laws and regulations.
  4. With regard to this election, the effectiveness of the election can be nullified by resolution of the Board of Directors with the consent of the Audit & Supervisory Board, provided that it is before his assuming office.