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(Stock Exchange Code 3088)  
June 3, 2016

**To Shareholders with Voting Rights:**

Kiyoo Matsumoto  
President  
Matsumotokiyoshi Holdings Co., Ltd.  
9-1 Shinmatsudo-Higashi, Matsudo-shi,  
Chiba, Japan

**NOTICE OF  
THE 9TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 9th Annual General Meeting of Shareholders of Matsumotokiyoshi Holdings Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

**If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via the Internet. If exercising your voting rights in writing, please review the attached Reference Documents for the General Meeting of Shareholders, indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 6:00 p.m. on Tuesday, June 28, 2016, Japan time.**

- 1. Date and Time:** Wednesday, June 29, 2016 at 10:00 a.m. Japan time (Open for reception: 8:00 a.m.)
- 2. Place:** Conference room at the Corporate Headquarters located at  
9-1 Shinmatsudo-Higashi, Matsudo-shi, Chiba
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company’s 9th Fiscal Year (April 1, 2015 - March 31, 2016) and results of audits by the Accounting Auditors and the Board of Corporate Auditors of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company’s 9th Fiscal Year (April 1, 2015 - March 31, 2016)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of 8 Directors
    - Proposal 3:** Election of 2 Corporate Auditors
    - Proposal 4:** Election of 1 Substitute Corporate Auditor
    - Proposal 5:** Decision of Amount and Contents of Stock Compensation, etc. for Directors

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- ◎When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - ◎Notes on the Consolidated Financial Statements and Notes on the Non-consolidated Financial Statements, as part of documents that shall be provided with this Notice, have been posted on the Company's website ([URL:http://www.matsumotokiyoshi-hd.co.jp/index.html](http://www.matsumotokiyoshi-hd.co.jp/index.html)), based on laws and regulations and the Company's Articles of Incorporation. Accordingly, the documents attached to the Notice of the 9th Annual General Meeting of Shareholders constitute a part of Consolidated Financial Statements and Non-Consolidated Financial Statements audited by Accounting Auditor and Corporate Auditor in preparation for Accounting Audit Report and Audit Report.
  - ◎If Reference Documents for the General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements are amended, the Company will post the updated documents on the Company's website ([URL:http://www.matsumotokiyoshi-hd.co.jp/index.html](http://www.matsumotokiyoshi-hd.co.jp/index.html)).

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

Appropriation of surplus shall be as follows:

Matters concerning the year-end dividend

The Company regards the distribution of profit to the shareholders to be one of the most important issues for management. The Company's basic policy is to make continuous and stable payment of dividends by strengthening management bases and improving profitability.

The Company will utilize its internal reserves for investments that will lead to the Company's growth, such as expansion of existing businesses and development of new businesses including infrastructure development and expansion of services as well as M&A, in order to cope with the expected changes in business environment.

It is proposed to pay a year-end dividend of ¥45 per share, based on the policy above.

(1) Type of dividend assets

Cash

(2) Appropriation of dividend assets and amount of appropriation

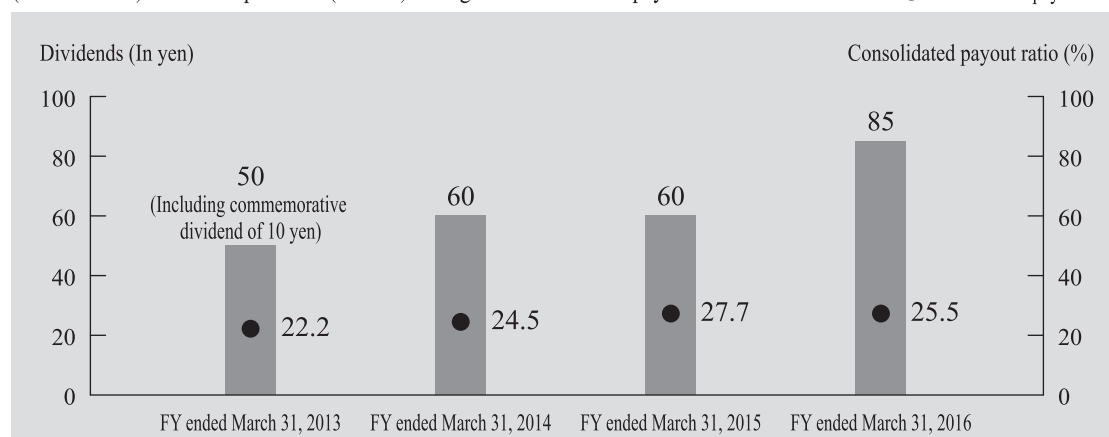
¥45 per share of common stock of the Company

total amount ¥2,413,509,030

(3) Surplus dividend effective date

June 30, 2016

(For reference) Dividends per share (Annual)/Changes in consolidated payout ratio



**Proposal 2:** Election of 8 Directors

The terms of office of all 8 Directors will expire at the conclusion of this Annual General Meeting of Shareholders.

Accordingly, the election of 8 Directors is proposed.

The candidates are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Namio Matsumoto (March 4, 1943) [Reelection]	<p>April 1965      Joined Drugstore Matsumotokiyoshi, Ltd. (now Matsumoto Kiyoshi Co., Ltd.)</p> <p>April 1975      Senior Managing Director, Drugstore Matsumotokiyoshi, Ltd.</p> <p>January 1985   Representative Director, Your Sports Club Co., Ltd. (current position)</p> <p>August 1988   Representative Director, Nankai Kousan, Ltd. (now Nankai Kousan Co., Ltd.) (current position)</p> <p>July 1997      Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1998      Representative Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1999      Chairman, Japan Association of Chain Drug Stores</p> <p>February 2001 President, Matsumoto Kiyoshi Co., Ltd.</p> <p>May 2002      Vice Chairman, Self-Medication Advocacy Council</p> <p>October 2007 President of the Company</p> <p>April 2009      Chairman and CEO of the Company</p> <p>April 2011      Chairman, President and CEO of the Company</p> <p>June 2011      Chairman and President of the Company</p> <p>April 2014      Chairman of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Director] Since Mr. Namio Matsumoto's assumption of the position of Representative Director of the Company, he has led the Group with his powerful vision and strong leadership, and through his efforts to increase corporate value he has established the Group's firm position in the drug store industry. He also made efforts to establish the Japan Association of Chain Drug Stores, and through those activities, he has established the overall position of the drug store industry, contributing to the industry's development as a result. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] Mr. Namio Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p>	1,428,940

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Kiyoo Matsumoto (January 20, 1973) [Reelection]	<p>June 1995      Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2005      General Manager of Merchandise Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2005      Director and General Manager of Merchandise Department, Matsumoto Kiyoshi Co., Ltd.</p> <p>July 2007      Director and Merchandise Manager of Sales Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007    Director of the Company</p> <p>April 2008      Managing Director of the Company</p> <p>July 2008      Managing Director in charge of Sales Planning and Merchandise Control of the Company</p> <p>April 2009      Senior Managing Director in charge of Sales Planning and Merchandise Control of the Company</p> <p>July 2009      Representative Director, Nankai Kousan Co., Ltd. (current position)</p> <p>April 2010      Senior Managing Director supervising Corporate Planning, Sales Planning and Merchandise Control of the Company</p> <p>April 2011      President, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2013      Representative Director and Vice President supervising Corporate Planning, Sales Planning and Merchandise Control of the Company</p> <p>April 2014      President of the Company (current position) Chairman, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>[Reasons for nomination as a candidate for Director] Since Mr. Kiyoo Matsumoto's assumption of the position of Representative Director of the Company, he has carried on the "feelings" of past company heads within a difficult business environment, and by further strengthening the unity of the Group as a whole, he contributed to the business recovery from the fiscal year ended March 31, 2015 to the fiscal year ended March 31, 2016 as well as the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] Mr. Kiyoo Matsumoto is concurrently serving as Representative Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p>	1,230,600

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions	Number of shares of the Company held
3	Kazuo Narita (June 20, 1950) [Reelection]	<p>April 1974      Joined Japan Recruit Center Co., Ltd. (now Recruit Holdings Co., Ltd.)</p> <p>May 2002      Representative Director and CEO, Onezone Corporation (formerly Marutomi Group Co., Ltd)</p> <p>August 2004    Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2006      General Manager of Business Partnership Management Division and General Manager of Corporate Planning Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007   Director of the Company</p> <p>April 2008      Senior Managing Director in charge of Management and General Manager of Corporate Planning Department of the Company</p> <p>April 2009      Senior Managing Director and CFO in charge of Management and Control of the Company</p> <p>April 2010      Senior Managing Director and CFO supervising Management and Control (concurrently serving FC General Manager of Planning Department) of the Company</p> <p>June 2011      Senior Managing Director supervising Management and Control (concurrently serving FC General Manager of Planning Department) of the Company</p> <p>April 2012      Senior Managing Director supervising Management and Control of the Company (current position)</p> <p>Director and Vice President (concurrently in charge of Management and Control), Matsumoto Kiyoshi Co., Ltd.</p> <p>December, 2013 Representative Director, Simeno Drug Co., Ltd.</p> <p>April 2014      President, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Kazuo Narita has been appointed Representative Director at other companies and possesses abundant experience and deep insight regarding all facets of management. Additionally, both as the unifying force of the Company's control department as Senior Managing Director of the Company and as President of Matsumoto Kiyoshi Co., Ltd., he has broadly contributed to the increase of the Group's corporate value. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Kazuo Narita and the Company.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p>	8,900

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions	Number of shares of the Company held
4	Takashi Matsumoto (May 8, 1975) [Reelection]	<p>April 1999      Joined Sato Pharmaceutical Co., Ltd.</p> <p>April 2002      Joined Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2008      General Manager of Drugstore Business Division and General Manager of Business Support Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2009      Executive Officer of the Company Director, Assistant General Manager of Drugstore Business Division, General Manager of Business Support Office and General Manager of PJ Promotion Planning Office, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2010      Director, General Manager of Sales Promotion Division, General Manager of Sales Promotion Department and General Manager of Mail-order Sales, Matsumoto Kiyoshi Co., Ltd.</p> <p>April 2012      Managing Director (in charge of Store Operations), General Manager of Store Operations Division, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 2013      Director supervising Sales of the Company</p> <p>April 2014      Director supervising Sales Planning and Merchandise Control of the Company</p> <p>April 2015      Managing Director supervising Sales Planning and Merchandise Control of the Company (current position) Senior Managing Director and General Manager of Store Operations Division, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Takashi Matsumoto has held posts as the individual responsible for Matsumoto Kiyoshi Co., Ltd.'s store operations, sales promotion, sales planning, and online business, and now as the Managing Director of the Company he works to create a base for the Company through efforts with a focus on business strategy such as "The collection and use of big data" and "The realization of enriched marketing techniques." In order for him to use this experience, etc., especially in business strategy, in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] Mr. Takashi Matsumoto is concurrently serving as Director of Nankai Kousan Co., Ltd., with which the Company has business relationship for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p>	1,233,000

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions	Number of shares of the Company held
5	Tetsuo Matsumoto (January 2, 1945) [Reelection]	<p>April 1967      Joined Drugstore Matsumotokiyoshi, Ltd. (now Matsumoto Kiyoshi Co., Ltd.)</p> <p>April 1975      Managing Director, Matsumoto Kiyoshi Co., Ltd.</p> <p>July 1997      Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>June 1998      Representative Director and Vice President, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007    Director of the Company</p> <p>April 2008      Director in charge of External Affairs of the Company</p> <p>May 2008      Director and Advisor in charge of External Affairs of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Tetsuo Matsumoto has held the posts as the individual responsible for Matsumoto Kiyoshi Co., Ltd.'s store operations, and over the course of many following years, he has held posts as Matsumoto Kiyoshi Co., Ltd.'s Director and Vice President and possesses abundant experience in the drugstore industry and deep insight regarding all facets of management. Additionally, as a major shareholder of the Company he also provides opinions and advice from the perspective of a third-party shareholder. In order for him to use this abundant experience, deep insight, etc., in order to further create corporate value for the Group, the Company would like to nominate him for candidate for Director.</p> <p>[Special interest between the candidate and the Company] The Company has business relationship with Mr. Tetsuo Matsumoto for real estate leasing.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p>	5,567,400



No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions	Number of shares of the Company held
6	Masahiro Ooya (May 5, 1948) [Outside Director] [Reelection] [Independent]	<p>April 1973      Joined Mitsui Mutual Life Insurance Company (now Mitsui Life Insurance Company Limited)</p> <p>April 2002      Executive Officer and General Manager of Sales Division, Mitsui Mutual Life Insurance Company</p> <p>April 2005      Managing Executive Officer and General Manager of Tokyo Sales Division, Mitsui Mutual Life Insurance Company</p> <p>April 2006      President, Sansei Financial Service Co., Ltd. President, Business Agency, Co., Ltd. Outside Director, Cross Plus Inc. (current position)</p> <p>June 2007      Outside Director, Matsumoto Kiyoshi Co., Ltd.</p> <p>October 2007   Outside Director of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Masahiro Ooya has experience as Representative Director and Outside Director of other companies, and as the Company expects him to continue to use his high discernment regarding management and auditing abilities in the Company's business strategy, we would like to nominate him as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Masahiro Ooya and the Company.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p>	—

(Notes)

1. Term of office of Mr. Masahiro Ooya  
His term of office will have reached 8 years and 9 months at the conclusion of this General Meeting of Shareholders.
2. Mr. Masahiro Ooya is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Ooya is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Masahiro Ooya is now serving as Outside Director of the Company, and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions	Number of shares of the Company held
7	Ryoichi Kobayashi (October 25, 1946) [Outside Director] [Reelection] [Independent]	<p>April 1971      Joined Nomura Computing Center Co., Ltd. (now Nomura Research Institute, Ltd.)</p> <p>October 1986    President, Nomura Computer Systems America, Inc.</p> <p>June 1994      Director, Nomura Research Institute, Ltd.</p> <p>July 1996      Managing Director, NRI Data Services, Ltd.</p> <p>June 1999      Senior Managing Director, NRI Data Services, Ltd.</p> <p>June 2002      Standing Corporate Auditor, Nomura Research Institute, Ltd.</p> <p>June 2007      Outside Corporate Auditor, Argo 21 Corp. Corporate Auditor, Square Enix Co., Ltd. (current position)</p> <p>June 2008      Outside Director of the Company (current position)</p> <p>October 2008   Standing Outside Corporate Auditor, Square Enix Holdings Co., Ltd. (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Ryoichi Kobayashi has experience as an officer and Outside Corporate Auditor of other companies, and as the Company expects him to continue to use his broad discernment and specialized knowledge regarding management in the Company's business strategy, we would like to nominate him as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Ryoichi Kobayashi and the Company.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p>	—

(Notes)

1. Term of office of Mr. Ryoichi Kobayashi  
His term of office will have reached 8 years at the conclusion of this General Meeting of Shareholders.
2. Mr. Ryoichi Kobayashi is now serving as Outside Director of the Company, and the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations. If Mr. Kobayashi is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Ryoichi Kobayashi is now serving as Outside Director of the Company, and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.

No.	Name (Date of birth)	Past experience, positions responsibilities and significant concurrent positions	Number of shares of the Company held
8	Isao Matsushita (April 3, 1947) [Outside Director] [New] [Independent]	<p>April 1970      Joined Nippon Mining Co.</p> <p>April 2001      Executive Officer, Assistant to General Manager of Corporate Planning Department and Chief of Corporate Planning Department (in charge of Finance), Japan Energy Corporation</p> <p>September 2002      Director and in charge of Finance at Finance Group, Nippon Mining Holdings, Inc.</p> <p>June 2003      Managing Director, Nippon Mining Holdings, Inc.</p> <p>April 2004      Managing Executive Officer, Japan Energy Corporation</p> <p>June 2004      Director and Managing Executive Officer, Japan Energy Corporation</p> <p>April 2005      Director and Senior Executive Officer, Japan Energy Corporation</p> <p>June 2006      Representative Director and President, Japan Energy Corporation</p> <p>July 2010      Representative Director, Vice President, Executive Officer and Assistant to President, JX Nippon Oil &amp; Energy Corporation</p> <p>June 2012      Representative Director and President, JX Holdings, Inc.</p> <p>June 2015      Advisor, JX Holdings, Inc. (current position)</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Isao Matsushita has been involved in corporate management in JX Group's companies for many years, and possesses abundant experience and discernment regarding management, and so that he may use this high level of discernment, experience, and auditing ability in corporate management in the Company's future management, the Company has made him candidate for Outside Director. Additionally, no special interests exist between Mr. Matsushita and the Company, and as his high level of independence has been ensured, we would like to nominate him as Outside Director.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Isao Matsushita and the Company.</p>	—

(Notes)

1. If Mr. Isao Matsushita is appointed as Outside Director, the Company will enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥10 million or the minimum liability amount provided by laws and regulations.
2. If Mr. Isao Matsushita is appointed as Outside Director, the Company will designate him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.

### Proposal 3: Election of 2 Corporate Auditors

The terms of office of Corporate Auditors Mr. Satoru Suzuki and Mr. Minoru Hino will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 2 Corporate Auditors is proposed.

The Board of Corporate Auditors has previously given its approval to this Proposal.

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	Satoru Suzuki (June 12, 1946) [Outside Director] [Reelection] [Independent]	<p>May 1970      Joined The Yasuda Fire and Marine Insurance Co., Ltd. (now Sampo Japan Nipponkoa Insurance Inc.)</p> <p>April 1992      General Manager of Saga Branch, The Yasuda Fire and Marine Insurance Co., Ltd.</p> <p>April 1995      General Manager of Planning and Development Department, The Yasuda Fire and Marine Insurance Co., Ltd.</p> <p>June 1997      Director, JQAI Japan Quality Assurance Institute Inc.</p> <p>June 1998      Corporate Auditor, Investments in New Business Co., Ltd. (now DBJ Capital Co., Ltd.)</p> <p>April 2000      Corporate Fellow and General Manager of Chiba Branch, The Yasuda Fire and Marine Insurance Co., Ltd. (now Sampo Japan Nipponkoa Insurance Inc.)</p> <p>April 2003      Corporate Fellow and General Manager of Government Housing Loan Corporation Department, The Yasuda Fire and Marine Insurance Co., Ltd. (now Sampo Japan Nipponkoa Insurance Inc.)</p> <p>June 2005      Standing Corporate Auditor, Denki Kogyo Company, Limited</p> <p>June 2008      Outside Corporate Auditor, Matsumoto Kiyoshi Co., Ltd. (current position)</p> <p>Outside Corporate Auditor, Ginza Parking Center Co., Ltd.</p> <p>Outside Corporate Auditor of the Company (current position)</p> <p>[Reasons for nomination as a candidate for Outside Corporate Auditor] Mr. Satoru Suzuki has been involved in the execution of business of insurance companies for many years, has also been appointed Corporate Auditor at other companies, and is currently an Outside Corporate Auditor for the Company. In particular, he has abundant knowledge and discernment regarding internal control and risk management, and as the Company expects him to continue to use these in the Company's auditing structure to further improve auditing functions, we would like to nominate him as Outside Corporate Auditor.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Satoru Suzuki and the Company.</p> <p>[Attendance at meetings of the Board of Directors (9th Fiscal Year)] 15/15 (attendance rate: 100%)</p> <p>[Attendance at meetings of Board of Corporate Auditors (9th Fiscal Year)] 14/14 (attendance rate: 100%)</p>	—

(Notes)

1. Term of office of Mr. Satoru Suzuki  
His term of office will have reached 8 years at the conclusion of this General Meeting of Shareholders.
2. Mr. Satoru Suzuki is currently serving as Outside Corporate Auditor of the Company, the Company has entered into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥5 million or the minimum liability amount provided by laws and regulations. If Mr. Suzuki is elected, the Company intends to enter into the same agreement to limit his liability for damages.
3. Mr. Satoru Suzuki is now serving as Outside Corporate Auditor of the Company, and the Company has designated him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and has reported it thereat.
4. Mr. Satoru Suzuki is concurrently serving as Outside Corporate Auditor of Matsumoto Kiyoshi Co., Ltd. His term of office will expire and he will resign at the conclusion of the General Meeting of Shareholders of the company scheduled on June 21, 2016.

No.	Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
2	Akemi Sunaga (August 14, 1961) [Outside Corporate Auditor] [New] [Independent]	<p>October 1989    Joined Auditing Department of Aoyama Audit Corporation (now PricewaterhouseCoopers Aarata)</p> <p>February 1991    Joined Auditing Department of Chuo Audit Corporation</p> <p>August 1993    Registered as Japanese CPA</p> <p>October 1994    Registered as Japanese CPTA</p> <p>November 1994    Founded Sunaga CPA Firm as Representative (current position)</p> <p>November 1996    Founded Marunouchi Business Consulting Corp. Representative Director (current position)</p> <p>January 2012    Founded Marunouchi Business Consulting Tax Office Representative Employee (current position)</p> <p>[Reasons for nomination as a candidate for Outside Corporate Auditor] After working at a major audit firm, Ms. Akemi Sunaga established her own CPA firm in 1994 as a Certified Public Accountant, and in 2012 as a Certified Public Tax Accountant she founded a consulting company for tax accounting corporations, and she possesses abundant work experience as well as specialized knowledge regarding financial affairs, accounting, and tax as both a CPA and CPTA. Additionally, no special interests exist between Ms. Sunaga and the Company, and as her high level of independence has been ensured, we would like to nominate her as Outside Corporate Auditor.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Ms. Akemi Sunaga and the Company.</p>	—

(Notes)

1. If Ms. Akemi Sunaga is appointed as Outside Corporate Auditor, the Company will enter into an agreement with her to limit her liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥5 million or the minimum liability amount provided by laws and regulations.
2. If Ms. Akemi Sunaga is appointed as Outside Corporate Auditor, the Company will designate her as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.

**Proposal 4:** Election of 1 Substitute Corporate Auditor

In case the number of Corporate Auditors falls short of the legally stipulated number, the Company proposes the election of 1 Substitute Corporate Auditor. Accordingly, the election of 1 Substitute Corporate Auditor is proposed.

The Board of Corporate Auditors has previously given its approval to 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	Yoshiaki Senoo (May 15, 1949) [Reelection]	<p>April 1974 Entered the Legal Training and Research Institute of Japan (the 28th graduating class)</p> <p>April 1976 Registered as a lawyer (Daini Tokyo Bar Association) Joined Seiichi Ishii Law Office</p> <p>April 1979 Founded Yoshiaki Senoo Law Office (current position)</p> <p>October 2004 Founded MOS (MATSUZAKI OKU SANO &amp; SENOO) Joint Law Office (current position)</p> <p>[Reasons for nomination as a candidate for Substitute Outside Corporate Auditor] Mr. Yoshiaki Senoo possesses abundant business experience and specialized knowledge as a lawyer, and as there are no special interests between Mr. Senoo and the Company, his independence has been ensured, and we would like to nominate him as candidate for Substitute Corporate Auditor as Outside Corporate Auditor.</p> <p>[Special interest between the candidate and the Company] There are no special interests between Mr. Yoshiaki Senoo and the Company.</p>	—

(Notes)

1. Mr. Yoshiaki Senoo is a member of the Independent Committee for the Defensive Measures, approved at the 8th General Meeting of Shareholders held on June 26, 2015.
2. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, the Company will enter into an agreement with him to limit his liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act, as per Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The limit of liability for damages under the agreement shall be the higher of ¥5 million or the minimum liability amount provided by laws and regulations.
3. If Mr. Yoshiaki Senoo is appointed as Corporate Auditor, the Company will designate him as Independent Officer as stipulated by regulations of the Tokyo Stock Exchange and report it thereat.

**Proposal 5:** Decision of Amount and Contents of Stock Compensation, etc. for Directors

The Compensation of Directors of the Company (excluding Outside Directors; hereinafter the same in this Proposal) is comprised of "the fixed amount compensation", "performance compensation" and "stock options as compensation". This proposal proposes the introduction of new share compensation plan (hereinafter the "Plan") for the Directors, in place of stock options as compensation, within the aforementioned compensation structure.

Implementation of the Plan intends to further define the connection between the compensation to Directors and share value of the Company, and thereby increase the Director's motivation to make contributions for improved business performance and increased enterprise value in the mid- and long term. The Company deems that the introduction of the Plan is appropriate.

This Proposal proposes granting stock compensation to Directors, apart from the maximum compensation for Directors (no more than ¥416 million per year, not including salaries paid as the employee portion for Directors who also work as employees) approved at the 1st the General Meeting of Shareholders held on June 27, 2008.

The number of Directors subject to the Plan shall be 5 Directors if Proposal 2 "Election of 8 Directors" is approved as originally proposed.

Furthermore, subject to approval of this Proposal, stock options as compensation approved at the 3rd the General Meeting of Shareholders held on June 29, 2010 will be abolished, and Directors of the Company will no longer be issued new stock acquisition rights as said stock options as compensation

Amount and details of compensation, etc. under the Plan

(1) Outline of the Plan

The Plan is a share compensation plan under which the Company's shares will be acquired through a trust using money contributed by the Company as the source of Directors' compensation, and the Company's shares and the money equivalent to the market value of the Company's shares (hereinafter the "Company's Shares, etc.") will be delivered or paid, (hereinafter the "Delivery etc.") to Directors through the trust according to the degree of business results of the Company and positions, etc. (See (2) and further for details.)

1) Persons to which the Delivery, etc. of the Company's shares, etc., in this Proposal will be applicable	• Directors of the Company (excluding Outside Directors)
2) Effect of shares in the Company to which this Proposal will be applicable will have on the total number of issued shares	
Maximum amount of cash contributed by the Company	• Applicable to 3 business years; total of ¥150 million
Maximum number of shares of the Company acquired by Directors and method of acquisition of shares of the Company	• The total number of points awarded to Directors in each fiscal year is up to 9,000 points (1 point being equivalent to 1 share) • This trust covers 3 fiscal years, for a total number of up to 27,000 shares expected to be acquired from the Company (disposal of treasury stock) or from securities markets (this maximum is equivalent to a proportion of approximately 0.05% of total issued shares as of March 31, 2016).
3) Timing of the Delivery, etc., of the Company's Shares, etc., to Directors	• In principle, upon retirement of the Director

(2) Maximum amount of cash contributed by the Company

The Plan will be applicable to the 3 consecutive business years (the first instance will be applicable to the 3 business years from the business year ending on March 31, 2017 to the business year ending on March 31, 2019. If an extension of the trust period is made, it shall be applicable to each 3 consecutive business years; thereafter; hereinafter the “Applicable Period”).

For each Applicable Period, the Company will contribute cash in the maximum amount of a total of ¥150 million as compensation for Directors, and set a trust (hereinafter the “Trust”) with a trust period of 3 years with beneficiaries as Directors who satisfy beneficiary conditions (includes extensions of the trust period as stated below). The Trust, under direction of a trust administrator, will acquire shares of the Company from the Company (disposal of treasury shares) or the stock market, using entrusted cash in the maximum amount of the said contribution and 27,000 shares for each Applicable Period (adjusted accordingly by the relevant proportion in the case of stock splits, reverse stock splits, etc.). During the trust period, points will be given and shares, etc., of the Company will be delivered to the Directors.

Additionally, at the expiration of the trust period of the Trust, by modification of the trust period and making an additional trust, the Trust may be continued as a new share compensation plan. In this case, the trust period of the Trust will be extended only by a length equivalent to the initial trust period, and the Company will, for each extended trust period, make additional contributions, and during the extended trust period, continue to give points and deliver Company’s Shares, etc. to the Directors. In the case that this additional contribution is made, and there remain shares of the Company (excluding shares of the Company corresponding to the number points given to Directors and which have yet to be delivered to them) and cash (hereinafter the “Remaining Shares, etc.”) within the trust assets as of the final day of the trust period prior to extension, the amount of the Remaining Shares, etc., and the additionally contributed trust funds will be within the limit of a total of ¥150 million.



(3) Calculation method and limit of the Company's Shares, etc., to be acquired by Directors

On May 31 of every year during the trust period (October 1 for the year of 2016), Directors will be given points according to business results of the Company for the previous year and position, etc. While 1 point will be converted to 1 of the Company's shares, in the event that a stock split, reverse stock split, or other event occurs where it is judged to be fair to adjust the number of points during the trust period, the number of shares of the Company for 1 point will be adjusted according to the split ratio or reverse split ratio, etc., of shares of the Company. Additionally, in principle, Directors will be issued a number of shares equivalent to their number of accumulated points upon retirement.

The annual ceiling on the total points to be received by a Director will be 9,000 points. Accordingly, the number of Company shares to be acquired by the Trust will be the upper limit on the number of shares corresponding to the annual number of points times three to be awarded over the Applicable Period (27,000 shares)

(4) Time of delivery of shares to Directors

The issuance of the Company's Shares, etc. to a Director will, in principle, be received from the Trust after his/her retirement by taking the prescribed procedures to determine the beneficiary, and a number of shares equivalent to 70% of said Director's accumulated points (fractional shares shall be rounded down) will be issued to him/her by the trust, and concerning the remainder, upon conversion within the Trust, the Directors will receive money equivalent to the amount for conversion to cash. Additionally, if a Director dies during the trust period, concerning shares of the Company corresponding to the number of cumulative points held by the Director at that time, upon conversion within the Trust, the heir to the Director will receive money equivalent to the amount for conversion to cash. Furthermore, if the Director becomes a nonresident of Japan, concerning shares of the Company corresponding to the number of cumulative points held by the Director at that time, upon conversion within the Trust, the Directors will receive money equivalent to the amount for conversion to cash.

(5) Exercise of voting rights of the Company's shares within the Trust

In order to maintain a neutral position vis-à-vis management, no voting rights shall be exercised on the Company's shares during the trust period.

(6) Handling of dividends on the Company's shares within the Trust

Dividends on the Company's shares within the Trust shall be received by the Trust and applied to Trust fees and Trust expenses for the Trust. In the event that residual assets remain at the conclusion of the Trust, after being applied towards Trust fees and Trust expenses, the Directors will receive the transfer of the assets.

(7) Other contents of the Plan

Concerning other contents regarding the Plan, setting of the Trust, modification of the trust agreement, and every additional contribution to the Trust, determination will be made by the Board of Directors.

(For reference)

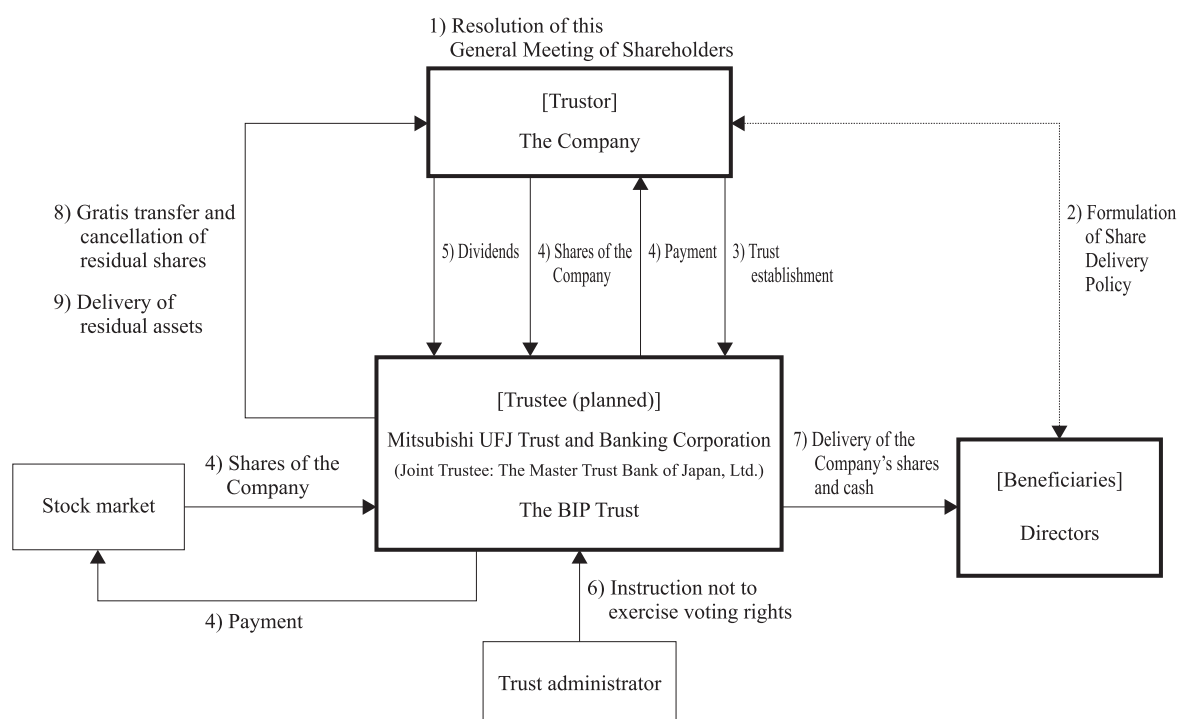
Additionally, concerning details of the Plan, please refer to the description below.

## Notice of Introduction of the Stock Compensation Plan for Directors

### 1. Introduction of the Plan

- (1) The Company will introduce the Plan for the Directors in order to further increase the Director's motivation to make contributions for improved business performance and increased enterprise value in the mid- and long term (\*).
  - (2) Introduction of the Plan for the Directors will be subject to the approval at this General Meeting of Shareholders.
  - (3) As a Performance-Linked Stock Compensation Plan, the Plan will employ a framework referred to as the executive compensation BIP (Board Incentive Plan) Trust ("BIP Trust"). The BIP Trust is an executive incentive plan modeled on Performance Share and Restricted Stock systems in the United States. Under this executive compensation plan, Company shares and money equivalent to the market value of the Company's shares (hereinafter the "Company's Shares, etc.") acquired by the BIP Trust will be delivered and paid (hereinafter the "Delivery, etc.") to the Directors, upon retirement of the Directors in principle, based on the business results of the Company and their position, when, in principle,
  - (4) Upon the completion of the BIP Trust's trust period, the Company plans to continue implanting this system by extending the trust period of the existing BIP Trust whose initial trust period has expired or by making additional trusts as necessary.
- (\*) With the introduction of this plan, the stock options as compensation system will be abolished and new stock acquisition rights will not be issued. As a result, Director compensation will consist of "the fixed amount compensation," "performance compensation," and "stock compensation." Compensation for Outside Directors and Auditors who are independent from the execution of business duties will consist only of "the fixed amount compensation."

### 2. The Structure of the BIP Trust



- 1) The Company will receive approval for the introduction of the Plan for Directors at this General Meeting of Shareholders.
- 2) The Company will formulate a share delivery policy for the contents of the Plan.
- 3) The Company will contribute money for beneficiaries under the trust agreement and establish a trust (hereinafter the “Trust”) with the Company’s Directors who have satisfied the conditions for being beneficiaries. The money entrusted in the Trust will be within the scope of approval of the General Meeting of Shareholders mentioned in 1) above.
- 4) The Trust, in accordance with the instructions of the Trust administrator, will use the money entrusted in 3) above to acquire the Company’s shares from the stock market.
- 5) Dividends for the Company’s shares in the Trust will be paid in the same way as with other shares of the Company.
- 6) Voting rights are not to be exercised on the Company’s shares within the Trust throughout the trust period.
- 7) During the trust period, each fiscal year, Directors will be given a certain number of points based on the business results of the Company and their positions. If they meet prescribed beneficiary conditions, upon retirement of the Directors in principle, the Company will deliver to them shares equivalent to a fixed proportion of points accumulated, and shares of the Company equivalent to the number of remaining points, in accordance with the trust agreement, will be paid in cash in an amount based on a conversion of Company shares converted within the trust.
- 8) In the event that residual shares remain at the expiration of the trust period, the trust can continue to be used through extension of the trust or by making additional trusts, or a transfer of these residual shares will be made from the Trust to the Company, and upon acquiring these shares, the Company plans to implement the cancellation of these shares by resolution of the Board of Directors.
- 9) Upon conclusion of the Trust, the residual assets in monetary form remaining after allocation to the beneficiaries are to belong to the Company within the scope of the reserve fund for Trust expenses after deductions for stock purchases from Trust money.

\*In the case that Company shares within the Trust are depleted as a result of issuing, etc. Company shares, etc. to beneficiaries, the Trust will end prior to the completion of the trust period. Additionally, the Company may, within the limit approved in this General Meeting of Shareholders, make an additional contribution for the acquisition of Company shares, and acquire additional Company shares through this trust.

#### (1) Overview of the Plan

Under this incentive plan, the delivery of the Company’s shares will be conducted as executive compensation applicable to the three-year period from the fiscal year ending March 31, 2017 to the fiscal year ending March 31, 2019 (hereinafter the “Applicable Period”), according to the level of attainment of medium-term management plan targets and other criteria throughout the Applicable Period.

(\*) In the case that the trust period is extended as specified in the below (4), paragraph 2, each of the following three fiscal years shall be part of the Applicable Period.

#### (2) Procedures under the Plan

The upper limits on the amount of funds that may be placed in the Trust, the maximum number of points that can be received by Directors each year, and other necessary matters will be decided by the General Meeting of Shareholders. Furthermore, in the case that the trust period is extended as specified in the below (4), paragraph 2, this will be determined by resolution of the Board of Directors within the limit approved in this General Meeting of Shareholders.

#### (3) Individuals eligible under the Plan (the beneficiary conditions)

Directors, after their resignations, who meet the beneficiary conditions shall receive delivery of the Company’s shares after the completion of stipulated beneficiary confirmation procedures and based on

accumulated points at the time of their resignations.

The beneficiary conditions are as follows:

- 1) Must have held the office of Director during the Applicable Period (including persons newly elected during the period)
  - 2) Must have resigned from the office of Director (\*)
  - 3) Must reside within Japan
  - 4) Must not be a person who has resigned after being dismissed, etc., or a person who has committed an illegal act during his/her term of office
  - 5) Must be a Director for whom the point calculation has been made
  - 6) Must meet other conditions deemed necessary to attain the objectives of the Plan
- (\*) However, in the case that an overseas assignment is decided on, or if the trust period is extended as specified in the below (4), paragraph 1 and an individual is still appointed as a Director under this system even at the completion of this extension period, said recipient shall be issued Company shares, etc. while appointed as Director.

(4) Trust period

The trust period shall be for approximately 3 years from August 22, 2016 (planned) to August 31, 2019 (planned). However, when the period expires and Directors for whom there is a possibility that they may meet the necessary conditions are still in office, from that time onward, points will no longer accumulate. However, from the time when said Directors retire until the time when the Company provides delivery of the shares, the trust period may be extended for a maximum of 10 years

Additionally, at the expiration of the trust period of the Trust, by modification of the trust agreement and making an additional trust, the Trust may be continued. In this case, the trust period of the Trust will be extended only by a length equivalent to the initial trust period. The Company will, for each extended trust period, within the limit of the trust amount approved of in this General Meeting of Shareholders, make additional contributions, and during the extended trust period, continue to give share delivery points to Directors.

(5) Number of shares awarded to Directors

On May 31 of every year during the trust period (October 1 for the year of 2016), Directors will be given points according to business results of the Company for the previous year and position, etc. While 1 point will be converted to 1 of the Company's shares, in the event that a stock split, reverse stock split, or other event occurs where it is judged to be fair to adjust the number of points during the trust period, the number of shares of the Company for 1 point will be adjusted according to the split ratio or reverse split ratio, etc., of shares of the Company. Additionally, in principle, Directors will be issued a number of shares equivalent to their number of accumulated points upon retirement.

(6) Upper limit on the amount of funds to be placed in the Trust

At this General Meeting of Shareholders, a resolution is scheduled to be approved to place an upper limit of ¥150 million to be placed in the Trust for each applicable period. If this resolution is approved, the amount of funds the Company is allowed to place in the Trust will be subject to such upper limits. This upper limit of funds will be the combined amount of share acquisition funds as well as trust compensation / trust costs for the Trust during the applicable period, and is an amount that takes into consideration the possibility of an increase in the number of Directors as well as share price fluctuations.

In the case that additional contribution is made at the time of an extension of the trust period, if there remain shares of the Company (excluding the ones which correspond to the number of share points awarded to Directors and which have yet to be delivered) and cash (hereinafter the "Remaining Shares, etc.,") within the trust assets as of the final day of the trust period prior to extension, the amount of the Remaining Shares, etc., and the additionally contributed trust funds will be within the limit of the total amount of funds that may be placed in the Trust as approved in this General Meeting of Shareholders.

(7) Upper limit on points awarded to Directors

At the General Meeting of Shareholders, a resolution is scheduled to be approved to place an upper limit of 9,000 points a year on the points scheduled to be awarded to Directors. If this resolution is approved, such upper limit on points will determine the upper limit on points to be awarded to Directors. The number of Company shares to be acquired by the Trust (hereinafter the "number of shares to be acquired") will be the upper limit on the number of shares corresponding to the annual number of points times three to be awarded over the Applicable Period (27,000 shares) (adjusted by the corresponding proportion in the case of a stock split, reverse stock split, etc.).

(8) Method for acquiring the Company's shares by the Trust

The Trust, under the direction of Trust administrator, will acquire shares of the Company from the Company (disposal of treasury shares) or the stock market, using the entrusted money, within the upper limit of share acquisition funds and acquired shares per Applicable Period.

Plans call for the initial acquisition of shares by the Trust through the purchases from the stock market.

Also, if during the trust period an increase, etc. in the number of Directors creates a possibility that the number of shares may not be sufficient to correspond to the number of points issued to Directors during the trust period, additional funds may be placed in the Trust within the upper limit of trust funds and acquired shares approved in this General Meeting of Shareholders to purchase additional Company shares.

(9) Method and Time of the Delivery, etc., of the Company's shares to Directors

The issuance of the Company's Shares, etc. to a Director will, in principle, be received from the Trust after his/her retirement by taking the prescribed procedures to determine the beneficiary, and a number of shares equivalent to 70% of said Director's accumulated points (fractional shares shall be rounded down) will be issued to him/her by the trust, and concerning the remainder, upon conversion within the Trust, the Directors will receive money equivalent to the amount for conversion to cash.

Additionally, if a Director dies during the trust period, concerning all shares of the Company corresponding to the number of cumulative points held by the Director at that time, upon conversion within the Trust, the heir to the Director will receive money equivalent to the amount for conversion to cash. Furthermore, if the Director receives an overseas assignment that will make the Director a nonresident, concerning all shares of the Company corresponding to the Number of cumulative points held by the Director at that time, upon conversion within the Trust, the Directors will receive money equivalent to the amount for conversion to cash.

(10) Exercise of voting rights of the Company's shares within the Trust

In order to maintain a neutral position vis-à-vis management, no voting rights shall be exercised on the Company's shares during the trust period (in other words, on the shares to be delivered to Directors prior to their actual delivery).

(11) Handling of dividends on the Company's shares within the Trust

Dividends on the Company's shares within the Trust shall be received by the Trust and applied to Trust fees and Trust expenses for the Trust. In the event that residual assets remain at the conclusion of the Trust, after being applied towards Trust fees and Trust expenses, the Directors will receive the transfer of the assets.

(12) Handling at the conclusion of the trust period

In the event that residual shares remain at the expiration of the Trust, gratis transfer of these residual shares will be made from the Trust to the Company at the expiration of the Trust, as a shareholder return policy, and the Company plans to cancel them by a resolution of the Board of Directors.

[For reference] Contents of the Trust Agreement (planned)

- |                                     |   |
|-------------------------------------|---|
| 1) Trust category                   | Monetary trust other than a specific individually operated monetary trust (third-party benefit trust)   |
| 2) Trust objective                  | To provide incentives to the Directors of the Company   |
| 3) Trustor                          | The Company   |
| 4) Trustee                          | Mitsubishi UFJ Trust and Banking Corporation<br>(joint Trustee: The Master Trust Bank of Japan, Ltd.)   |
| 5) Beneficiaries                    | The Company's Directors who have met Beneficiary Conditions   |
| 6) Trust administrator              | Third party with no relationship of special interest with the Company<br>(Certified Public Accountant)  |
| 7) Date of trust agreement          | August 22, 2016   |
| 8) Trust period                     | August 22, 2016 to August 31, 2019  |
| 9) Start of the Plan                | October 1, 2016   |
| 10) Exercise of voting rights       | Not to be exercised   |
| 11) Type of shares to be acquired   | Common stock of the Company   |
| 12) Amount of entrustment           | ¥150 million (includes Trust fees and expenses)   |
| 13) Method of acquisition of shares | Purchases from the stock market   |
| 14) Time of acquisition of shares   | August 24, 2016 to September 16, 2016   |
| 15) Rights holder                   | The Company   |
| 16) Residual asset                  | The Company, as the rights holder, shall receive residual assets within the scope of the reserve fund for Trust expenses after deductions for stock purchases from Trust money. |

[Administrative tasks related to the Trust and shares]

- |  |  |
|--|--|
| 1) Administrative tasks related to the Trust   | Mitsubishi UFJ Trust and Banking Corporation and The Master Trust Bank of Japan, Ltd. is to handle Trust-related administrative tasks as the Trust's trustee.                                      |
| 2) Administrative tasks related to the shares: | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is to handle administrative tasks related to delivering the Company's shares to beneficiaries based on an administration entrustment agreement. |