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Securities Code: 7246

June 6, 2018

Dear Shareholders,

Hiroshige Kakudo  
Representative Director  
**PRESS KOGYO CO., LTD.**  
1-1-1 Shiohama, Kawasaki-ku,  
Kawasaki-shi, Kanagawa

## Notice of the 116th Annual Shareholders' Meeting

You are cordially invited to attend the 116th Annual Shareholders' Meeting of Press Kogyo Co., Ltd. (the "Company") to be held on June 28, 2018 as detailed below.

### Details

1. Date and Time: Thursday, June 28, 2018, at 10:00 a.m.
2. Place: Conference Room of the Company's Head Office  
1-1-1 Shiohama, Kawasaki-ku, Kawasaki-shi, Kanagawa
3. Purpose of the Meeting  
Matters to be reported:
  1. Business Report, Consolidated Financial Statements and Audit Reports of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 116th Fiscal Year (from April 1, 2017 to March 31, 2018)
  2. Non-Consolidated Financial Statements for the 116th Fiscal Year (from April 1, 2017 to March 31, 2018)

### Matters to be resolved:

- Proposal 1: Appropriation of Surplus
- Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)
- Proposal 3: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members
- Proposal 4: Payment of Bonuses to Officers

## Reference Documents for the Shareholders' Meeting

### Proposal 1: Appropriation of Surplus

Regarding the year-end dividends for the 116th fiscal year, after taking into comprehensive consideration the performance for the current fiscal year and future capital demands among other factors, in accordance with the capital policy of the Company, we propose to pay as described below.

(1) Type of dividend property:

We will pay in money.

(2) Item concerning allocation of dividend property and its total amount:

We propose the year-end dividend of 6 yen per common share of the Company (total amount of dividends: 651,738,108 yen). Since the interim dividend in the amount of 6 yen per share has been distributed, the annual dividend for the current fiscal year would be 12 yen per share.

(3) Effective date of dividend of surplus:

June 29, 2018

#### (Reference: 1) Capital policy of the Company

Fundamental policy of Press Kogyo Group is to aim for sustainable growth and increased corporate value over the mid- to long-term through business activities, while maintaining the necessary shareholders' equity level and providing sustainable and stable returns to shareholders.

1. Maintenance of necessary shareholders' equity level

Financial soundness shall be ensured by comprehensively taking into consideration growth investment, response capability toward operating risk, maintenance of ratings, etc.

2. Dividend policy

Dividend amount for each period shall be determined by comprehensively taking into consideration the performance and capital demands among other factors, after setting the consolidated dividend payout ratio of 20% as the mid-term target. Frequency of dividend payments shall be twice a year in principle.

3. Acquisition of treasury stock, etc.

Changes in the business environment shall be responded with flexibility, and financial measures leading to increased corporate value such as acquisition or cancelation of treasury stocks shall be implemented.

#### (Reference: 2) Change in dividends per share

(Unit: yen)

	113th fiscal year (Fiscal year ended March 31, 2015)	114th fiscal year (Fiscal year ended March 31, 2016)	115th fiscal year (Fiscal year ended March 31, 2017)	116th fiscal year (current) (Fiscal year ended March 31, 2018)
Interim dividends per share	5.00	5.00	5.00	6.00
Year-end dividends per share	6.00	6.00	6.00	6.00 (planned)
Annual dividends per share	11.00	11.00	11.00	12.00 (planned)
Consolidated dividend payout ratio	18.8%	21.3%	22.7%	22.3% (planned)

Note: Year-end dividends per share for the 113th term include 1 yen for the commemorative dividend, commemorating the 90th anniversary of foundation.

## Proposal 2: Election of Seven (7) Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

All seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members, hereinafter referred to as “Director(s)”) will retire from office due to expiration of their terms of office at the conclusion of this Shareholders’ Meeting.

Accordingly, we propose the election of seven (7) Directors.

Also, after a review by the Audit & Supervisory Committee, they have expressed the opinion that each candidate in this proposal is qualified.

The candidates for Director are as follows:

No.	Name	Reelected/ Newly appointed	Position and areas of responsibility in the Company	Significant concurrent positions outside the Company	Attendance at meetings of the Board of Directors
1	Hiroshige Kakudo	Reelected	Representative Director, President & CEO In charge of Internal Audit Dept.		17/17 (100.0%)
2	Tetsushi Mino	Reelected	Director, Senior Executive Managing Officer In charge of Business Development and Administration Division		17/17 (100.0%)
3	Satoru Murayama	Reelected	Director, Senior Executive Managing Officer & CTO Overseeing of Manufacturing Division In charge of Engineering & Development Division		17/17 (100.0%)
4	Kazuhiko Onami	Reelected	Director, Executive Managing Officer Overseeing of Accounting Dept., Financial Dept., Personnel Dept. and Employee Relations Dept.		17/17 (100.0%)
5	Yasuhiko Ikeda	Reelected	Director, Senior Executive Managing Officer In charge of Corporate Planning Division Overseeing of Overseas Operations		17/17 (100.0%)
6	Takashi Nakayama	Newly appointed	Executive Managing Officer In charge of China Business	Chairman of PM CABIN MANUFACTURING CO., LTD.  Chairman of PK MANUFACTURING (SUZHOU) CO., LTD.  Chairman of PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.	
7	Noriaki Endo	Reelected	Director, Executive Managing Officer In charge of Manufacturing Division		17/17 (100.0%)

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
1 Reelected	Hiroshige Kakudo (June 27, 1950)  Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1973 Joined the Company</p> <p>April 2004 Executive Officer of the Company</p> <p>April 2006 Executive Managing Officer of the Company</p> <p>June 2006 Director, Executive Managing Officer of the Company</p> <p>April 2010 Director, Senior Executive Managing Officer of the Company</p> <p>April 2012 Representative Director, Senior Executive Managing Officer of the Company</p> <p>October 2012 Representative Director, Executive Vice President &amp; CFO of the Company</p> <p>October 2013 Representative Director, President &amp; CEO of the Company (to the present)</p> <p><i>Responsibilities</i> In charge of Internal Audit Dept.</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Kakudo has experience mainly in Accounting, Purchasing and Sales Department of the Company and has been engaged in the management of the Company's subsidiary in the United States for many years. He has deep knowledge and achievements in the Company's overall business and management. Based on such experience and knowledge, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as candidate for Director.</p>	175,230
2 Reelected	Tetsushi Mino (April 24, 1957)  Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1980 Joined the Company</p> <p>April 2009 Executive Officer of the Company</p> <p>April 2012 Senior Executive Officer of the Company</p> <p>April 2013 Executive Managing Officer of the Company</p> <p>June 2013 Director, Executive Managing Officer of the Company</p> <p>June 2017 Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> In charge of Business Development and Administration Division</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Mino has experience mainly in the Sales and Purchasing Department of the Company and has deep knowledge and achievements in the Company's sales and purchasing business. Based on such experience and knowledge, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as candidate for Director.</p>	46,500
3 Reelected	Satoru Murayama (October 9, 1956)  Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1980 Joined the Company</p> <p>April 2009 Executive Officer of the Company</p> <p>April 2012 Senior Executive Officer of the Company</p> <p>April 2013 Executive Managing Officer of the Company</p> <p>June 2013 Director, Executive Managing Officer of the Company</p> <p>June 2017 Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i> Overseeing of Manufacturing Division In charge of Engineering &amp; Development Division</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Murayama has experience mainly in the Design, Engineering and Factory Department of the Company and has deep knowledge and achievements in the Company's engineering &amp; development business. Based on such experience and knowledge, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as candidate for Director.</p>	46,400

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
4 <u>Reelected</u>	Kazuhiko Onami (September 10, 1955)  Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1982 Joined the Company</p> <p>April 2010 Executive Officer of the Company</p> <p>April 2013 Senior Executive Officer of the Company</p> <p>April 2014 Executive Managing Officer of the Company</p> <p>June 2016 Director, Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>Overseeing of Accounting Dept., Financial Dept., Personnel Dept. and Employee Relations Dept.</p> <p><i>Reasons for nomination as candidate for Director</i></p> <p>Mr. Onami has experience mainly in the Sales and Accounting Department of the Company and has been engaged in the management of the Company's subsidiary in the United States. He has deep knowledge and achievements in the Company's sales and accounting business and overall management. Based on such experience and knowledge, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as candidate for Director.</p>	41,700
5 <u>Reelected</u>	Yasuhiko Ikeda (September 14, 1953)  Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p>April 1977 Joined the Company</p> <p>April 2008 Executive Officer of the Company</p> <p>April 2010 Senior Executive Officer of the Company</p> <p>April 2011 Executive Managing Officer of the Company</p> <p>June 2012 Director, Executive Managing Officer of the Company</p> <p>April 2016 Director, Senior Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>In charge of Corporate Planning Division</p> <p>Overseeing of Overseas Operations</p> <p><i>Reasons for nomination as candidate for Director</i></p> <p>Mr. Ikeda has experience mainly in the Overseas Operation and Management Planning Department of the Company and has deep knowledge and achievements in the Company's overseas business and overall management. Based on such experience and knowledge, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as candidate for Director.</p>	65,800

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
6 Newly appointed	Takashi Nakayama (October 30, 1956)	<p>April 1980 Joined the Company</p> <p>February 2005 General Manager of Sales Dept. 2 of the Company</p> <p>April 2009 Executive Officer of the Company</p> <p>April 2012 Senior Executive Officer of the Company</p> <p>April 2013 Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>In charge of China Business</p> <p><i>Significant concurrent positions outside the Company</i></p> <p>Chairman of PM CABIN MANUFACTURING CO., LTD.</p> <p>Chairman of PK MANUFACTURING (SUZHOU) CO., LTD.</p> <p>Chairman of PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD.</p>	54,100
7 Reelected	Noriaki Endo (March 4, 1957)	<p>April 1975 Joined the Company</p> <p>April 2010 Executive Officer of the Company</p> <p>April 2012 Senior Executive Officer of the Company</p> <p>April 2014 Executive Managing Officer of the Company</p> <p>June 2016 Director, Executive Managing Officer of the Company (to the present)</p> <p><i>Responsibilities</i></p> <p>In charge of Manufacturing Division</p>	41,300
	Attendance at meetings of the Board of Directors 17/17 (100.0%)	<p><i>Reasons for nomination as candidate for Director</i></p> <p>Mr. Endo has experience mainly in the Factory Department of the Company and has deep knowledge and achievements in the Company's manufacturing business. Based on such experience and knowledge, the Company has judged that he is able to make decisions relating to execution of important business and supervise the management, and continues to nominate him as candidate for Director.</p>	

Note: Candidate Mr. Nakayama is Chairman of PM CABIN MANUFACTURING CO., LTD., PK MANUFACTURING (SUZHOU) CO., LTD., and PRESS KOGYO MINI CABIN (SUZHOU) CO., LTD. The Company has a business relationship with them regarding sales of parts, lending funds, etc. There are no other special interests between any of the other candidates and the Company.

### Proposal 3: Election of Five (5) Directors Who Are Audit & Supervisory Committee Members

All five (5) Directors who are Audit & Supervisory Committee Members will retire from office due to expiration of their terms of office at the conclusion of this Shareholders' Meeting.

Accordingly, we propose the election of five (5) Directors who are Audit & Supervisory Committee Members.

The Audit & Supervisory Committee has given its prior consent to the submission of this proposal to this meeting.

The candidates for Director who is an Audit & Supervisory Committee member are as follows:

No.	Name	Reelected/ Newly appointed	Current position in the Company	Significant concurrent positions outside the Company	Attendance at meetings
1	Katsuyuki Hoshino	Reelected	Director (Full-time Audit & Supervisory Committee Member)		Board of Directors 17/17 (100.0%)  Audit & Supervisory Committee 12/12 (100.0%)
2	Yasuo Yamane	Reelected Independent External	External Director (Audit & Supervisory Committee Member)		Board of Directors 17/17 (100.0%)  Audit & Supervisory Committee 12/12 (100.0%)
3	Osamu Nakagawa	Reelected Independent External	External Director (Audit & Supervisory Committee Member)	Tax Accountant and Certified Public Accountant of Osamu Nakagawa Accounting Office Partner of TOKO Audit Corporation External Audit & Supervisory Board Member of HOKEN NO MADOGUCHI GROUP INC. Audit & Supervisory Board Member of Medical Data Vision Co., Ltd. Managing Partner of NY Accounting Partners Tax Accountant Corporation	Board of Directors 15/17 (88.2%)  Audit & Supervisory Committee 10/12 (83.3%)
4	Kenji Furusato	Reelected Independent External	External Director (Audit & Supervisory Committee Member)	Attorney of Tokyo Fuji Law Office Professor of Nihon University Law School	Board of Directors 17/17 (100.0%)  Audit & Supervisory Committee 12/12 (100.0%)
5	Tomoko Ando	Newly appointed Independent External	External Director (Audit & Supervisory Committee Member)		—

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
1 Reelected	Katsuyuki Hoshino (August 18, 1955)  Attendance at meetings of the Board of Directors 17/17 (100.0%)  Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<p>April 1979 Joined the Company</p> <p>April 2007 General Manager of Financial Dept. of the Company</p> <p>April 2011 General Manager of Accounting Dept. of the Company</p> <p>June 2015 Full-time Audit &amp; Supervisory Board Member of the Company</p> <p>June 2016 Director of the Company (Full-time Audit &amp; Supervisory Committee Member) (to the present)</p> <p><i>Reasons for nomination as candidate for Director</i> Mr. Hoshino has served consecutively as General Manager of Financial Department and Accounting Department of the Company, and has deep knowledge in accounting and finance. Based on such experience and knowledge, the Company has judged that he is able to appropriately supervise the management of the Company, and continues to nominate him as candidate for Director who is an Audit &amp; Supervisory Committee member.</p>	15,300
2 Reelected Independent External	Yasuo Yamane (October 24, 1948)  Attendance at meetings of the Board of Directors 17/17 (100.0%)  Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<p>April 1975 Joined Toshiba Machine Co., Ltd.</p> <p>April 1985 Associate Professor of Faculty of Engineering, Hiroshima University</p> <p>May 1995 Professor of Faculty of Engineering, Hiroshima University</p> <p>April 2001 Professor of Graduate School of Engineering, Hiroshima University</p> <p>July 2005 Dean of Graduate School of Engineering and Faculty of Engineering, Hiroshima University</p> <p>April 2009 Executive and Vice President, Hiroshima University</p> <p>April 2013 Professor (Special Appointment) of Institute of Engineering of Hiroshima University</p> <p>June 2015 External Director of the Company</p> <p>April 2016 Professor (Special Appointment) of Hiroshima University (to the present)</p> <p>June 2016 External Director of the Company (Audit &amp; Supervisory Committee Member) (to the present)</p> <p><i>Reasons for nomination as candidate for External Director</i> Although Dr. Yamane has not been directly involved in corporate management in the past, he has a career history that includes Executive and Vice President of a national university, and he possesses extensive specialist knowledge regarding technology and human resource training that he has accumulated over many years as a professor in the faculty of engineering of a national university. Based on such experience and knowledge, the Company has judged that he is able to appropriately advise and supervise the management of the Company, and continues to nominate him as candidate for External Director who is an Audit &amp; Supervisory Committee member. Because Dr. Yamane has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Dr. Yamane and general shareholders and has continued to designate him as an Independent Officer.</p>	—



No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
3 Reelected Independent External	Osamu Nakagawa (July 27, 1968)  Attendance at meetings of the Board of Directors 15/17 (88.2%)  Attendance at meetings of the Audit & Supervisory Committee 10/12 (83.3%)	<p>October 1993 Joined Junichiro Yamada Accounting Office (currently Yamada &amp; Partners Certified Public Tax Accountants' Co.)</p> <p>September 1998 Established Osamu Nakagawa Accounting Office (to the present)</p> <p>June 2015 External Audit &amp; Supervisory Board Member of the Company</p> <p>June 2016 External Director of the Company (Audit &amp; Supervisory Committee Member) (to the present)</p> <p><i>Significant concurrent positions outside the Company</i> Tax Accountant and Certified Public Accountant of Osamu Nakagawa Accounting Office Partner of TOKO Audit Corporation External Audit &amp; Supervisory Board Member of HOKEN NO MADOGUCHI GROUP INC. Audit &amp; Supervisory Board Member of Medical Data Vision Co., Ltd. Managing Partner of NY Accounting Partners Tax Accountant Corporation</p> <p><i>Reasons for nomination as candidate for External Director</i> Mr. Nakagawa has served consecutively as partner in an audit corporation and tax accountant corporation and has expert perspective and abundant experience as a certified public accountant and certified tax accountant. Based on such experience and knowledge, the Company has judged that he is able to appropriately advise and supervise the management of the Company, and continues to nominate him as candidate for External Director who is an Audit &amp; Supervisory Committee member. Because Mr. Nakagawa has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Mr. Nakagawa and general shareholders and has continued to designate him as an Independent Officer.</p>	—
4 Reelected Independent External	Kenji Furusato (August 3, 1968)  Attendance at meetings of the Board of Directors 17/17 (100.0%)  Attendance at meetings of the Audit & Supervisory Committee 12/12 (100.0%)	<p>April 1996 Joined Toranomon Law Office</p> <p>April 2000 Joined Tokyo Fuji Law Office (to the present)</p> <p>April 2008 Associate Professor of Nihon University Law School</p> <p>April 2013 Professor of Nihon University Law School (to the present)</p> <p>June 2016 External Director of the Company (Audit &amp; Supervisory Committee Member) (to the present)</p> <p><i>Significant concurrent positions outside the Company</i> Attorney of Tokyo Fuji Law Office Professor of Nihon University Law School</p> <p><i>Reasons for nomination as candidate for External Director</i> Although Mr. Furusato has not been directly involved in corporate management in the past, he has abundant experience in law office and has served consecutively as professor in law school with specialized expertise as a lawyer. Based on such experience and knowledge, the Company has judged that he is able to appropriately advise and supervise the management of the Company, and continues to nominate him as candidate for External Director who is an Audit &amp; Supervisory Committee member. Because Mr. Furusato has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Mr. Furusato and general shareholders and has continued to designate him as an Independent Officer.</p>	—

No.	Name (Date of birth)	Career summary, position, areas of responsibility in the Company and significant concurrent positions outside the Company	Number of the Company's shares owned
5 Newly appointed Independent External	Tomoko Ando (July 18, 1959)	<p>December 1996 Joined Mars Japan Limited Marketing Manager of Shack Food Marketing of the Company</p> <p>March 1998 Marketing Manager of Pet Care Marketing of the Company</p> <p>June 2001 Communication &amp; Compensation Manager of Personnel &amp; Organization of the Company</p> <p>June 2005 Recruiting &amp; Compensation Manager of Personnel &amp; Organization of the Company</p> <p>January 2006 People, Pipeline Manager of Personnel &amp; Organization of the Company</p> <p>August 2008 Joined NIHON L'Oréal K.K. Senior HR Manager of the Company</p> <p>March 2011 Executive Vice President, General Manager of Personnel Dept. of the Company</p> <p>May 2016 Retired from Executive Vice President, General Manager of Personnel Dept. of the Company</p> <p><i>Reasons for nomination as candidate for External Director</i> Ms. Tomoko Ando has abundant experience and extensive insights regarding global corporations gained primarily from her experience regarding brand marketing and strategic personnel affairs at a foreign-owned enterprise and while serving as the Executive Vice President. Based on such experience and knowledge, the Company has judged that she is able to appropriately advise and supervise the management of the Company, and nominates her as candidate for External Director who is an Audit &amp; Supervisory Committee member. Because Ms. Ando has no relationship with the Press Kogyo Group other than the election as an External Director and satisfies the requirements for independence criteria set by the Tokyo Stock Exchange, Inc., and for Standards for Electing Independent External Directors set by the Company, the Company has judged that there is no possibility of conflict of interest between Ms. Ando and general shareholders and plans to designate her as an Independent Officer.</p>	—

- Notes: 1. There are no special interests between each of the candidates and the Company.
2. The candidates Dr. Yamane, Mr. Nakagawa, Mr. Furusato and Ms. Ando are candidates for External Director.
3. 1) Dr. Yamane is currently External Director of the Company and his term of office as External Director will be three years at the conclusion of this Ordinary General Meeting of Shareholders.  
2) Mr. Nakagawa and Mr. Furusato are currently External Directors of the Company and their terms of office as External Directors will be two years respectively at the conclusion of this Ordinary General Meeting of Shareholders.
4. At present, Mr. Hoshino, Dr. Yamane, Mr. Nakagawa and Mr. Furusato have signed contracts with the Company to limit compensation for damages under Paragraph 1 of Article 423 of the Companies Act, pursuant to Paragraph 1 of Article 427 of the said Act. Under the said contract, the limit of liability shall be set at the minimum liability amount prescribed by the relevant laws and regulations. If the election of the four candidates is approved, the Company plans to again conclude contracts of the same content with them as Directors who are Audit & Supervisory Committee Members.
5. If Ms. Ando is elected, she will sign a contract with the Company to limit liability under Paragraph 1 of Article 423 of the Companies Act, pursuant to Paragraph 1 of Article 427 of the said Act. Under the said contract, the limit of liability shall be set at the minimum liability amount prescribed by the relevant laws and regulations.
6. If the candidates Dr. Yamane, Mr. Nakagawa and Mr. Furusato are elected, the Company will notify Tokyo Stock Exchange of their designation as Independent Officers again. Also, if Ms. Ando is elected, the Company will newly notify Tokyo Stock Exchange of her designation as an Independent Officer.

## Standards for Electing Independent External Directors

### Article 1 (Purpose)

The Standards define the standards for electing External Directors independent from the senior management, controlling shareholders, etc., for the purpose of strengthening and enhancing the Company's corporate governance system.

### Article 2 (Standards for Independence)

A person who falls under any of the paragraphs below shall not have independency:

1. An executing person (executive director, Executive Officer and equivalents to each of the foregoing, and employee; the same hereinafter) of the Press Kogyo Group
2. An executing person of any company, etc., who falls under any of the subparagraphs:
  - (1) Major business partner of the Press Kogyo Group
 

If its transaction amount with the Press Kogyo Group for any business year in the latest three (3) fiscal years exceeds 2% of the Company's or the transaction counterparty's consolidated sales amount, provided that, major business partners include all companies which belong to the Association for Business Partner Cooperation of the Company, regardless of the size of the transaction amount
  - (2) Major lender of the Press Kogyo Group
 

If the outstanding debt of the Press Kogyo Group at the end of any business year in the latest three (3) fiscal years exceeds 2% of the Group's or lenders' total consolidated assets amount
  - (3) Major shareholder of the Company
 

If it is ranked in the top 10 with respect to shareholdings for any business year in the latest three (3) fiscal years
3. A person who belongs to any audit firm that acts as the Press Kogyo Group's Accounting Auditor
4. A consultant or accounting or legal specialist who receives a substantial amount of money or any other property (i.e., an average payment of JPY 10 million or more in the latest three (3) fiscal years) in addition to compensation to be paid to Officers from the Press Kogyo Group (if an entity including a corporation and association receives such money or property, a person who belongs to such entity)
5. An executing person of any managing securities company of the Press Kogyo Group
6. An executing person of any cross-shareholding company of the Press Kogyo Group
7. When an executing person of the Press Kogyo Group currently assumes or assumed any time in the latest three (3) years the office of external officer in any other company, the executing person of such company
8. A person who fell under any of Paragraphs 2 through 6 above any time in the latest three (3) years
9. A relative within the second degree of relationship of a person who falls under any of Paragraphs 1 through 7 above
10. Notwithstanding Paragraphs 1 through 9 above, a person who is considered to have a special reason for which his/her conflict-of-interest relationship between the Company and general shareholders may be formed.

### Article 3 (Organization in Charge of Improvement or Elimination)

The improvement or elimination of the Standards shall be drafted by the department in charge of IR (General Affairs Dept). and determined at the meeting of the Board of Directors.

End

#### **Proposal 4: Payment of Bonuses to Officers**

Taking into consideration the performance of the current fiscal year, among other factors, we propose to pay “Bonuses to officers” at the amount of 120 million yen to seven (7) Directors (excluding Directors who are Audit & Supervisory Committee Members, hereinafter referred to as “Director(s)”) in office as of the end of the current fiscal year.

Note that the Company plans to entrust the decision of individual amounts to be paid to each Director to the discretion of the Board of Directors.

Regarding the amount of remuneration to be paid to Directors, a resolution that this amount should not exceed 400 million yen per year (provided that this amount does not include the employee salary portion) was passed at the 114th Annual Shareholders’ Meeting held on June 29, 2016. We request that shareholders approve this proposal in a separate frame from the aforementioned annual remuneration amount.

Also, after a review by the Audit & Supervisory Committee, they have expressed the opinion that this proposal is appropriate.