

[Translation: Please note that the following purports to be an excerpt translation from the Japanese original Notice of the 31st Ordinary General Meeting of Shareholders of Avex Inc. prepared for the convenience of shareholders outside Japan with voting rights. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.]

Securities Code: 7860

June 5, 2018

To Our Shareholders:

AVEX INC.

NOTICE OF THE 31ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the 31st Ordinary General Meeting of Shareholders of Avex Inc. (the “Company”) will be held as described below. You are cordially invited to attend the meeting.

If you are unable to attend the meeting, you may exercise your voting rights using the Voting Rights Exercise Form enclosed herewith or via the Internet. Please review the Reference Document for the Ordinary General Meeting of Shareholders below and exercise your voting rights by 6 p.m. on Thursday, June 21, 2018.

As for the method of exercising your voting rights, please refer to the “Information on the Exercise of Voting Rights” shown on pages 4-5 hereof.

Yours very truly,

Masato Matsuura,
Representative Director, CEO
Avex Inc.
3-1-30 Minami-Aoyama, Minato-ku, Tokyo

Details

1. Date and Time: 10:00 a.m., June 22, 2018 (Friday)

2. Place: 1-3-61, Koraku, Bunkyo-ku, Tokyo
Tokyo Dome City Hall

3. Agenda of the meeting:

Matters to be reported:

1. Business Reports, Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and the Board of Statutory Auditors for the 31st fiscal year (April 1, 2017 through March 31, 2018)
2. Non-consolidated Financial Statements for the 31st fiscal year (April 1, 2017 through March 31, 2018)

Matters to be resolved:

- Proposal No. 1: Appropriation of Surplus
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Appointment of Six (6) Directors

4. Others

(1) The following materials are not included in the Attachments to this NOTICE as they are posted on the Company's Web site (<https://avex.com/jp/ja/>) in accordance with the relevant laws and regulations and Article 15 of the Articles of Incorporation.

- 1) Consolidated Statements of Changes in Shareholders' Equity
- 2) Non-Consolidated Statements of Changes in Shareholders' Equity
- 3) "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
- 4) "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements

The Attachments to the Ordinary General Meeting of Shareholders are a portion of the Consolidated and Non-consolidated Financial Statements, which were audited by independent auditors accompanied by an Independent Auditors' Report.

(2) Changes, if any, to the Reference Material for the Ordinary General Meeting of Shareholders, the Business Report or the Consolidated and Non-consolidated Financial Statements will be posted on the Company's Web site stated above.

- End -

-
- The venue will open at 9:00 a.m. on the day of the Meeting.
 - This notice of the meeting would not be distributed at the Meeting. Shareholders who will be attending the Meeting in person are requested to bring this notice to the Meeting.
 - After the conclusion of this General Meeting of Shareholders, we are planning to hold a "Next-Generation Artists Mini Live Concert" to introduce next-generation artists for whom the support of our shareholders would be greatly appreciated for the future.

How to exercise your voting rights via the Internet

Voting rights must be exercised by no later than 6:00 p.m., Thursday, June 21, 2018.

1 Access the designated Web site (<https://evote.tr.mufig.jp/>)

- 1) Click on the “Next page” button

If you use a smartphone or a mobile phone with the QR Code Reader function, you can scan the QR Code to access the Web site.

2 Login

- 2) Enter the login ID and the temporary password indicated at the bottom right of the enclosed Voting Rights Exercise Form.

(Every time an ordinary general meeting of shareholders is convened, a new login ID and a new temporary password will be provided.)

- 3) Click on the “Login” button

3 Register your password

- 4) Enter your new password into the boxes “New password” and “Confirm password.”
Please memorize the new password.

- 5) Click on the “Send” button.

From this step onward, please follow the guidelines on the screen.

● Web site for the exercise of voting rights

- (1) The exercise of voting rights is available only on the Web site at <https://evote.tr.mufig.jp/>, which is accessible from a personal computer, a smartphone or a mobile phone (However, service is suspended from 2:00 a.m. to 5:00 a.m. every day.)
- (2) Certain personal computers, smartphones or mobile phones, or Internet providers’ services or types of communication devices may not be able to run the Web site or offer the Internet voting service due to the Internet environment. For more information or inquiries, **please contact the Help Desk detailed below.**

● Costs incurred for accessing the designated Web site

Certain costs, such as internet connection fees and telecommunication charges, incurred by accessing the designated Web site by using a personal computer, a smartphone or a mobile phone shall be borne by the shareholder.

● Handling of the redundant exercise of voting rights

- (1) If you have exercised your voting rights by both Internet and post, only the exercise of voting rights via the Internet shall be deemed effective.
- (2) If you have exercised your voting rights several times via the Internet, only the final execution shall be deemed as your effective exercise of voting rights.

For Inquiries with Respect to Systems
Corporate Agency Division (Help Desk)
Mitsubishi UFJ Trust and Banking Corporation
Toll-free service phone number in Japan: 0120-173-027
Operating hours: 9:00 a.m.–9:00 p.m.

Information on the Exercise of Voting Rights

► Shareholders attending the Ordinary General Meeting of Shareholders

Date and Time:

10:00 a.m., Friday, June 22, 2018 [Entry is to commence at 9:00 a.m.]

If shareholders are going to attend the Meeting, such shareholders are kindly requested (including shareholders acting as proxy on behalf of other shareholders) to attend in person and submit the attached Voting Rights Exercise Form at the reception desk.

If a person acting as a proxy on behalf of other shareholders is going to attend the Meeting, please submit a written power of attorney along with the Voting Rights Exercise Form at the reception desk (persons allowed to act as a proxy on behalf of other shareholders are restricted to other shareholders of the Company under the Articles of Incorporation).

If you fail to bring the Voting Rights Exercise Form to the Meeting, it may take considerable time before you will be allowed to enter the Forum.

► Exercising voting rights by post

Deadline for Exercise of Voting Rights:

Voting Rights Exercise Form must arrive by no later than 6:00 p.m., Thursday, June 21, 2018.

Please indicate your approval or disapproval of each item of business on the attached Voting Rights Exercise Form and return it by the postal service so that it will arrive at the Company no later than deadline of exercise.

► Exercising voting rights via the Internet

Deadline for Exercise of Voting Rights:

Voting rights must be exercised by no later than 6:00 p.m., Thursday, June 21, 2018.

Please access the designated Web site for the exercise of voting rights (<https://evote.tr.mufg.jp/>) and enter your votes by the deadline of the Internet voting period.

For the detailed procedure to exercise your voting rights via the Internet, please read the instructions on the following page.

Message to Institutional Investors

In addition to the above method to exercise voting rights via the Internet, institutional investors can exercise their rights using an electronic voting platform provided by ICJ, Inc. Please note that this service is only available for those who requested it in advance.

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Reference Document for the General Meeting of Shareholders

Agenda and Reference Information

Proposal No. 1: Appropriation of Surplus

The Company proposes to make an appropriation of surplus as stated below:

Matters related to the year-end dividend

The Company views the long-term and comprehensive distribution of profits to shareholders as one of its most important management policies. In determining the amount of dividends, it takes into consideration comprehensive management conditions, such as changes in business performance, cash flows and future capital requirements, setting a target level of performance-based dividends as measured by the payout ratio of 35% or more, with the minimum amount of annual dividend at ¥50 per share.

In accordance with these basic policies, the Company proposes to pay a year-end dividend as follows:

(1) Type of dividends: Cash

(2) Allocation and total amount of dividends to be distributed to shareholders:

We propose to pay ¥25 per common stock of the Company. The total amounts of dividends will be ¥1,081,192,850.

With the interim dividend of ¥25 per share already paid, the total annual dividend per share for the fiscal year will be ¥50 per share.

(3) Effective date of dividend payment:

June 25, 2018

Proposal No. 2: Partial Amendments to the Articles of Incorporation

The Company proposes to make partial amendments to the Articles of Incorporation as illustrated in the following comparison table.

1. Reasons for the proposal

(1) In order to respond to future diversification of the business lines of the Company and to clarify the contents of the Company's business in line with the current conditions of its business activities, a business purpose is being added to the purposes set forth in Article 2 of the current Articles of Incorporation, while the Company makes a necessary amendment to said Article.

(2) In connection with the establishment of the post of the Chairperson of the Board, the Company will make necessary amendments to Article 14 (Convener and Chairperson of General Meeting of Shareholders) and Article 23 (Convener and Chairperson of Meeting of Board of Directors) of the current Articles of Incorporation.

2. Detail of the amendments

Detail of the amendments is as follows.

(Underlined parts denote amendments.)

| Current Articles of Incorporation | Proposed Amendments |
|---|--|
| (Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses. 1. To control and manage the business activities of a company, which engages in the following businesses, through the ownership of shares in such company. (1) to (28) (Provisions omitted) (Newly established) (29) to (33) (Provisions omitted) (Newly established) (Newly established) (Newly established) (Newly established) (34) Investment in companies engaged in any of the businesses listed in the foregoing items (1) to (33). (35) Any and all businesses incidental to the foregoing items (1) to (34). 2. To engage in any of the businesses listed in the foregoing items (1) to (33) by the Company itself. 3. Any and all businesses incidental to any of the foregoing items. | (Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses. 1. To control and manage the business activities of a company, which engages in the following businesses, through the ownership of shares in such company. (1) to (28) (Unchanged) (29) <u>Fee-charging employment placement business;</u> (30) to (34) (Unchanged) (35) <u>Issuance, sale and management of electronic money and other electronic value information, and prepaid payment instruments;</u> (36) <u>Provision of electronic settlement systems, and business relating to fund transfer services, receiving agencies, collection agencies and payment agencies;</u> (37) <u>Business relating to the operation of loyalty program services;</u> (38) <u>Business relating to virtual currency exchange services;</u> (39) Investment in companies engaged in any of the businesses listed in the foregoing items (1) to (38). (40) Any and all businesses incidental to the foregoing items (1) to (39). 2. To engage in any of the businesses listed in the foregoing items (1) to (38) by the Company itself. 3. Any and all businesses incidental to any of the foregoing items. |

| Current Articles of Incorporation | Proposed Amendments |
|---|--|
| <p>(Convener and Chairperson of General Meeting of Shareholders)</p> <p>Article 14. Except as otherwise provided for in laws and regulations, the <u>President</u> shall convene a general meeting of shareholders and act as the chairperson thereof.</p> <p>In the event that <u>the President is unable to act</u>, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall convene a general meeting of shareholders and act as the chairperson thereof.</p> | <p>(Convener and Chairperson of General Meeting of Shareholders)</p> <p>Article 14. Except as otherwise provided for in laws and regulations, the <u>Chairperson of the Board or the Director-President</u> shall convene a general meeting of shareholders and act as the chairperson thereof.</p> <p>In the event that <u>neither the Chairperson of the Board nor the Director-President is appointed or in the event that both the Chairperson of the Board and the Director-President are unable to act</u>, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall convene a general meeting of shareholders and act as the chairperson thereof.</p> |
| <p>(Convener and Chairperson of Meeting of Board of Directors)</p> <p>Article 23. The <u>President</u> shall convene a meeting of the Board of Directors and act as the chairperson thereof.</p> <p>In the event that <u>the President is unable to act</u>, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall convene a meeting of the Board of Directors and act as the chairperson thereof.</p> | <p>(Convener and Chairperson of Meeting of Board of Directors)</p> <p>Article 23. The <u>Chairperson of the Board or the Director-President</u> shall convene a meeting of the Board of Directors and act as the chairperson thereof.</p> <p>In the event that <u>neither the Chairperson of the Board nor the Director-President is appointed or in the event that both the Chairperson of the Board and the Director-President are unable to act</u>, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall convene a meeting of the Board of Directors and act as the chairperson thereof.</p> |

Proposal No. 3: Appointment of Six (6) Directors

As the term of office of all six (6) Directors of the Company will expire at the conclusion of this Ordinary General Meeting of Shareholders, the Company proposes the appointment of six (6) Directors.

The nominees for Directors are as follows:

| No. | Name | Current Position and Assignments in the Company | Attendance at Board of Directors' Meetings |
|-----|---|--|--|
| 1 | Masato Matsuura (Reappointment) | Representative Director, CEO, in charge of President's Office | 12 out of 13 (92.3%) |
| 2 | Shinji Hayashi (Reappointment) | Director, COO; Chairperson of the Compliance Committee, Member of the Compensation Committee; responsible for Compliance and Risk Management | 13 out of 13 (100%) |
| 3 | Katsumi Kuroiwa (New appointment) | Group Executive | — |
| 4 | Toru Kenjo (Reappointment) | Director (part-time) | 12 out of 13 (92.3%) |
| 5 | Hiroyuki Ando (Reappointment) (Outside) | Outside Director, Chairperson of the Compensation Committee | 12 out of 13 (92.3%) |
| 6 | Keiichi Okubo (Reappointment) (Outside) | Outside Director, Member of the Compliance Committee | 10 out of 10 (100%) |

| No. | Name (Date of Birth) | Brief Personal History, Position, Assignments and Significant Posts Concurrently Held | | Number of the Company's Shares Held |
|---|--|--|--|-------------------------------------|
| 1 | (Reappointment) Masato Matsuura (Oct. 1, 1964) | Apr. 1988 Established the Company, Director Mar. 1991 Senior Executive Director of the Company Mar. 1996 Chief of Product Business Headquarters of the Company Jun. 2000 Corporate Executive of the Company Aug. 2002 Chief of Production and Promotions Headquarters of the Company Aug. 2004 Resigned as Senior Executive Director and Director / Member of the Board of the Company Aug. 2004 Corporate Executive of the Company Sep. 2004 Representative Director and President of the Company Apr. 2005 President of Avex Entertainment Inc. (currently Avex Digital Inc.) Apr. 2009 Chairman of the Board of Avex Broadcasting & Communications Inc. Apr. 2010 Representative Director, CEO, in charge of President's Office of the Company (to present) Jul. 2013 Director of Avex International Holdings Singapore Pte. Ltd. (currently Avex Asia Pte. Ltd.) (to present) Oct. 2013 Chairman of the Board of Avex Management Inc. Dec. 2014 Chairman of the Board of AWA Co. Ltd. (to present) Nov. 2016 President of Avex Ventures Inc. May 2018 Representative Director of mee Inc. (to present) (Significant posts concurrently held) Chairman of the Board of AWA Co. Ltd. Representative Director of mee Inc. | | 900,924 |
| Reason for directorial candidacy Since founding our company in 1988, Masato Matsuura has contributed to the development of our corporate group by creating and deciding on management strategies, and by fulfilling a central role in contracts with important clients and affiliated artists. Continuing forward, in order for our corporate group to grow, we think that his insight and industry experience will improve company performance and will contribute to the creation of continued company value, which is why he has been nominated for directorial candidacy. | | | | |

| No. | Name (Date of Birth) | Brief Personal History, Position, Assignments and Significant Posts Concurrently Held | Number of the Company's Shares Held |
|--|---|---|---|
| 2 | (Reappointment) Shinji Hayashi (Jun. 8, 1964) | May 1990 Joined the Company Apr. 1993 Director of the Company Jun. 1996 Executive Director of the Company Jun. 2000 Corporate Executive of the Company Aug. 2002 Chief of Compiling Headquarters of the Company Jan. 2009 Director of Avex Management Inc. Feb. 2009 Executive Director of Avex Entertainment Inc. (currently Avex Digital Inc.) Apr. 2009 Director of Avex Broadcasting & Communications Inc. (to present) Apr. 2010 Representative Director, CBO of the Company Apr. 2010 Responsible for Compliance of the Company (to present) Apr. 2010 President of Avex Marketing Inc. (currently Avex Entertainment Inc.) Jun. 2014 Representative Director, CMO of the Company Jun. 2016 Director, Corporate Executive, COO of the Company Jun. 2016 Chairperson of the Compliance Committee, Member of the Compensation Committee; responsible for Risk Management of the Company (to present) Jan. 2017 Director, COO of the Company (to present) Apr. 2017 Director of Avex Entertainment Inc. (to present) (Significant posts concurrently held) None applicable. | 649,050 |
| Reason for directorial candidacy Shinji Hayashi entered the corporate group in 1990 and has contributed to its development through positions primarily in sales and marketing. Continuing forward, in order for our corporate group to grow, we think that his insight and industry experience will contribute to the improvement of company performance and to the creation of continued company value, which is why he has been nominated for directorial candidacy. | | | |

| No. | Name (Date of Birth) | Brief Personal History, Position, Assignments and Significant Posts Concurrently Held | Number of the Company's Shares Held |
|-----|---|---|--|
| 3 | (New appointment) Katsumi Kuroiwa (Jan. 19, 1972) | <p>May 2001 Joined Axev, Inc. (currently Avex Management Inc.)</p> <p>Apr. 2005 Director of Avex Live Creative Inc. (currently Avex Entertainment Inc.)</p> <p>Apr. 2010 Corporate Executive of Avex Live Creative Inc.</p> <p>May 2012 Director of Avex Taiwan Inc.</p> <p>Jun. 2012 Representative Director and President of Avex Live Creative Inc. (currently Avex Entertainment Inc.)</p> <p>Oct. 2013 Corporate Executive of Avex International Holdings Singapore Pte. Ltd. (currently Avex Asia Pte. Ltd.)</p> <p>Jun. 2016 Corporate Executive of the Company</p> <p>Jan. 2017 Group Executive of the Company (to present)</p> <p>Apr. 2017 Representative Director and President of Avex Entertainment Inc. (to present)</p> <p>Apr. 2017 Director of Avex Management Inc. (to present)</p> <p>Apr. 2017 Director of Avex Classics International Inc. (to present)</p> <p>(Significant posts concurrently held)</p> <p>Representative Director and President of Avex Entertainment Inc.</p> | 100 |

Reason for directorial candidacy

Katsumi Kuroiwa entered the corporate group in 2001, and has contributed to its development through positions primary in live-related business, and has made efforts toward the expansion of operations in the music business as Group Executive as well as Representative Director and President of Avex Entertainment Inc. since 2017.

Continuing forward, in order for our corporate group to grow, we think that his insight and industry experience will contribute to the improvement of company performance and to the creation of continued company value, which is why he has been nominated for directorial candidacy.

| No. | Name (Date of Birth) | Brief Personal History, Position, Assignments and Significant Posts Concurrently Held | Number of the Company's Shares Held |
|---|--|--|--|
| 4 | (Reappointment) Toru Kenjo (Dec. 29, 1950) | Sep. 1991 Director and General Manager, Editing Department of Kadokawa Shoten Publishing Co., Ltd. (currently KADOKAWA CORPORATION) Nov. 1993 Established GENTOSHA INC., Representative Director and President (to present) Oct. 2005 Representative Director and President of Touchdown Co., Ltd. (to present) May 2009 Executive Advisor of Avex Broadcasting & Communications Inc. (to present) Jun. 2009 President and Executive Officer of GENTOSHA INC. (to present) Jun. 2010 Director (part-time) of the Company (to present) Apr. 2011 Director Chairman of Brangista. inc (Outside) (to present) Mar. 2012 Representative Director and President of Kab, Inc. (to present) Nov. 2014 Outside Director of TETSUJIN Inc. (Significant posts concurrently held) Executive Advisor of Avex Broadcasting & Communications Inc. Representative Director and President of GENTOSHA INC. Representative Director and President of Touchdown Co., Ltd. Representative Director and President of Kab, Inc. Director Chairman of Brangista. inc (Outside) | — |
| <p>Reason for directorial candidacy</p> <p>After becoming a Director (part-time) in 2010, Toru Kenjo has contributed to the corporate group by utilizing his abundant business management and entertainment industry experience and knowledge.</p> <p>Continuing forward, we think his advice and opinion from a neutral standpoint will contribute to the improvement of company performance and to the creation of continued company value, which is why he has been nominated for directorial candidacy.</p> <p>With the expectation that Outside Directors can fully implement their ability in their roles, the Company has entered into a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act, with the limit amount of liability set to be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Toru Kenjo is reappointed as Director, the Company plans to continue the liability limitation agreement with him.</p> | | | |

| No. | Name (Date of Birth) | Brief Personal History, Position, Assignments and Significant Posts Concurrently Held | Number of the Company's Shares Held |
|-----|--|--|--|
| 5 | (Reappointment: Nominee for Outside Director) Hiroyuki Ando (Feb. 4, 1964) | <p>Apr. 1986 Joined HOYA Corporation</p> <p>Jan. 1992 Joined Sanno Institute of Management as a Researcher of Headquarters for Consulting and Training</p> <p>Apr. 2004 Concurrent faculty staff of Sanno Institute of Management</p> <p>Sep. 2005 Obtained Master of Science from University of Wales, United Kingdom</p> <p>Apr. 2006 Principal Researcher, Headquarters for Consulting and Training of Sanno Institute of Management</p> <p>Apr. 2008 Professor, Headquarters for Consulting and Training (MBA Course) of Graduate School of Sanno Institute of Management</p> <p>Nov. 2009 Senior Consultant of Keio Academic Enterprise. Co., Ltd. (Keio Marunouchi City Campus)</p> <p>May 2013 Retired from Keio Academic Enterprise. Co., Ltd. and was appointed as a full-time consultant of Keio Marunouchi City Campus (to present)</p> <p>Jun. 2016 Outside Director of the Company (to present)</p> <p>Jun. 2017 Chairperson of the Compensation Committee of the Company (to present)</p> <p>(Significant posts concurrently held) Full-time consultant of Keio Marunouchi City Campus</p> | — |

Reason for directorial candidacy

As a business consultant, Hiroyuki Ando has gained a wealth of experience and knowledge in the fields of organization, human resources management, and strategic decision-making theory. He had been offering proposals and advice to strengthen our corporate group's management and governance ability, which is why he has been re-nominated for outside directorial candidacy.

The Company believes that his independence as Outside Director is considered unquestionable in light of the "Independence Standards for Outside Directors and Outside Auditors" established by the Company on the ground that there is no transaction between him and the Company.

He is a nominee for Outside Director and if he is elected as Director, he will be designated as Independent Director stipulated by the Tokyo Stock Exchange and be registered to the Exchange.

With the expectation that Outside Directors can fully implement their ability in their roles, the Company has entered into a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act, with the limit amount of liability set to be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Hiroyuki Ando is reappointed as Outside Director, the Company plans to continue the liability limitation agreement with him.

He will have served as Outside Director of the Company for two (2) years at the conclusion of this Ordinary General Meeting of Shareholders.

| No. | Name (Date of Birth) | Brief Personal History, Position, Assignments and Significant Posts Concurrently Held | Number of the Company's Shares Held |
|-----|---|---|--|
| 6 | (Reappointment: Nominee for Outside Director) Keiichi Okubo (Apr. 15, 1944) | Apr. 1972 Prosecutor of Tokyo District Public Prosecutors Office Apr. 1991 Director of the Enforcement Division, Immigration Bureau, Ministry of Justice Apr. 1995 Director-General of the Criminal Affairs Department, Chiba District Public Prosecutors Office Oct. 1996 Director-General of the Public Security Department, Tokyo District Public Prosecutors Office Aug. 1997 Director-General of the Trial Department, Tokyo High Public Prosecutors Office Sep. 1999 Prosecutor of Supreme Public Prosecutors Office Sep. 2000 Chief Prosecutor of Kochi District Public Prosecutors Office Apr. 2002 Chief Prosecutor of Sapporo District Public Prosecutors Office Apr. 2004 Notary Public belonging to Tokyo Legal Affairs Bureau Jun. 2012 Outside Corporate Auditor of MITSUI-SOKO Co., Ltd. (currently Mitsui-Soko Holdings Co., Ltd.) Jun. 2016 Retired as Outside Corporate Auditor of Mitsui-Soko Holdings Co., Ltd. Oct. 2016 Attorney-at-law (to present) Jun. 2017 Outside Director of the Company (to present) Jun. 2017 Member of the Compliance Committee of the Company (to present) (Significant posts concurrently held) Attorney-at-law | — |

Reason for directorial candidacy

Keiichi Okubo has been re-nominated for outside directorial candidacy, despite the fact that he has never been involved in corporate management other than having served as Outside Director, as he had been providing appropriate advice and oversight over our corporate group's management utilizing his years of experience and insight in the field of justice.

The Company believes that his independence as Outside Director is considered unquestionable in light of the "Independence Standards for Outside Directors and Outside Auditors" established by the Company on the ground that there is no transaction between him and the Company.

He is a nominee for Outside Director and if he is elected as Director, he will be designated as Independent Director stipulated by the Tokyo Stock Exchange and be registered to the Exchange.

With the expectation that Outside Directors can fully implement their ability in their roles, the Company has entered into a liability limitation agreement with him based on Article 427, Paragraph 1 of the Companies Act, with the limit amount of liability set to be the minimum amount stipulated in Article 425, Paragraph 1 of the Companies Act. If Keiichi Okubo is reappointed as Outside Director, the Company plans to continue the liability limitation agreement with him.

He will have served as Outside Director of the Company for one (1) year at the conclusion of this Ordinary General Meeting of Shareholders.

- (Notes)
1. There are no special interests between the Company and the nominees for Directors.
 2. The number of the Company's shares held by each nominee for Director is as of March 31, 2018.

[Reference] Independence Standards for Independent Outside Directors and Outside Auditors

The Company has established the “Independence Standards” as follows.

[Independence Standards for Independent Outside Directors and Outside Auditors]

The Company deems that the outside officer (outside director and outside auditor) is independent if he/she does not meet any of the following criteria.

- a. Executive of the Company or its subsidiary (hereinafter the “Group”).
- b. Major client or supplier of the Group (client or supplier with annual total amount of transactions exceeding 1% of the Group’s consolidated net sales) or an executive thereof, or a party whose major client or supplier is the Group (a party with total amount of transactions exceeding 1% of their consolidated net sales) or an executive thereof.
- c. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property (annual total amount of transactions exceeding the higher amount of either 10 million yen or 1% of their consolidated net sales) from the Group besides compensation as director/auditor (or a person who belongs to such organization and is directly in charge of the Group if the entity receiving the assets is an organization such as a legal entity or an association).
- d. The major shareholder of the Company (*1) (or an executive of the said major shareholder if the shareholder is a legal entity).
- e. An executive of the Group’s major lender (*2)
- f. Those that correspond to any of the items through a. to e. in recent times.
- g. Relatives (spouse or relatives within the second degree of kinship) of those who correspond to any of the items through a. to f. (excluding insignificant persons).

*1: A major shareholder is a shareholder who possesses more than 10% of the voting rights held by all shareholders, under his/her name or other’s name.

*2: A major lender is a group of financial institution from which the Group receives loans (those related to the consolidated group to which the actual lender belongs to), where the total amount of loan made by the Group to the said group of financial institution as of the end of the previous fiscal year exceeds 5% of the Group’s total consolidated assets.

-End of Reference Document for the General Meeting of Shareholders-