

Securities code: 8283

June 3, 2016

To our shareholders:

Kiyotaka Kimura
Representative Director, President
PALTAC CORPORATION
2-46 Honmachibashi, Chuo-ku
Osaka City, Osaka Prefecture

Notice of Convocation of the 88th Ordinary General Meeting of Shareholders

First, we would like to extend our deepest sympathies to all those shareholders who were affected by the 2016 Kumamoto Earthquake.

You are cordially invited to attend the 88th Ordinary General Meeting of Shareholders of PALTAC CORPORATION (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 in writing or via the Internet. Please review the appended Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Wednesday, June 22, 2016 (Japan Standard Time).

Meeting Details

- 1. Date and time:** Thursday, June 23, 2016 at 10:00 a.m. (Japan Standard Time)
(Reception desk opens at 9:00 a.m.)
- 2. Venue:** Meeting room “Shun” on the second floor, CITY PLAZA OSAKA
2-31 Honmachibashi, Chuo-ku, Osaka City, Osaka Prefecture
- 3. Purposes:**
 - Matters to be reported:**
Business Report and Non-Consolidated Financial Statements for the 88th Term (from April 1, 2015 to March 31, 2016)
 - Matters to be resolved:**
 - Proposal 1:** Election of ten (10) Directors
 - Proposal 2:** Election of two (2) Audit & Supervisory Board Members

4. Instructions concerning exercise of voting rights:

[Exercise of voting rights by postal mail]

Please indicate your vote “for” or “against” with respect to each proposal on the enclosed voting form and ensure that you send it in time for us to receive it by 5:30 p.m. on Wednesday, June 22, 2016 (Japan Standard Time).

[Exercise of voting rights via the Internet]

Please access our voting website (<http://www.evotep.jp/>) using the login ID and temporary password indicated on the enclosed voting form, and enter your vote for or against each proposal by following the instructions on the screen, no later than 5:30 p.m. on Wednesday, June 22, 2016.

When exercising voting rights via the Internet, please refer to the “Instructions concerning the exercise of voting rights via the Internet” (Japanese only).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of ten (10) Directors

All Directors (14) finish their terms upon the conclusion of this General Meeting, and the Company therefore would like to take this opportunity to request the reduction of four (4) Directors to ensure prompt decision-making in board of directors meetings. This would result in the election of a total of ten (10) Directors.

The candidates for Director are as follows:

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions outside the company	Number of the Company's shares owned
1	Kunio Mikita (October 23, 1943)	<p>March 1966 Joined Daisho Co., Ltd. (current PALTAC CORPORATION)</p> <p>December 1990 Director, Sales Manager of First Sales Department of Sales Division of the Company</p> <p>October 1995 Managing Director, General Manager of Sales Headquarters of the Company</p> <p>December 1996 Representative Director, Vice President, General Manager of Sales Headquarters of the Company</p> <p>December 1998 Representative Director, President of the Company</p> <p>October 2005 Representative Director, Vice President of Mediceo Paltac Holdings Co., Ltd. (current MEDIPAL HOLDINGS CORPORATION)</p> <p>June 2008 Director, Chairman of Mediceo Paltac Holdings Co., Ltd.</p> <p>June 2009 Director and Senior Advisor of Mediceo Paltac Holdings Co., Ltd.</p> <p>June 2010 Representative Director, Chairman and Chief Executive Officer of the Company</p> <p>June 2011 Representative Director, Chairman, CEO of the Company</p> <p>June 2012 Representative Director, Chairman, CEO of the Company (present position)</p>	139,373 shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>Mr. Kunio Mikita has engaged in various important posts of the Company's Sales Division, and after assuming a position as Director in 1990, he then served as President from 1998 to 2010, and has served as Chairman since 2010. He possesses extensive experience and far-ranging insight as a manager, as well as strong leadership abilities. The Company has selected Mr. Kunio Mikita as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to play a full role in the oversight of management as a whole, as well as in decision-making.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions outside the company	Number of the Company's shares owned
2	Kiyotaka Kimura (April 18, 1954)	<p>March 1973 Joined Daisho Co., Ltd. (current PALTAC CORPORATION)</p> <p>December 2000 Director, General Manager of Kyushu Branch Office of the Company</p> <p>December 2005 Director, Managing Executive Officer, General Manager of Tokyo Branch Office of the Company</p> <p>June 2012 Director, Senior Managing Executive Officer, General Manager of East Japan Sales Headquarters, Operating Officer of Tokyo Metropolitan District of the Company</p> <p>October 2013 Director, Vice President, Executive Officer, Director of Sales Headquarters of the Company</p> <p>April 2014 Representative Director, President, COO, Director of Sales Headquarters of the Company</p> <p>April 2015 Representative Director, President, COO of the Company (present position)</p>	39,696 shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>Mr. Kiyotaka Kimura has engaged in various important posts of the Company's Sales Division, and after assuming the position of Director in 2000, he has served as President since 2014. He possesses extensive experience and far-ranging insight as a manager. The Company has selected Mr. Kiyotaka Kimura as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to play a full role in the oversight of management as a whole, as well as in decision-making.</p>	
3	Tadashi Morinaga (May 1, 1948)	<p>March 1967 Joined Daisho Co., Ltd. (current PALTAC CORPORATION)</p> <p>December 1998 Director, Executive Manager of Tokyo Branch Office Resource Management Division, Deputy Executive Manager of Resource Management Division of Yokohama Branch Office of the Company</p> <p>December 2003 Managing Director, General Manager of General Affairs Headquarters of the Company</p> <p>October 2006 Director, Senior Managing Executive Officer, Director of Administrative Affairs Headquarters of the Company</p> <p>June 2012 Representative Director, Vice President, Executive Officer, In charge of Administration and CSR of the Company</p> <p>April 2014 Representative Director, Vice President, Executive Officer, In charge of Administration of the Company (present position)</p>	56,129 shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>Mr. Tadashi Morinaga has engaged in various important posts of the Company's Administrative Division and after assuming the position of Director in 1998, he has overseen the General Affairs Division and Finance Division as Vice President since 2012. He possesses extensive experience and far-ranging insight as a manager. The Company has selected Mr. Tadashi Morinaga as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to play a full role in the oversight of management as a whole, as well as in decision-making.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions outside the company	Number of the Company's shares owned
4	Kunio Ninomiya (February 22, 1956)	<p>April 1978 Joined the Company</p> <p>December 2004 Executive Officer, General Manager of Product Headquarters of the Company</p> <p>April 2008 Managing Executive Officer, General Manager of Chugoku Branch Office of the Company</p> <p>June 2010 Senior Managing Executive Officer, General Manager of Kinki Branch Office of the Company</p> <p>June 2012 Director, Senior Managing Executive Officer, General Manager of General Affairs Headquarters of the Company</p> <p>April 2014 Director, Vice President, Executive Officer, General Manager of West Japan Sales Headquarters, General Manager of Product Headquarters of the Company</p> <p>April 2015 Director, Vice President, Executive Officer, Director of Sales Headquarters of the Company (present position)</p>	25,683 Shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>Mr. Kunio Ninomiya has engaged in various important posts of the Company's Sales Division, and after assuming the position of Director in 2012, he is currently working to enhance the Sales Division as Executive Vice President and Director of Sales Headquarters. He possesses extensive experience and far-ranging insight as a manager. The Company has selected Mr. Kunio Ninomiya as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to play a full role in the oversight of management as a whole, as well as in decision-making.</p>	
5	Yoshiaki Miyai (February 9, 1952)	<p>March 1976 Joined Daisho Co., Ltd. (current PALTAC CORPORATION)</p> <p>December 2005 Executive Officer, Manager of LC Business Department of the Company</p> <p>June 2011 Managing Executive Officer, General Manager of LC Business Headquarters of the Company</p> <p>June 2012 Director, Senior Managing Executive Officer, In charge of LC Business and Overseas Operations of the Company</p> <p>April 2015 Director, Senior Managing Executive Officer, General Manager of Overseas Business Headquarters of the Company, Representative Director and President of HABA CREATION Co., Ltd.</p> <p>April 2016 Director, Senior Managing Executive Officer, General Manager of Product Headquarters of the Company (present position)</p>	30,602 shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>Mr. Yoshiaki Miyai has engaged in various important posts of the Company's Sales Division, and after assuming the position of Director in 2012, he has been in charge of procurement operations overall in his position as Senior Managing Executive Officer and General Manager of Product Headquarters (present position). He possesses extensive experience and far-ranging insight as a manager. The Company has selected Mr. Yoshiaki Miyai as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to play a valuable role in the oversight of management as a whole, as well as in decision-making.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions outside the company	Number of the Company's shares owned
6	Kazunori Toyota (June 16, 1954)	<p>April 1978 Joined Sanseido Co., Ltd. (current MEDIPAL HOLDINGS CORPORATION)</p> <p>July 2004 Executive Officer of Sanseido Co., Ltd.</p> <p>April 2011 Senior Managing Executive Officer, General Manager of Management Planning Headquarters of the Company</p> <p>June 2012 Director, Senior Managing Executive Officer, General Manager of Management Planning Headquarters of the Company</p> <p>April 2014 Director, Senior Managing Executive Officer General Manager of CSR Promotion Headquarters of the Company (present position)</p>	16,632 shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>Mr. Kazunori Toyota has engaged in various important posts of the Company's Corporate Planning Division, and after assuming the position of Director in 2012, he has worked on reinforcing CSR activities overall in his role as Senior Managing Executive Officer and General Manager of CSR Promotion Headquarters (present position). He possesses extensive experience and far-ranging insight as a manager. The Company has selected Mr. Kazunori Toyota as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to play a valuable role in the oversight of management as a whole, as well as in decision-making.</p>	
7	Masahiko Tashiro (August 22, 1956)	<p>April 1979 Joined Sanseido Co., Ltd. (current MEDIPAL HOLDINGS CORPORATION)</p> <p>April 2007 Director of Sales Headquarters of Chubu Branch Office of the Company</p> <p>April 2008 Executive Officer, Deputy General Manager of Financial Headquarters of the Company</p> <p>June 2011 Managing Executive Officer, General Manager of Financial Headquarters of the Company</p> <p>April 2014 Senior Managing Executive Officer, General Manager of Financial Headquarters of the Company</p> <p>June 2014 Director, Senior Managing Executive Officer, General Manager of Financial Headquarters of the Company (present position)</p>	22,319 Shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>Mr. Masahiko Tashiro has engaged in various important posts of the Company's Sales Division and Financial Division, and after assuming the position of Director in 2014, he is currently in charge of financial strategy as Senior Managing Executive Officer and Manager of Finance Headquarters. He possesses extensive experience and far-ranging insight as a manager. The Company has selected Mr. Masahiko Tashiro as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to play a valuable role in the oversight of management as a whole, as well as in decision-making.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions outside the company	Number of the Company's shares owned
8	(New candidate) Hirotake Ito (August 27, 1953)	<p>April 1978 Joined Itohide Shoji Co., Ltd. (current PALTAC CORPORATION)</p> <p>January 1998 Senior Managing Director of Itohide Shoji Co., Ltd.</p> <p>November 2003 Representative Director, President of Itohide Shoji Co., Ltd.</p> <p>October 2015 Senior Managing Executive Officer, General Manager of MK business Headquarters of the Company</p>	492 shares
		<p>[Reasons for selection as a Candidate for Director]</p> <p>After joining Itohide Shoji, Mr. Hirotake Ito has engaged in various important posts of the Company's Sales Division and served as representative director. He then took on important positions in the Company's Sales Division, and possesses extensive experience and far-ranging insight. The Company has selected Mr. Hirotake Ito as a Candidate for Director as the Company has determined that he will be able to utilize his extensive experience and track records and play a valuable role in the oversight of management as a whole, as well as in decision-making.</p>	
9	Katsutoshi Yogo (July 18, 1945) Outside Director	<p>April 1968 Joined Toyota Motor Sales Co., Ltd. (current TOYOTA MOTOR CORPORATION)</p> <p>June 1996 Manager of Vehicle Sales District 5 of Toyota Motor Sales Co., Ltd.</p> <p>June 1999 Executive Director of OSAKA TOYOPET Corporation</p> <p>June 2004 Representative Director, Vice President of TOYOTA FINANCE CORPORATION</p> <p>June 2006 Representative Director, President of TOYOTA TOKYO COROLLA CORPORATION</p> <p>June 2011 Outside Director of the Company (present position)</p>	5,272 shares
		<p>[Reasons for selection as a Candidate for Outside Director]</p> <p>As a former manager of a leading Japanese automotive manufacturing company, Mr. Katsutoshi Yogo possesses extensive experience and far-ranging insight, and he has served as an Outside Director since 2011. The Company has selected Mr. Katsutoshi Yogo as a Candidate for Outside Director as the Company has determined that he will be able to utilize his extensive experience and track records and continue to supervise the executive operations of the Company and participate in the decision-making from an independent standpoint.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities, and significant concurrent positions outside the company	Number of the Company's shares owned
10	Hideko Nogami (February 2, 1955) Outside Director	<p>April 1978 Joined The Seibu Department Stores, Limited (current Sogo & Seibu Co., Ltd.)</p> <p>March 1996 Manager of Community College of SEIBU IKEBUKURO of The Seibu Department Stores, Limited</p> <p>February 1997 Manager of Fashion Goods Department of SEIBU IKEBUKURO of The Seibu Department Stores, Limited</p> <p>February 2000 Shop Manager of Sendai Shop of The Seibu Department Stores, Limited</p> <p>August 2003 Sales Manager of Shibuya Shop of The Seibu Department Stores, Limited</p> <p>February 2007 Shop Manager of Yurakucho Shop of The Seibu Department Stores, Limited</p> <p>May 2011 Executive Officer of Sogo & Seibu Co., Ltd.</p> <p>June 2015 Outside Director of the Company (present position)</p> <p>[Reasons for selection as a Candidate for Outside Director] Ms. Hideko Nogami has developed extensive experience in and far-ranging insight on the retail industry, and she has served as an Outside Director since 2015. The Company has selected Ms. Hideko Nogami as a Candidate for Outside Director because the Company has determined that she will be able to utilize her extensive experience and track records and continue to supervise the executive operations of the Company and participate in the decision-making from an independent standpoint as well as from a female perspective.</p>	456 Shares

Notes:

1. There are no special interests between Candidates for Director and the Company.
2. The Company's parent company is MEDIPAL HOLDINGS CORPORATION. The positions and responsibilities that Mr. Kunio Mikita and Mr. Kazunori Toyota currently hold as managers of the parent company, or have held in the past are as described in the "Career summary, positions and responsibilities, and significant concurrent positions outside the company" column.
3. Mr. Katsutoshi Yogo and Ms. Hideko Nogami are candidates for Outside Director.
4. The Company has entered into an agreement under Article 427, Paragraph 1 of the Companies Act with Mr. Katsutoshi Yogo and Ms. Hideko Nogami, limiting liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability stipulated in Article 425, Paragraph 1 of the Companies Act. If the election of both parties is approved, said agreements will remain in force.
5. Mr. Katsutoshi Yogo and Ms. Hideko Nogami are currently serving as Outside Directors of the Company, and as of the conclusion of the General Meeting of Shareholders, Mr. Katsutoshi Yogo will have served in this role for five years, and Ms. Hideko Nogami will have served for one year.
6. The Company has provided notice that Mr. Katsutoshi Yogo and Ms. Hideko Nogami are Independent officers according to the stipulations of the Tokyo Stock Exchange. If the election of both parties is approved, they will continue to be designated as Independent officers.

Proposal 2: Election of two (2) Audit & Supervisory Board Members

Audit & Supervisory Board Members, Mr. Yukihiro Kanaoka and Mr. Yohei Kotera finish their terms upon the conclusion of this General Meeting, so the Company hereby requests the appointment of two (2) Audit & Supervisory Board Members.

The Audit & Supervisory Board has given its consent to this proposal.

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

No.	Name (Date of birth)	Career summary and positions, and significant concurrent positions outside the company	Number of the Company's shares owned
1	Yukihiro Kanaoka (March 27, 1960)	<p>April 1982 Joined Kobayashi Pharmaceutical Co., Ltd</p> <p>April 2001 Joined Kobasho Inc. (current PALTAC CORPORATION)</p> <p>October 2003 Representative Director, President of SEIEI CO., LTD. (current PALTAC CORPORATION)</p> <p>June 2006 Executive Officer of Kobasho Inc.</p> <p>January 2008 Director of Kobasho Inc.</p> <p>April 2008 Managing Executive Officer, General Manager of Shikoku Branch Office of the Company</p> <p>October 2009 Managing Executive Officer, General Manager of Management Planning Headquarters of the Company</p> <p>October 2010 Managing Executive Officer, General Manager of Product Headquarters of the Company</p> <p>June 2012 Standing Audit & Supervisory Board Member of the Company (present position)</p>	9,919 shares
		<p>[Reasons for selection as a Candidate for Audit & Supervisory Board Member]</p> <p>Mr. Yukihiro Kanaoka has gained extensive experience and track records in his positions in the Company's Sales Division and Administrative Division. After assuming the position of Standing Audit & Supervisory Board Member in 2012, he currently plays an important role in ensuring and improving the legal compliance and suitability of the Company's operations. The Company has selected Mr. Yukihiro Kanaoka as a Candidate for Audit & Supervisory Board Member as the Company has determined that he will be able to utilize his extensive experience and continue to play a valuable role in strengthening the Company's auditing system.</p>	
2	Yohei Kotera (September 8, 1976) Outside Audit & Supervisory Board Member	<p>October 2004 Registered as a lawyer</p> <p>October 2004 Joined KIKUCHI SOGO LAW OFFICE</p> <p>December 2005 Joined Law Office of Kazuya Kotera (present position)</p> <p>June 2012 Outside Audit & Supervisory Board Member of the Company (present position)</p> <p>(Significant concurrent positions outside the company)</p> <p>Lawyer</p>	2,615 Shares
		<p>[Reasons for selection as a Candidate for Outside Audit & Supervisory Board Member]</p> <p>Mr. Yohei Kotera has expert knowledge and extensive experience as a lawyer. After assuming the position of Outside Audit & Supervisory Board Member in 2012, he has played an important role in building and maintaining the compliance system for Company management. Although Mr. Yohei Kotera has not been involved in past corporate management in a role other than Outside Audit & Supervisory Board Member, the Company has selected Mr. Yohei Kotera as a Candidate for Audit & Supervisory Board Member as the Company has determined that he will be able to continue to utilize his expert knowledge and experience to strengthen the Company's audit system from an independent standpoint.</p>	

Notes:

1. There are no special interests between Candidates for Audit & Supervisory Board Member and the Company.
2. Mr. Yohei Kotera is a candidate for Outside Audit & Supervisory Board Member.
3. The Company has entered into an agreement under Article 427, Paragraph 1 of the Companies Act with Mr. Yohei Kotera, limiting liability for damages under Article 423, Paragraph 1 of the Companies Act to the minimum liability stipulated in Article 425, Paragraph 1 of the Companies Act. If the election of Mr. Yohei Kotera is approved, said agreement will remain in force.
4. Mr. Yohei Kotera is currently serving as an Outside Audit & Supervisory Board Member of the Company, and as of the conclusion of the General Meeting of Shareholders, he will have served in this role for four years.
5. The Company has provided notice that Mr. Yohei Kotera is an Independent officer according to the stipulations of the Tokyo Stock Exchange. If the election of Mr. Yohei Kotera is approved, he will continue to be designated as an Independent officer.