

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 2379)  
May 11, 2018

**To Our Shareholders:**

Hideki Tomita  
President and CEO  
DIP Corporation  
3-2-1 Roppongi, Minato-ku, Tokyo

## **NOTICE OF CONVOCAION OF THE 21ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

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

You are cordially invited to attend the 21st Annual General Meeting of Shareholders of DIP Corporation (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 or via electromagnetic means such as the Internet, etc. (available only in Japanese). 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, or input your vote on the website for exercising voting rights so that your vote is received by 6:30 p.m. on Tuesday, May 29, 2018, Japan time.

For the purpose of preserving natural resources, please bring this Notice with you when attending the meeting.

**1. Date and Time:** Wednesday, May 30, 2018 at 10:00 a.m. Japan time (Reception starts at 9:30 a.m.)

**2. Place:** “Tower Hall” at the Roppongi Academyhills located at  
49th Floor, Roppongi Hills Mori Tower, 6-10-1 Roppongi, Minato-ku, Tokyo

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 21st Fiscal Year (March 1, 2017 - February 28, 2018) and results of audits by the Independent Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
  2. The Financial Statements for the Company’s 21st Fiscal Year (March 1, 2017 - February 28, 2018)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendment to Articles of Incorporation  
**Proposal 3:** Election of Eight (8) Directors  
**Proposal 4:** Election of One (1) Corporate Auditor  
**Proposal 5:** Delegation to the Board of Directors of the Company the Determination of Subscription Requirements for Stock Acquisition Rights Issued as Stock Options to the Employees of the Company

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.  
Should the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.dip-net.co.jp/>).

## Reference Documents for the General Meeting of Shareholders

### **Proposal 1:** Appropriation of Surplus

The proposal for the appropriation of surplus is as stated below.

Matters concerning the year-end dividends:

With respect to the year-end dividend for the 21st fiscal year, considering the financial performance of the fiscal year under review, as well as the prospect of the future development of business, we would like to propose the year-end dividend as follows.

1. Type of dividend property  
Cash
2. Matters concerning allocation and the total amount of dividend property  
¥24 per common share of the Company  
The total amount of dividend will be ¥1,384,476,264.
3. Effective date of dividends of surplus  
May 31, 2018

**Proposal 2:** Partial Amendment to Articles of Incorporation

1. Reasons for the proposal

To prepare for the expansion and diversification of the Company's business domains, partial amendments shall be made and a business purpose shall be added to Article 2 (Purpose) of the current Articles of Incorporation.

2. Description of the amendment

Description of the amendment is as follows:

(Amended parts are underlined.)

Current	Proposed amendment
Chapter I. General Provisions	Chapter I. General Provisions
Article 1. (Omitted)	Article 1. (Same as current)
(Purpose)	(Purpose)
Article 2. The purpose of the Company shall be to engage in the following business.	Article 2. The purpose of the Company shall be to engage in the following business.
1. to 21. (Omitted)	1. to 21. (Same as current)
22. Sale and sales administrative work outsourcing business involving products and services using <u>the Internet</u>	22. <u>Planning</u> , sale and sales administrative work outsourcing business involving products and services using <u>information and communication technology</u>
(Newly established)	<u>23. Planning, sale and sales administrative work outsourcing business involving products and services using new materials</u>
<u>23.</u> Any business incidental or related to the preceding items	<u>24.</u> Any business incidental or related to the preceding items
Articles 3. to 48. (Omitted)	Articles 3. to 48. (Same as current)

**Proposal 3:** Election of Eight (8) Directors

The terms of office of all Directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of eight (8) Directors is proposed, increasing the number of Outside Directors by one (1) in order to secure management transparency and further strengthen corporate governance. The candidates for Directors are as follows:

Candidate No.	Name (Age)	Positions within the Company	Attendance at the Board of Directors' Meetings
1	[Reappointment] Hideki Tomita (51)	Executive President and Chief Executive Officer	100% (13 out of 13 meetings)
2	[Reappointment] Kazuhisa Iwata (54)	Director and Chief Operating Officer and General Manager of Personnel Recruiting Services Division	100% (13 out of 13 meetings)
3	[Reappointment] Tsuneyo Otomo (58)	Director in charge of strategy promoting, Chief Human Officer and General Manager of Personnel Division	100% (13 out of 13 meetings)
4	[Reappointment] Katsumi Ueki (54)	Director, Chief Information Officer and General Manager of Service Development Division	100% (13 out of 13 meetings)
5	[Reappointment] Eiji Watanabe (48)	Director, Executive Officer and General Manager of Business Management Division	100% (13 out of 13 meetings)
6	[Reappointment] Minoru Noda (60) [Outside Director] [Independent Director]	Director	100% (13 out of 13 meetings)
7	[Reappointment] Tatsuya Shimizu (59) [Outside Director] [Independent Director]	Director	100% (13 out of 13 meetings)
8	[New appointment] Michiyo Maehara (51) [Outside Director] [Independent Director]	-	-

(Note) The ages of Directors are as of the end of this General Meeting of Shareholders.

No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
1	Hideki Tomita (September 5, 1966) [Reappointment]	<p>April 1990      Joined Chisan Co., Ltd.</p> <p>November 1991      Joined Aichi golf service Co., Ltd.</p> <p>May 1992      Joined Forum Corporation</p> <p>March 1997      Established the Company</p> <p>Executive President of the Company</p> <p>October 2004      Chairman and Representative Director of E-engine Co., Ltd.</p> <p>June 2005      Director of Nadeshiko Career Corporation</p> <p>March 2006      Executive President and Chief Executive Officer of the Company</p> <p>Chairman and Representative Director of BOOK DESIGN Co., Inc.</p> <p>June 2006      Chairman and Representative Director of DIP AGENT Corporation</p> <p>May 2009      Executive and Chief Executive Officer of the Company</p> <p>May 2010      Executive President and Chief Executive Officer of the Company</p> <p>September 2010      Executive President and Chief Executive Officer and General Manager of Medical Business Division of the Company</p> <p>March 2011      Executive President and Chief Executive Officer of the Company (present)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Hideki Tomita, as founder of the Company, has been involved in the establishment and operation of all of the businesses in which the Company is engaged. As the person most familiar with the Company's businesses, he has extensive experience in business execution at the Company. In light of this experience, we have judged him to be suitable to lead the Company as Executive President and Chief Executive Officer, and have therefore nominated him as a candidate.</p>	1,854,700

No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
2	Kazuhisa Iwata (October 1, 1963) [Reappointment]	<p>April 1986      Joined Sanpo Tsushin Co., Ltd.</p> <p>May 2000      Joined the Company</p> <p>June 2002      Director of the Company</p> <p>October 2004   Director of E-engine Co., Ltd.</p> <p>May 2005      Managing Director of the Company</p> <p>March 2006    Managing Director and Managing Executive Officer of the Company</p> <p>February 2007   Director and Managing Executive Officer in charge of Hatarako Net Business Division and Outsourcing Business Division of the Company</p> <p>September 2007   Director, Managing Executive Officer and General Manager of Outsourcing Business Division of the Company</p> <p>June 2008      Director, Managing Executive Officer, Manager of Agent Business and General Manager of Hatarako Net Business Division of the Company</p> <p>May 2009      Director, Senior Managing Executive Officer, Manager of Agent Business and General Manager of Hatarako Net Business Division of the Company</p> <p>September 2009   Director, Senior Managing Executive Officer and General Manager of Agent Business Division of the Company</p> <p>June 2010      Director, Senior Managing Executive Officer and General Manager of HR Solution Business Division of the Company</p> <p>March 2011    Director, Senior Managing Executive Officer and President of Hatarako Company of the Company</p> <p>May 2011      Director, Managing Executive Officer and President of Hatarako Company of the Company</p> <p>March 2012    Director, Managing Executive Officer and President of Agent Company of the Company</p> <p>March 2013    Director, Managing Executive Officer and General Manager of Media No.1 Business Division of the Company</p> <p>March 2014    Director and Chief Operating Officer and General Manager of Media Business Division of the Company</p> <p>April 2018      Director and Chief Operating Officer and General Manager of Personnel Recruiting Services Division of the Company (present)</p> <p>[Reasons for nomination as a candidate for Director]  Since joining the Company in May 2000, Mr. Kazuhisa Iwata has helped increase market share and improve the Company's performance in our core businesses Baitoru, Hatarako Net and Hatarako for Nurses, and has held executive positions in charge of each business. In light of his extensive experience in business execution at the Company, we have judged him to be suitable to direct the Company's business execution as Director and Chief Operating Officer, and have therefore nominated him as a candidate.</p>	213,100

No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
3	Tsuneyo Otomo (August 2, 1959) [Reappointment]	<p>April 1983      Joined Sapporo Misawa Homes Co., Ltd.</p> <p>October 1983    Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>April 1992      Manager of PR Planning Department of Recruit Co., Ltd.</p> <p>October 1994    Manager of Direct Marketing Business Department of Recruit Co., Ltd.</p> <p>April 2002      Executive Officer of Recruit Staffing Co., Ltd.</p> <p>April 2004      Managing Director of Recruit From A Casting Co., Ltd.</p> <p>October 2005    Joined the Company, Managing Executive Officer</p> <p>March 2006      Executive Officer and Vice President and Chief Operating Officer of the Company</p> <p>Director of BOOK DESIGN Co., Inc.</p> <p>April 2006      Chairman and Representative Director of E-engine Co., Ltd.</p> <p>May 2006      Director, Executive Officer and Vice President and Chief Operating Officer of the Company</p> <p>June 2006      Director of DIP AGENT Corporation</p> <p>May 2007      Executive Vice President and Chief Operating Officer of the Company</p> <p>May 2009      Executive President and Chief Operating Officer of the Company</p> <p>May 2010      Executive Chief Operating Officer of the Company</p> <p>December 2010   Executive Chief Operating Officer and General Manager of Partner Business of the Company</p> <p>March 2011      Executive Chief Operating Officer and President of Medical Company of the Company</p> <p>May 2011      Director and Supreme Advisor of the Company</p> <p>May 2013      Director and Chief Operating Officer of the Company</p> <p>March 2014      Director, Chief Human Officer and General Manager of Personnel Division of the Company</p> <p>May 2014      Director in charge of strategy promoting, Chief Human Officer and General Manager of Personnel Division of the Company (present)</p> <p>[Reasons for nomination as a candidate for Director]  Since joining the Company in October 2005, Mr. Tsuneyo Otomo has a proven record of strong leadership in guiding the Company's businesses, as well as extensive experience in the job advertising business. Based on this, we have nominated him for the position of Director in charge of strategy promoting.  In addition, considering his deep insight accumulated in the job advertising industry, his thorough familiarity with services in the industry, and his abundant knowledge of human resources strategy, we have judged him to be suitable for the position of Director in charge of human resources and Chief Human Officer, and have nominated him as a candidate.</p>	182,200



No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
4	Katsumi Ueki (May 29, 1964) [Reappointment]	<p>April 1987      Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>April 2006      Joined the Company, Executive Officer, Deputy General Manager of Service Planning Division and General Manager of System Planning Department of the Company</p> <p>September 2006      Executive Officer and General Manager of System Planning Division of the Company</p> <p>September 2007      Executive Officer and General Manager of Service Development Division of the Company</p> <p>May 2009      Managing Executive Officer and General Manager of Service Development Division of the Company</p> <p>October 2010      Managing Executive Officer and General Manager of System Planning Division of the Company</p> <p>March 2012      Managing Executive Officer, Chief Information Officer and General Manager of System Planning Division of the Company</p> <p>May 2012      Director, Managing Executive Officer, Chief Information Officer and General Manager of System Planning Division of the Company</p> <p>March 2013      Director, Managing Executive Officer, Chief Information Officer and General Manager of Service Development Division of the Company</p> <p>March 2014      Director, Chief Information Officer and General Manager of Service Development Division of the Company (present)</p> <p>[Reasons for nomination as a candidate for Director] Since joining the Company in April 2006, Mr. Katsumi Ueki has demonstrated his deep insight in the IT field and Internet marketing to manage the Company's Service Development Division, and has strongly promoted our media sales capabilities. Furthermore, Mr. Ueki has capabilities in new business development and abundant knowledge on organizational operations. We have therefore judged him to be suitable for the position of Company Director and Chief Information Officer, and have nominated him as a candidate.</p>	99,900

No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
5	Eiji Watanabe (March 7, 1970) [Reappointment]	<p>April 1991      Joined SRL, Inc.</p> <p>August 2006    Joined the Company</p> <p>January 2008    Joined Recruit Agent Co., Ltd. (currently Recruit Career Co., Ltd.)</p> <p>September 2008    Joined the Company</p> <p>March 2009      Manager of Business Planning Office of the Company</p> <p>March 2011      Executive Officer and Manager of President's Office of the Company</p> <p>March 2012      Executive Officer, Manager of President's Office of the Company and Deputy General Manager of Management Division of the Company</p> <p>March 2013      Executive Officer and General Manager of Management Division of the Company</p> <p>March 2014      Executive Officer and General Manager of Business Management Division of the Company</p> <p>May 2014       Director, Executive Officer and General Manager of Business Management Division of the Company (present)</p> <p>[Reasons for nomination as a candidate for Director] Mr. Eiji Watanabe has worked in PR, IR, finance and accounting related operations within the Company, and currently serves as General Manager of Business Management Division, following posts as Manager of Business Planning Office and Deputy General Manager of the Management Division. Mr. Watanabe thus has extensive business experience in the Company's corporate divisions, in addition to knowledge related to the general business as well as management and business operations. We have therefore judged him to be suitable for the position of Director responsible for the Business Management Division, and have nominated him as a candidate.</p>	44,100

No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
6	Minoru Noda (June 18, 1957) [Reappointment]	<p>April 1981      Joined Nomura Research Institute, Ltd.</p> <p>April 2001      Assistant Professor at Tama University School of Management and Information Sciences</p> <p>April 2001      Fellow on the new business creation division of Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>April 2001      Board Member of Watson Wyatt Japan Co., Ltd. (currently Towers Watson K.K.)</p> <p>May 2001        CEO of Vise Corporation (present)</p> <p>April 2005      Professor at Tama University School of Management and Information Sciences</p> <p>April 2005      Professor at Tama University Graduate School</p> <p>February 2006   Director of NPO Jibun Mirai Club</p> <p>October 2006    Lead Manager of NPO Institute for Strategic Leadership (present)</p> <p>November 2007   Representative Director of J.Feel Inc.</p> <p>April 2008      Professor at Meiji University Graduate School of Global Business (present)</p> <p>April 2008      Recruit Works Institute Special Research Consultant of Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.) (present)</p> <p>April 2013      Board Member of NPO DSS (present)</p> <p>September 2013   Representative Director of Institute of social human capital</p> <p>December 2013   Representative Director of Institute of social human capital Inc.</p> <p>January 2014    Board Member of Japan Innovation Network (present)</p> <p>May 2015        Director of the Company (present)</p> <p>[Significant concurrent position] CEO of Vise Corporation</p> <p>[Reasons for nomination as a candidate for Outside Director] Mr. Minoru Noda has experience and knowledge based on his many years as a specialist in the management strategy field, having been involved in numerous projects at the Nomura Research Institute, Ltd., mainly in the field of organization and personnel, and is currently engaged in business administration research as a university professor. Believing therefore that, as an Outside Director, he can be expected to give effective advice and perform oversight and supervisory functions for the Company, we have judged him to be suitable for the position of Outside Director of the Company, and have nominated him as a candidate. Mr. Noda's term of office as Outside Director of the Company will be three years, as of the conclusion of this Annual General Meeting of Shareholders.</p>	2,600

No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
7	Tatsuya Shimizu (February 11, 1959) [Reappointment]	<p>April 1982      Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</p> <p>April 2000      Executive Officer of Recruit Co., Ltd.</p> <p>June 2003      Director and Managing Executive Officer of Recruit Co., Ltd.</p> <p>June 2006      Advisor of Recruit Co., Ltd.</p> <p>April 2008      Joined CAPCOM CO., LTD.</p> <p>November 2008      Director of CAPCOM U.S.A., INC.</p> <p>November 2009      Advisor of Benesse Holdings, Inc.</p> <p>February 2010      Joined Benesse Holdings, Inc., General Manager of Business Planning Division</p> <p>February 2011      Senior Executive Officer of HIKARI TSUSHIN, INC.</p> <p>April 2011      Representative Director of DEiBA Company, INC. (present)</p> <p>May 2015      Director of the Company (present)</p> <p>[Significant concurrent position]</p> <p>Representative Director of DEiBA Company, INC.</p> <p>[Reasons for nomination as a candidate for Outside Director]</p> <p>After experiencing wide-ranging business management at Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.), Mr. Tatsuya Shimizu held important posts at numerous companies, and currently serves as Representative Director of DEiBA Company, INC., which provides job search support services for new graduates and seminars, etc. for companies on how to improve recruitment. Based on his extensive management experience, we believe Mr. Shimizu can be expected to give effective advice and perform oversight and supervisory functions as an Outside Director at the Company. We have therefore judged him to be suitable for the position of Outside Director at the Company and have nominated him as a candidate.</p> <p>Mr. Shimizu's term of office as Outside Director of the Company will be three years, as of the conclusion of this Annual General Meeting of Shareholders.</p>	3,600

No.	Name (Date of birth)	Past experience, positions and assignment within the Company	Number of shares of the Company held
8	Michiyo Maehara (April 21, 1967) [New appointment]	<p>April 1988      Joined Recruit Human Resource Center Co., Ltd. (currently Recruit Career Co., Ltd.)</p> <p>April 2005      Executive Officer of Recruit Human Resource Center Co., Ltd.</p> <p>April 2008      President of Recruit Executive Agent Co., Ltd.</p> <p>April 2011      Executive Officer of Recruit Doctor's Career Co., Ltd. (currently Recruit Medical Career Co., Ltd.)</p> <p>August 2015      Joined Japan Human Resources Co., Ltd.</p> <p>January 2017      Representative Director of Liasu search Inc. (present)</p> <p>[Significant concurrent position]</p> <p>Representative Director of Liasu search Inc.</p> <p>[Reasons for nomination as a candidate for Outside Director]</p> <p>After having extensively promoted establishment of management bases in the personnel recruiting services business, Ms. Michiyo Maehara currently serves as Representative Director of Liasu search Inc., which provides employee training programs and recruitment consulting. Believing that, as the first female Director of the Company, she can be expected to give effective advice in response to changes in the business environment of the Company which promotes diversification of human resources, and the recent social situations, such as diversity management, we have judged her to be suitable for the position of Outside Director of the Company, and have nominated her as a candidate.</p>	0

(Notes)

1. Mr. Tatsuya Shimizu concurrently serves as Representative Director of DEiBA Company, INC. While the Company uses the service provided by DEiBA Company, INC. to assist new graduate recruitment, the amount of transaction was ¥4,920 thousand in the 21st fiscal year, posing no such significance that constitutes special interest considering the details of transaction and the scale of business of DEiBA Company, INC. While DEiBA Company, INC. engages in human resources placement business, its targets for introducing personnel are different from the Company and DEiBA Company, INC. does not effectively compete with the Company. In addition, while the Company has concluded with DEiBA Company, INC. a contract on posting job advertisements of DEiBA Company, INC. on Baitoru and a contract on selling LIMEX business cards, the amounts of transactions were ¥305 thousand and ¥36 thousand, respectively, in the 21st fiscal year, posing no such significance that constitutes special interest considering the details of transactions and the scale of business of the Company.  
Ms. Michiyo Maehara concurrently serves as Representative Director of Liasu search Inc. While Liasu search Inc. engages in human resources placement business, its targets for introducing personnel are different from the Company and Liasu search Inc. does not effectively compete with the Company.
2. There are no special interests between candidates and the Company.
3. Ms. Michiyo Maehara is a new candidate for Director.
4. Director candidate Ms. Michiyo Maehara's name on her family register is Ms. Michiyo Nishiyama.
5. Messrs. Minoru Noda and Tatsuya Shimizu are Outside Director candidates and have been designated and registered as Independent Directors with Tokyo Stock Exchange, Inc. in accordance with its regulations. In addition, Ms. Michiyo Maehara is Outside Director candidate and is scheduled to be designated and registered as Independent Director with Tokyo Stock Exchange, Inc. in accordance with its regulations. Each candidate is scheduled to be registered as Independent Director if they are reappointed as Outside Directors upon approval of the proposal by resolution.
6. As for Outside Director candidates Messrs. Minoru Noda and Tatsuya Shimizu, the Company has concluded liability limitation agreements, which limit their liability for damages as stipulated under Article 425, Paragraph 1 of the Companies Act, with both candidates. If their reappointment is approved, the Company intends to enter into the agreements with them. Furthermore, as for Outside Director candidate Ms. Michiyo Maehara, the Company intends to enter into a similar liability limitation agreement with her if her appointment is approved.

#### Proposal 4: Election of One (1) Corporate Auditor

The term of office of Corporate Auditor Mr. Takashi Ejiri will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of one (1) Corporate Auditor is proposed.

The Board of Corporate Auditors has given its prior consent to this proposal.

The candidate for Corporate Auditor is as follows:

Name (Date of birth)	Past experience and positions within the Company	Number of shares of the Company held
Takashi Ejiri (May 16, 1942) [Reappointment]	<p>April 1969 Registered as an attorney-at-law</p> <p>November 1977 Partner of Masuda and Ejiri Law Office (currently Nishimura &amp; Asahi LPC)</p> <p>September 1986 Deputy Chair of Committee on International Relations of Japan Federation of Bar Associations</p> <p>May 1995 Secretary-General of Inter-Pacific Bar Association</p> <p>September 1998 Member of The Trilateral Commission</p> <p>November 1998 Corporate Auditor of Usen Broadband Networks Corporation (currently USEN CORPORATION)</p> <p>June 2003 Audit &amp; Supervisory Board Member of Aozora Bank, Ltd.</p> <p>June 2004 Corporate Auditor of ANDO Corporation (currently HAZAMA ANDO CORPORATION)</p> <p>June 2006 Corporate Auditor of Kagome Co., Ltd.</p> <p>May 2010 Corporate Auditor of Mitsubishi UFJ Securities Holdings Co., Ltd.</p> <p>May 2010 Corporate Auditor of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.</p> <p>May 2010 Corporate Auditor of the Company (present)</p> <p>August 2012 Member of Nishimura &amp; Asahi LPC</p> <p>June 2015 Outside Member of the Board of Whiz Partners Inc. (present)</p> <p>March 2016 Outside Director of SBI SAVINGS BANK (present)</p> <p>March 2017 Executive Director of ALBERT Inc. (present)</p> <p>June 2017 Outside Director of OBIC Co., Ltd. (present)</p> <p>August 2017 Senior Partner of Natori Law Office (present)</p> <p>[Significant concurrent position]</p> <p>Senior Partner of Natori Law Office</p> <p>Outside Member of the Board of Whiz Partners Inc.</p> <p>Outside Director of SBI SAVINGS BANK</p> <p>Executive Director of ALBERT Inc.</p> <p>Outside Director of OBIC Co., Ltd.</p> <p>[Reasons for nomination as a candidate for Outside Corporate Auditor]</p> <p>Mr. Takashi Ejiri has been working to identify issues on the Company's corporate governance based on the legal expertise he has accumulated over many years as an attorney-at-law, and has been making efforts to solve agenda items by actively providing advice at the Board of Directors' and the Board of Corporate Auditors' meetings. Believing therefore that he can be expected to continue to give advice as necessary at the Board of Corporate Auditors, we have judged him to be suitable for the position of Outside Corporate Auditor of the Company, and have nominated him as a candidate. We judge that he would properly perform the duties of an Outside Corporate Auditor, considering his thorough familiarity with corporate legal affairs and abundant knowledge of corporate governance as an attorney-at-law.</p> <p>Mr. Ejiri's term of office as Outside Corporate Auditor of the Company will be eight years, as of the conclusion of this Annual General Meeting of Shareholders.</p>	55,700

(Notes)

- Mr. Takashi Ejiri concurrently serves as Outside Director of OBIC Co., Ltd. While the Company uses a credit management system of OBIC Co., Ltd., the amount of transaction was ¥14,148 thousand in the 21st fiscal year, posing no such significance that constitutes special interest considering the details of transaction and the scale of business of OBIC Co., Ltd.  
In addition, Mr. Ejiri concurrently serves as Senior Partner of Natori Law Office, Outside Member of the Board of Whiz Partners Inc., Outside Director of SBI SAVINGS BANK and Executive Director of ALBERT Inc. The Company has no special interests with Natori Law Office, Whiz Partners Inc., SBI SAVINGS BANK and ALBERT Inc.
- Mr. Takashi Ejiri is a candidate for Outside Corporate Auditor.

3. As for Outside Corporate Auditor candidate Mr. Takashi Ejiri, the Company has concluded a liability limitation agreement, which limits his liability for damages as stipulated under Article 425, Paragraph 1 of the Companies Act, with the candidate. If his reappointment is approved, the Company intends to enter into the agreement with him.

**Proposal 5:** Delegation to the Board of Directors of the Company the Determination of Subscription Requirements for Stock Acquisition Rights Issued as Stock Options to the Employees of the Company

In accordance with the provisions of Article 236, 238 and 239 of the Companies Act, an approval is requested for the delegation to the Board of Directors of the Company the determination of subscription requirements for stock acquisition rights issued as stock options to the employees of the Company.

1. Reasons for the necessity for inviting persons to subscribe for stock acquisition rights on exceptionally advantageous terms

The Company would like to issue stock acquisition rights without compensation to the employees of the Company, for the purpose of motivating their sense of contribution for enhancement of corporate value of the Company and further boosting staff morale over the long term.

2. Details and maximum number of stock acquisition rights for which the subscription requirements may be determined pursuant to the matters resolved at this Annual General Meeting of Shareholders

- (1) Maximum number of stock acquisition rights for which the subscription requirements may be determined based on such delegation

Maximum number of stock acquisition rights as described in (3) below shall be 5,000.

Maximum number of shares that can be granted by exercise of stock acquisition rights shall be 500,000 shares of common stock of the Company. If the number of grantable shares (as defined below) is adjusted as described in (3) 1) below, the number of grantable shares after adjustment multiplied by the aforementioned maximum number of stock acquisition rights shall be the maximum number of grantable shares.

- (2) Cash payment to be made in exchange for stock acquisition rights

No cash payment shall be required for the stock acquisition rights for which the subscription requirements may be determined based on such delegation.

- (3) Details of stock acquisition rights for which the subscription requirements may be determined based on such delegation

- 1) Class and number of shares underlying the stock acquisition rights

The class of shares underlying the stock acquisition rights shall be the common stock of the Company, and number of shares underlying each stock acquisition right (hereinafter “number of grantable shares”) shall be 100.

However, after the date on which stock acquisition rights are allotted (hereinafter the “allotment date”), if the Company conducts share split (including gratis allotment of shares of common stock of the Company; hereinafter the same with reference to share split) or share consolidation of its common stock, the number of grantable shares shall be adjusted by using the following formula.

$$\begin{array}{l} \text{The number of} \\ \text{grantable shares after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{The number of grantable} \\ \text{shares before adjustment} \end{array} \times \begin{array}{l} \text{Ratio of share split/share} \\ \text{consolidation} \end{array}$$

In addition to the above, after the allotment date, the Company shall be able to make adjustment to the number of grantable shares to a reasonable extent, if such adjustment is deemed appropriate.

Any fraction of less than one share generated as a result of the aforementioned adjustment shall be discarded.

- 2) The amount of assets to be contributed upon the exercise of stock acquisition rights

The amount of assets to be contributed upon the exercise of stock acquisition rights shall be the amount calculated by multiplying the paid-in amount per share (hereinafter the “exercise price”) to be granted upon the exercise of each stock acquisition right by the number of grantable shares.

Exercise price shall be either the average of the closing prices of common stocks of the Company (hereinafter the “Closing Price”) regularly transacted on the Tokyo Stock Exchange on each day (excluding those days when the Closing Price is not quoted) of the month prior to the month to which the allotment date belongs (fractions of less than ¥1 shall be rounded up), or the Closing Price on the allotment date (or on the date immediately preceding the allotment date, if no Closing Price is quoted on such date), whichever is higher. However, the exercise price shall be subject to the adjustments as follows.



I. Exercise price shall be adjusted by the following formula, if the Company conducts share split or share consolidation of its common stock after the allotment date, and any fraction of less than ¥1 resulting from such adjustment shall be rounded up.

$$\text{Exercise price after the adjustment} = \text{Exercise price before the adjustment} \times \frac{1}{\text{Ratio of share split/share consolidation}}$$

II. With respect to its common stock, in case where the Company conducts issuance of new shares, or disposal of treasury shares at a price below market price after the allotment date (excluding sale of treasury shares based on the provisions of Article 194 of the Companies Act (Demand for Sale of Shares Less Than One Unit by Holders of Shares Less Than One Unit), conversion of securities to be converted or securities that can be converted to common stock of the Company, or exercise of the stock acquisition rights (including those attached to bonds with stock acquisition rights) which can claim grant of common stock of the Company), exercise price shall be adjusted by the following formula, where any fraction of less than ¥1 resulting from such adjustment shall be rounded up.

$$\text{Exercise price after the adjustment} = \text{Exercise price before the adjustment} \times \frac{\text{Number of outstanding shares} + \frac{\text{Number of new shares issued} \times \text{paid-in amount per share}}{\text{Market price}}}{\text{Number of outstanding shares} + \text{Number of new shares issued}}$$

In the above formula, “number of outstanding shares” is defined as the total number of outstanding shares of common stock of the Company, less the number of shares of common stock held by the Company as its treasury shares, and in the event of disposal of treasury shares, “number of new shares issued” should read “number of treasury shares subject to disposal.”

III. In addition to the above, when it is appropriate to make adjustments to the exercise price, including the circumstances in which the Company conducts gratis allotment of other classes of shares to ordinary shareholders, or dividend payout in the form of shares in other companies to ordinary shareholders after the allotment date, the Company may adjust the exercise price within a reasonable extent, upon consideration of conditions for such allotment or dividend payout.

3) Period in which stock acquisition right can be exercised

Three years beginning on the day after five years since the allotment date.

4) Matters related to increase in capital and capital reserve as a result of the issuance of shares associated with the exercise of stock acquisition rights

I. The amount of increase in capital as a result of the issuance of shares associated with the exercise of stock acquisition rights, shall be 50% of the maximum amount of an increase in capital, etc., as calculated in accordance with Article 17, Paragraph 1 of the Ordinance for Corporate Accounting, and any fractions of less than ¥1 resulting from such calculation shall be rounded up.

II. The amount of increase in capital reserve as a result of the issuance of shares associated with the exercise of stock acquisition rights shall be the maximum amount of an increase in capital, etc., as stated in I. above, less the amount of increase in capital as set out also in I. above.

5) Restriction on the acquisition of stock acquisition rights through transfer

Acquisition of stock acquisition rights through transfer shall be subject to the approval based on the resolution of the Board of Directors.

6) Terms for acquisition of stock acquisition rights

Subject to the approval of the following proposals I, II, III, IV or V, at the General Meeting of Shareholders of the Company (or subject to the resolution at the Board of Directors of the Company

where resolution at the General Meeting of Shareholders is not required), the Company shall be able to acquire the stock acquisition rights without compensation on the date determined separately by the Board of Directors.

- I. Proposal for the approval of a merger agreement where the Company will be dissolved
- II. Proposal for the approval of a company split agreement or a company split plan where the Company will be the split company
- III. Proposal for the approval of a share exchange agreement or share transfer plan where the Company will become a wholly-owned subsidiary
- IV. Proposal for the approval of the amendment to the Articles of Incorporation for establishing a provision which requires the Company's consent on the acquisition of the shares as the whole of the shares issued by the Company through transfer
- V. Proposal for the approval of the amendment to the Articles of Incorporation for establishing a provision which requires the Company's consent with respect to the acquisition of the class of shares to be granted upon the exercise of the stock acquisition rights through transfer, or a provision with respect to the acquisition of the whole of such class of shares by the Company, based on the resolution of the General Meeting of Shareholders.

7) Policies for determining the details of the grant of stock acquisition rights of the reorganized company under the process of reorganization

In the case where the Company conducts merger (only the cases where the Company is dissolved due to the merger), absorption-type company split or incorporation-type company split (only the cases where the Company is the split company, respectively), or share exchange or share transfer (only the cases where the Company is a wholly-owned company, respectively) (hereinafter collectively "reorganization transaction"), it shall grant the respective stock acquisition rights of the Stock Company listed in Article 236, Paragraph 1, Item 8, (a) to (e) of the Companies Act (hereinafter the "reorganized company"), to the holders of the stock acquisition rights remaining (hereinafter the "residual stock acquisition rights") immediately before the effective date of the reorganization (the date on which the merger becomes effective in the case of a merger, the date on which the Stock Company incorporated through the consolidation-type merger is established in the case of a consolidation-type merger, the date on which absorption-type company split becomes effective in the case of an absorption-type company split, the date on which the Stock Company incorporated through incorporation-type company split is established in the case of an incorporation-type company split, the date on which share exchange becomes effective in the case of a share exchange, and the date on which the wholly-owning parent company incorporated through the share transfer is established in the case of a share transfer). However, the aforementioned shall be subject to establishment of the provisions for the merger agreement, the consolidation-type merger agreement, the absorption-type company split agreement, the incorporation-type company split agreement, the share exchange agreement or the share transfer plan, respectively, to the effect that stock acquisition rights of the reorganized company are to be granted in accordance with the following guidelines.

- I. Number of stock acquisition rights of the reorganized company to be granted  
The same number of stock acquisition rights as the residual stock acquisition rights held by the holders of the stock acquisition rights shall be granted, respectively.
- II. Classes of shares of the reorganized company underlying the exercise of stock acquisition rights  
Shares of common stock of the reorganized company.
- III. Number of shares of the reorganized company underlying the exercise of stock acquisition rights  
To be determined in the same manner as described in 1) above in consideration of the conditions for the reorganization transaction, etc.
- IV. The amount of assets to be contributed upon the exercise of stock acquisition rights  
The amount of assets to be contributed upon the exercise of each stock acquisition right to be granted shall be the amount calculated by multiplying the adjusted amount paid-in after considering the

exercise price determined in 2) above and the conditions of the reorganization, by the number of shares of the reorganized company underlying the exercise of the stock acquisition rights, as determined in accordance with III. above.

V. Period in which stock acquisition rights can be exercised

The period beginning on the first day of the period when stock acquisition rights as set out in 3) above can be exercised, or the effective date of the reorganization, whichever is later, and ending on the day on which the period when the stock acquisition rights as set out in 3) above can be exercised is terminated.

VI. Matters related to increases in capital and capital reserve in case of the issuance of shares associated with the exercise of stock acquisition rights

To be determined in the same manner as in 4) above.

VII. Restriction on the acquisition of stock acquisition rights through transfer

Acquisition of stock acquisition rights through transfer shall be subject to approval by the resolution of the Board of Directors of the reorganized company.

VIII. Terms of acquisition of stock acquisition rights

To be determined in the same manner as in 6) above.

IX. Other conditions for the exercise of stock acquisition rights

To be determined in the same manner as in 9) below.

8) Handling of a fraction of less than one share generated as a result of the exercise of stock acquisition rights

Any fraction of less than one share in the number of shares to be granted to a holder of stock acquisition rights who have exercised his/her stock acquisition rights, shall be discarded.

9) Other conditions for the exercise of stock acquisition rights

I. Holders of stock acquisition rights shall be able to exercise the stock acquisition rights as long as they remain in the positions within the Company or its subsidiaries either as officers or employees at the time of such exercise. However, this shall not apply to holders losing positions as officers or employees of the Company or its subsidiaries for reasons such as retirement of officers upon expiration of the terms of office, retirement of employees at the mandatory retirement age or for other justifiable reasons.

II. In the case where holders of stock acquisition rights relinquish such rights, the holders shall no longer be able to exercise the stock acquisition rights.

III. In the event of death of a holder of stock acquisition rights, after the death of the holder of stock acquisition rights, as such holder can no longer be able to exercise the whole of the stock acquisition rights yet to be exercised, which shall be wholly relinquished at that point in time, and heirs to the holder shall not inherit such stock acquisition rights.

IV. A holder of stock acquisition rights shall not transfer, establish security interest over, bequeath or otherwise dispose whole or part of the stock acquisition rights to a third party.

V. Other conditions shall be prescribed under the stock acquisition rights allotment agreement concluded between the Company and the holders of stock acquisition rights, based on the resolution at this General Meeting of Shareholders and the resolution by the Board of Directors on the issuance of the stock acquisition rights.