

(Securities Code 8136)

June 10, 2019

**To Shareholders:**

Shintaro Tsuji  
President and CEO  
Sanrio Company, Ltd.  
1-6-1, Osaki, Shinagawa-ku, Tokyo

## **NOTICE OF THE 59TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 59th Ordinary General Meeting of Shareholders of Sanrio Company, Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights either in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders that follow this notice. You may indicate your approval or objection to each of the proposals in the enclosed Voting Right Exercise Form and mail it so that it will reach us before 6 p.m. on Wednesday, June 26, 2019. Alternatively, you may exercise your voting rights at the website for the exercise of voting rights (<http://www.evotetr.mufig.jp/>) by the same deadline.

- |                                  |  |
|----------------------------------|--|
| <b>1. Date and Time:</b>         | Thursday, June 27, 2019 at 2 p.m.<br>(The reception desk will open at 1 p.m. Please arrive early as it becomes very crowded just before the meeting begins.)   |
| <b>2. Place:</b>                 | Grand Prince Hotel Takanawa (Prince Room)<br>3-13-1, Takanawa, Minato-ku Tokyo,<br>(Please note that the meeting place is different from last year.<br>In the event that the hall is filled, you will be shown to the adjacent second conference hall. We ask for your understanding.)   |
| <b>3. Meeting Agenda:</b>        |  |
| <b>Matters to be reported:</b>   | 1. The Business Report, Consolidated Financial Statements and the results of audits conducted by the Accounting Auditor and the Board of Executive Auditors of the Consolidated Financial Statements for the Company’s 59th Fiscal Year (April 1, 2018 - March 31, 2019)<br>2. Non-Consolidated Financial Statements for the Company’s 59th Fiscal Year (April 1, 2018 - March 31, 2019) |
| <b>Proposals to be resolved:</b> |  |
| <b>Proposal No.1:</b>            | Partial Amendments of the Articles of Incorporation  |
| <b>Proposal No.2:</b>            | Election of Fourteen (14) Directors  |
| <b>Proposal No.3:</b>            | Election of Four (4) Auditors and One (1) Substitute Auditor   |

Please review the attached documents for the matters to be reported, and the Reference Documents for the General Meeting of Shareholders regarding the description of proposals.

**4. Matters decided on in connection with the convening of the meeting:**

Please see the [Instructions on the Exercise of Voting Rights] on the following page.

- Please note that the date of the General Meeting of Shareholders and the Puroland special operations day are not the same.
- No raffles or other gifts will be presented to shareholders who attend the General Meeting of Shareholders; we request your understanding.

- ~~~~~
1. In the event a revision is made to the Reference Documents for the General Meeting of Shareholders, business reports, non-consolidated financial statements or consolidated financial statements, the revised contents will be posted on the Company's website (<http://www.sanrio.co.jp/english/corporate/ir/stock/>).
  2. When attending the meeting, please present the enclosed Voting Right Exercise Form at the reception desk at the meeting hall. In the interest of conserving resources and saving time, please make sure to bring this shareholders' convention notice to the meeting. Should you fail to bring the form with you, you may experience some delay at the reception desk before gaining admission to the meeting.
  3. The company's head office functions have been relocated to 1-11-1, Osaki, Shinagawa-ku, Tokyo, but there is no change to the registered head office address.

[Instructions on the Exercise of Voting Rights]

**1. Duplicate exercise of voting rights in writing and via the Internet**

If you vote both in writing and via the Internet, only your vote placed via the Internet will count as valid.

**2. Duplicate exercise of voting rights via the Internet**

If you exercise your voting right multiple times via the Internet, only your last vote will count as valid. Similarly, if you vote at the website designated for personal computers and again at the website designated for mobile phones, only your last vote will count as valid.

**3. Exercise of voting rights via the Internet**

If you choose to vote via the Internet, please read the following before voting.

If you are attending the meeting in person, you do not need to take any steps for voting in writing or via the Internet.

(1) Website for the exercise of voting rights

- (i) Your voting rights can be exercised via the Internet only by accessing the website designated by the Company for the exercise of voting rights (<http://www.evotetr.mufg.jp/>) from a personal computer, smartphone or mobile phone (iMode, EZweb, and Yahoo! mobile phones) \*.

(Please note that processing is halted between 2 a.m. and 5 a.m. daily.)

\*iMode is a brand name or registered trademark of NTT Docomo, Inc.; EZweb is a brand name or registered trademark of KDDI Corporation; and Yahoo! is a brand name or registered trademark of US-based Yahoo! Inc.

- (ii) Certain Internet environments may not allow you to exercise your voting rights from a personal computer or a smartphone. This may occur if you use a firewall for Internet connections, have anti-virus software installed, use a proxy server, or if you do not permit Encrypted transmission supported by TLS.
- (iii) Please use either the iMode, EZweb or Yahoo! mobile phone services when exercising your voting rights from a mobile phone. To protect security, we do not give access to phone models that do not permit Encrypted transmission supported by TLS or transmission of terminal ID information.
- (iv) Voting via the Internet is accepted until 6 p.m. on Wednesday, June 26, 2019. However, we encourage you to vote early so that you may contact the Help Desk in case you encounter any problems.

- (2) Instructions for exercising voting rights via the Internet
- (i) Please visit the Company's designated website for the exercise of voting rights (<http://www.evvote.tr.mufg.jp/>) and use the log-in ID and temporary password provided on the Voting Right Exercise Form. Vote for or against the proposals by following the on-screen instructions.
- Please note that shareholders using this website will be asked to change their temporary passwords while at the website to prevent unauthorized access and alteration of votes by third parties who are not our shareholders.
- You will be issued a new log-in ID and a temporary password each time a general meeting of shareholders is convened.
- (ii) Exercise of voting rights using a smartphone
- You can use a smartphone to scan the login QR Code indicated on the Voting Rights Exercise Form to connect automatically to the website for the exercise of voting rights and exercise your voting rights on that site (it is not necessary to input a login ID or temporary password).
  - For security reasons, the QR Code can be used to log in only one time. If you scan the QR Code a second or subsequent time, it will be necessary to input a login ID and temporary password.
  - If you are unable to log in using the QR Code with your model of smartphone, please exercise your voting rights using the personal computer or mobile phone voting method indicated in (2)(i) above.
- ※ QR Code is a registered trademark of DENSO WAVE Incorporated.
- (3) Costs of accessing the website for the exercise of voting rights
- Shareholders are solely responsible for all costs incidental to accessing the website for the exercise of voting rights, including Internet connection fees and telephone charges. Use of a mobile phone entails payment for packet transmission and other fees related to mobile phone use. Shareholders are responsible for these costs.
- (4) Methods of receiving notice of meeting
- Shareholders wishing to receive notice of the next and subsequent general meetings of shareholders by e-mail may opt to do so by accessing the website for the exercise of voting rights from a personal computer or a smartphone and indicating their choice. (This option cannot be activated from a mobile phone. Furthermore, mobile phone mail addresses cannot be designated for receiving notices.)

**Inquiries Regarding Systems, etc.**

Mitsubishi UFJ Trust and Banking Corporation Transfer Agency Department (Help Desk)

Telephone: 0120-173-027 (Between 9 a.m. and 9 p.m., toll free)

# Reference Documents for the General Meeting of Shareholders

## Proposal No.1 : Partial Amendments of the Articles of Incorporation

### 1. Reason for the amendments

To prepare for instances where the number of Auditors is fewer than the number specified by laws and regulations, new provisions on substitute auditors will be established to specify the effective period for resolutions electing substitute Auditors and to clarify the term of office in the case where a substitute Auditor takes office as an Auditor.

2.Details of the amendments are as set forth below.

<p>CHAPTER 5 CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS (Election of Corporate Auditors) Article 29 Resolutions for the election of Corporate Auditors of the Company shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</p> <p>(New)</p> <p>(New)</p> <p>(Term of Office of Corporate Auditors) Article 30 The term of office of a Corporate Auditor shall expire with the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years of the election of the Corporate Auditor.</p> <p>2. The term of office of a Corporate Auditor elected to fill a vacancy caused by retirement of a Corporate Auditor prior to the expiry of his/her term of office shall be the same as the remaining term of office of the retiring Corporate Auditor.</p>	<p>CHAPTER 5 CORPORATE AUDITORS AND BOARD OF CORPORATE AUDITORS (Election of Corporate Auditors) Article 29 (Unchanged)</p> <p><u>2. In accordance with Article 329, Paragraph 3 of the Companies Act, in preparation for instances where the number of Auditors is less than the number specified by laws and regulations, the Company may elect substitute Auditors at the General Meeting of Shareholders.</u></p> <p><u>3. The period of validity of a resolution relating to the election of substitute Auditors specified in the preceding paragraph shall be until the commencement of the Ordinary General Meeting of Shareholders relating to the final fiscal year ending within four years after adoption of the resolution.</u></p> <p>(Term of Office of Corporate Auditors) Article 30 (Unchanged)</p> <p>2. The term of office of a Corporate Auditor elected to fill a vacancy caused by retirement of a Corporate Auditor prior to the expiry of his/her term of office shall be the same as the remaining term of office of the retiring Corporate Auditor. <u>However, in the case where a substitute Auditor elected pursuant to Paragraph 2 of the preceding article is appointed as Auditor, the term of office of that Auditor may not extend beyond the conclusion of the Ordinary General Meeting of Shareholders relating to the final fiscal year ending within four years of election of the relevant substitute Auditor.</u></p>
---	---

## Proposal No.2 : Election of Fourteen (14) Directors

The term of office of all fourteen (14) directors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of fourteen (14) incumbent directors is proposed.

The candidates are as follows:

No.	Name		Current Positions and Responsibilities in the Company	Board meeting attendance for 59th fiscal year
1	Incumbent	Shintaro Tsuji	President Chief Executive Officer	100% Attended all the 17 meetings
2	Incumbent	Tomokuni Tsuji	Senior Managing Director Responsible for Marketing Division, Character Creation Department, and Film Coordinate Department	100% Attended all the 17 meetings
3	Incumbent	Susumu Emori	Senior Managing Director Responsible for Corporate Planning Department, Public and Investor Relations Department, Legal Department, and Internal Auditing Department	100% Attended all the 17 meetings
4	Incumbent	Kazuyoshi Fukushima	Senior Managing Director General Manager, Product Planning and Sales Division	100% Attended all the 17 meetings
5	Incumbent	Takahide Nakaya	Managing Director General Manager, Accounting Department	100% Attended all the 17 meetings
6	Incumbent	Saburo Miyauchi	Managing Director General Manager, Product Sales Division	100% Attended all the 17 meetings
7	Incumbent	Kosho Nomura	Managing Director Responsible for Office to the President, Information Systems Management Department, and General Affairs Department	100% Attended all the 17 meetings
8	Incumbent	Jiro Kishimura	Managing Director Deputy General Manager, Cooperate Planning Department Responsible for Global Business Department	100% Attended all the 17 meetings
9	Incumbent	Yuko Sakiyama	Director General Manager, Character Production Department	100% Attended all the 17 meetings
10	Incumbent	Yoichiro Shimomura	Director General Manager, Licensing Division	100% Attended all the 17 meetings
11	Incumbent	Yuko Tsuji	Director Responsible for Global Business Department	100% Attended all the 17 meetings
12	Incumbent	Kazuaki Tanimura	Director Deputy General Manager, Product Planning and Sales Division	100% Attended all the 17 meetings
13	Incumbent <u>Independent Outside</u>	Norio Kitamura	Director	100% Attended all the 17 meetings
14	Incumbent <u>Independent Outside</u>	Mitsuaki Shimaguchi	Director	94.1% Attended 16 out of the 17 meetings

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
1	Shintaro Tsuji (December 7, 1927)	<p>August 1960 President and Chief Executive Officer of Yamanashi Silk Center Co., Ltd. (currently Sanrio Company, Ltd.) (to present)</p> <p>February 1984 Chairman and Chief Executive Officer of Kokoro Co., Ltd. (to present)</p> <p>February 1991 President and Chief Executive Officer of Sanrio Communication World Co., Ltd. (currently Sanrio Entertainment Co., Ltd.)</p> <p>February 1991 President, Chairman and Chief Executive Officer of Harmonyland Co., Ltd. (currently Sanrio Entertainment Co., Ltd.)</p> <p>April 2010 Chairman and Chief Executive Officer of Sanrio Entertainment Co., Ltd. (to present)</p> <p>June 2014 President and Chief Executive Officer of Sanrio Entertainment Co., Ltd. (to present)</p>	2,513,100
<p>Reasons for nomination as candidate for Director:</p> <p>Shintaro Tsuji is the Company's founder and has served as representative director since it was established. He has built up the Company's corporate philosophy and cultivated its corporate culture for many years, and his experience and insight into management overall cannot be replaced. Accordingly, we have reelected him as Candidate for Director.</p>			
2	Tomokuni Tsuji (November 1, 1988)	<p>January 2014 Joined the Company</p> <p>June 2015 Executive Officer, Responsible for Product Planning &amp; Sales Division</p> <p>June 2016 Director, Deputy General Manager, Product Planning &amp; Sales Division</p> <p>June 2017 Senior Managing Director, Responsible for Media Communications Department (currently Marketing Division) (to present), Responsible for Character Creation Department (to present)</p> <p>April 2019 Film Coordination Department (to present)</p>	132,747
<p>Reasons for nomination as candidate for Director:</p> <p>As a senior managing director Tomokuni Tsuji played an instrumental role in formulating the company's "Medium-Term Management Plan: Marketing Innovation Project 2021" and establishing the Marketing Division. And as the grandson of the founder, he is a worthy successor to pass on the Company's corporate philosophy, corporate culture and business model. Accordingly, we have elected him as Candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
3	Susumu Emori (February 28, 1949)	<p>April 1971      Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>January 1998    General Manager, Financial Institutions Division of The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2000      Joined the Company</p> <p>June 2001      General Manager, Business Planning Department</p> <p>June 2002      Director</p> <p>April 2004      Managing Director Responsible for IR Department (currently Public and Investor Relations Department) (to present), Responsible for FC Department</p> <p>June 2006      General Manager, General Affairs Department Responsible for the Distribution Center, Responsible for Internal Audit Division (to present)</p> <p>July 2007      Responsible for General Affairs Department</p> <p>June 2008      Responsible for Legal Affairs Department (to present)</p> <p>April 2011      Responsible for Management Strategy Division Responsible for Administration Division</p> <p>June 2016      Senior Managing Director (to present) Responsible for Corporate Planning Department (to present)</p>	14,610
<p>Reasons for nomination as candidate for Director:</p> <p>Susumu Emori has overseas experience in the financial sector, and has been in charge of management divisions such as the Management &amp; Planning Unit since joining the Company. He also has insight into management overall and wide-ranging connections. Accordingly, we have reelected him as Candidate for Director.</p>			
4	Kazuyoshi Fukushima (April 2, 1952)	<p>March 1977      Joined the Company</p> <p>January 1997    General Manager, Commercial Department</p> <p>June 2000      Director and General Manager, Commercial Department</p> <p>April 2002      General Manager, Licensing Department</p> <p>April 2010      General Manager, Product Planning and Sales Division (to present)</p> <p>April 2013      Managing Director</p> <p>June 2013      General Manager, Entertainment &amp; Media Contents Division</p> <p>June 2016      Senior Managing Director (to present)</p>	12,296
<p>Reasons for nomination as candidate for Director:</p> <p>Kazuyoshi Fukushima has been involved in the license business for a long time, and has extensive experience in this business as well as insight into management overall. Accordingly, we have reelected him as Candidate for Director.</p>			
5	Takahide Nakaya (December 5, 1953)	<p>March 1978      Joined the Company</p> <p>April 2004      General Manager, Accounting Department</p> <p>June 2004      Director and General Manager, Accounting Department</p> <p>April 2011      Deputy General Manager, Management Strategy Division</p> <p>June 2014      Managing Director and General Manager, Accounting Department (to present)</p> <p>June 2015      General Manager, Administration Division Headquarters</p>	7,735
<p>Reasons for nomination as candidate for Director:</p> <p>Takahide Nakaya has been in charge of the accounting division for a long time, and has extensive knowledge and experience related to accounting and finance. He also has insight into management overall. Accordingly, we have reelected him as Candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
6	Saburo Miyauchi (September 4, 1950)	<div> <div>December 1974</div> <div>Joined the Company</div> </div> <div> <div>April 2006</div> <div>General Manager, Product Sales Division</div> </div> <div> <div>June 2006</div> <div>Director and General Manager, Product Sales Division</div> </div> <div> <div>June 2014</div> <div>Division Managing Director and General Manager, Product Sales Division (to present)</div> </div>	6,359
Reasons for nomination as candidate for Director: Saburo Miyauchi has been in charge of the product sales division for a long time, and has knowledge and experience in retail sales and store operations, the basis for the Company's business. He also has insight into management overall. Accordingly, we have reelected him as Candidate for Director.			
7	Kosho Nomura (July 24, 1954)	<div> <div>March 1977</div> <div>Joined the Company</div> </div> <div> <div>April 2004</div> <div>General Manager, Franchise Operations Division</div> </div> <div> <div>June 2007</div> <div>Executive Officer and General Manager, Store Management Division</div> </div> <div> <div>April 2010</div> <div>General Manager, Store Management Division</div> </div> <div> <div>April 2011</div> <div>Responsible for Company Reform Office, Management Strategy Division Headquarters, and General Affairs Department.</div> </div> <div> <div>June 2014</div> <div>Director Deputy General Manager, Administration Division Headquarters Responsible for Office to the President (to present), Character Creation Department (to present), Media Communications Department, and Information Systems Management Department (to present)</div> </div> <div> <div>June 2015</div> <div>Responsible for General Affairs Department (to present) Deputy General Manager, Management Strategy Division</div> </div> <div> <div>June 2016</div> <div>Managing Director (to present)</div> </div>	4,710
Reasons for nomination as candidate for Director: Kosho Nomura has been in charge of many divisions, such as the general affairs department and secretarial department, and has achievements in his role as manager of theme park operations. He also has the ability to coordinate across divisions and insight into management overall, and for this reason we have reelected him as Candidate for Director.			



No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
8	Jiro Kishimura (August 1, 1959)	<p>April 1984 Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2011 Executive Officer &amp; General Manager of The Bank of Tokyo-Mitsubishi, Ltd. (currently MUFG Bank, Ltd.)</p> <p>June 2014 Joined the Company Director Deputy General Manager, Management Strategy Division Deputy General Manager, Cooperate Planning Department (to present) Deputy General Manager, Internal Auditing Department</p> <p>June 2015 General Manager, Management Strategy Division Responsible for Overseas Business Department (currently Global Business Department) (to present) Responsible for Executive Management Supervisory Department</p> <p>November 2015 CEO, Sanrio GmbH (to present) CEO, Sanrio Global Ltd. (to present) President &amp; CEO, Sanrio UK Finance Ltd. (to present) President &amp; CEO, Mr. Men Ltd. (to present) President &amp; CEO, THOIP (to present) CEO, Sanrio Global Asia Ltd. (to present)</p> <p>June 2016 Managing Director (to present)</p>	894
<p>Reasons for nomination as candidate for Director: Jiro Kishimura has overseas experience in the financial sector, and after he joined the Company, he was in charge of the Cooperate Planning Department and the Global Business Department. Given his insight into management overall, we have reelected him as Candidate for Director.</p>			
9	Yuko Sakiyama (October 24, 1955)	<p>March 1978 Joined the Company</p> <p>April 2005 General Manager, Character Production Department</p> <p>June 2006 Director and General Manager, Character Production Department (to present)</p>	2,000
<p>Reasons for nomination as candidate for Director: Yuko Sakiyama has impressive design skills, and has worked on character designs since joining the Company. She has developed many characters, including Hello Kitty. A woman's perspective is essential for the Company's business, and she also has insights into management overall. For these reasons, we have reelected her as Candidate for Director.</p>			
10	Yoichiro Shimomura (March 11, 1962)	<p>March 1984 Joined the Company</p> <p>April 2010 Operating Officer, Licensing Division</p> <p>June 2013 Operating Officer and General Manager, Licensing Division</p> <p>June 2014 Director and General Manager, Licensing Division (to present)</p>	4,600
<p>Reasons for nomination as candidate for Director: Yoichiro Shimomura is in charge of the licensing business, and not only has experience and knowledge in the licensing business, but also has insights into management overall. Accordingly, we have reelected him as Candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
11	Yuko Tsuji (November 19, 1968)	<p>December 2013      Joined the Company</p> <p>June 2014      Executive Officer</p> <p>June 2015      Director (to present) Responsible for Overseas Business Department (currently Global Business Department) (to present)</p> <p>July 2015      CEO, Sanrio (Hong Kong) Co., Ltd. (to present) CEO, Sanrio Taiwan Co., Ltd. (to present) CEO, Sanrio Shanghai International Trading Co., Ltd. (to present) CEO, Sanrio Wave (Hong Kong) Co., Ltd. (to present) CEO, Sanrio Korea Co., Ltd. (to present)</p> <p>November 2015      Chairman of the Board of Directors, Sanrio Inc. (to present)</p>	1,701,660
<p>Reasons for nomination as candidate for Director:</p> <p>Yuko Tsuji has experience and knowledge in the overseas business, and after joining the Company, she was put in charge of the overseas business, where she has built and maintained a solid overseas client base. A woman's perspective is essential for the Company's business, and she also has insights into management overall. For these reasons, we have reelected her as Candidate for Director.</p>			
12	Kazuaki Tanimura (December 29, 1956)	<p>March 1982      Joined the Company</p> <p>April 2013      General Manager, Responsible for Product Planning &amp; Sales Division</p> <p>June 2014      Executive Officer</p> <p>June 2017      Director (to present), Deputy General Manager, Product Planning &amp; Sales Division (to present)</p>	1,800
<p>Reasons for nomination as candidate for Director:</p> <p>Kazuaki Tanimura has been in charge of the marketing division for a long time, and has knowledge and experience in the Company's business. He also has insight into management overall. Accordingly, we have elected him as Candidate for Director.</p>			
13	Norio Kitamura (September 25, 1941)	<p>April 1967      Joined Toyota Motor Sales Co., Ltd. (currently Toyota Motor Corporation.)</p> <p>January 1996      President and CEO, Toyota Motor Italia S.p.A.</p> <p>January 2002      Chairman and CEO, Toyota Motor Italia S.p.A. and Chairman, Toyota Espana, S.L.U.</p> <p>June 2006      Director, Japan Post Co., Ltd.</p> <p>October 2007      Chairman and CEO, Japan Post Service Co., Ltd. Adviser, Japan Post Service Co., Ltd. Adviser, Toyota Motor Corporation.</p> <p>June 2014      Director (to present)</p>	2,185
<p>Reasons for nomination as candidate for Outside Director:</p> <p>Norio Kitamura has experience and knowledge gained in managing Toyota Motor Italia and Toyota Espana overseas, and Japan Post Service Co., Ltd. in Japan, which he is expected to utilize in providing advice on the Company's overseas business expansion and in supervising the Group's management overall. Accordingly, we have reelected him as Candidate for Director. He will have served as the Company's Outside Director for five years as of the conclusion of this general shareholder's meeting.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
14	Mitsuaki Shimaguchi (March 31, 1942)	<p>April 1987    Professor of Graduate School of Business Administration, Keio</p> <p>March 2006    External Director, Lion Corporation</p> <p>April 2007    Professor Emeritus of Keio University (to present) Professor of Graduate School of Hosei University Visiting Professor of Graduate School of Waseda University</p> <p>April 2009    Director, Japan Marketing Association (to present)</p> <p>April 2010    External Auditor, Suntory Holdings Limited</p> <p>April 2012    Professor of Graduate School of Kaetsu University (to present)</p> <p>June 2014    External Director, SATO Corporation (to present) Director (to present)</p>	2,283
<p>Reasons for nomination as candidate for Outside Director:</p> <p>Mitsuaki Shimaguchi is an academic who has studied research marketing and is well versed in corporate marketing. We expect that his wide-ranging insights will be utilized in improving the Company's corporate governance and corporate values, and we have reelected him as Candidate for Director. He will have served as the Company's Outside Director for five years as of the conclusion of this general shareholder's meeting.</p>			

- (Notes)
1. No material conflict of interest exists between the Company and any of the above candidates for Directors.
  2. Unless otherwise noted, the above describes the past experience, positions and responsibilities (significant concurrent positions) of each candidate as they pertain to the Company.
  3. Mr. Norio Kitamura, and Mr. Mitsuaki Shimaguchi are candidates for Outside Directors.
  4. Conclusion of limited liability agreements with outside directors  
The company has established a provision in Article 34 of the existing Articles of Incorporation enabling the Company to enter into an agreement with Outside Directors limiting their liability for damages arising from any neglect of their duties, for the purpose of allowing Outside Directors to fully perform their expected roles. Under this provision, limited liability agreements will be agreed with Mr. Norio Kitamura, and Mr. Mitsuaki Shimaguchi should they be appointed as Outside Directors. The agreement sets the minimum liability limit stipulated by law, and states that the directors shall bear that level of responsibility.

### Proposal No. 3: Election of Four (4) Auditors and One (1) Substitute Auditor

The term of office of all four (4) Executive Auditors will expire at the conclusion of this year's Ordinary General Meeting of Shareholders. Accordingly, the election of four (4) incumbent Executive Auditors are proposed.

In preparation of a shortage in the number of Auditors stipulated in the laws, we request the appointment of one (1) Audit & Supervisory Board Member as a substitute.

The Board of Auditors has consented to the submission of this proposal in advance.

The candidates are as follows:

No.	Name		Board meeting attendance for 59th fiscal year
1	Incumbent	Yoshio Furuhashi	100% Attended all the 17 meetings
2	Incumbent <u>Outside</u>	Shoji Omori	70.5% Attended 12 out of the 17 meetings
3	Incumbent <u>Independent</u> <u>Outside</u>	Takemi Hiramatsu	100% Attended all the 17 meetings
4	Incumbent <u>Outside</u>	Kazuo Ohashi	100% Attended all the 17 meetings
5	<u>Outside</u> <u>Substitute</u>	Takehisa Inoyama	—

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
1	Yoshio Furuhashi (January 29, 1954)	April 1978    Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) January 2006    President and Chief Executive Officer of Bank of Tokyo-Mitsubishi UFJ (Canada) (currently Canada Branch of MUFG Bank, Ltd.) July 2007    Joined the Company June 2008    Director and General Manager, General Affairs Department April 2011    General Manager, Administration Division June 2015    Auditor (to present)	2,852
Reasons for nomination as candidate for Auditor: Yoshio Furuhashi has knowledge relating to corporate management in general including finance, accounting, and internal controls and is expected to properly perform his duties as an Auditor of the Company. Accordingly, we have reelected him as Candidate for Auditor.			
2	Shoji Omori (September 16, 1927)	April 1945    Director of Japan Chrystal Industrial Company Ltd. (now Omori & Co. Ltd.) (to present) September 1969    Auditor of Yamanashi Silk Center Co., Ltd. (currently Sanrio Company, Ltd.) (to present) January 1993    Chairman of Omori & Co. Ltd (to present)	3,476
Reasons for nomination as candidate for Outside Auditor: Shoji Omori has experience and knowledge from many years in corporate management and accordingly we have reelected him as Candidate for Auditor so that he can employ his opinions based on that experience and knowledge to function as a check on the Directors. As of the conclusion of this general shareholder's meeting, he will have served as an Outside Auditor of the Company for 49 years and nine months.			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
3	Takemi Hiramatsu (February 10, 1963)	<p>April 1989     Admitted to Daini Tokyo Bar Association Joined Masuda &amp; Ejiri Law Office (currently Nishimura &amp; Asahi Law Office)</p> <p>May 1993     Graduated from Colombia Law School (LL.M)</p> <p>February 1994     Licensed as a lawyer in New York State</p> <p>September 1994     Joined Davis Polk &amp; Wardwell LLP.</p> <p>October 1999     Co-chair, Pacific Rim Advisory Council, Intellectual Property and Licensing Practice Group</p> <p>October 2004     A member of Pacific Rim Advisory Council, Policy and Planning Committee</p> <p>April 2005     A member of International Committee of Daini Tokyo Bar Association</p> <p>July 2007     Counsel, Nishimura Asahi Law Office (to present)</p> <p>October 2012     Regional Vice Chair Asia Pacific for Lex Mundi, Labor and Employment Practice Group</p> <p>June 2016     Outside Auditor (to present)</p> <p>February 2017     Observer, NHK Receiving Fee System Review Committee (to present)</p>	0
<p>Reasons for nomination as candidate for Outside Auditor:</p> <p>Takemi Hiramatsu has extensive experience as an attorney and possesses specialized knowledge relating to international legal practice and intellectual property rights. He does not have experience participating directly in corporate management, but we have determined that he is able to properly perform duties as an Auditor of the Company. Accordingly, we have reelected him as Candidate for Auditor. As of the conclusion of this general shareholder's meeting, he will have served as an Outside Auditor of the Company for three years.</p>			
4	Kazuo Ohashi (9 June, 1954)	<p>April 1980     Joined Chuo Accounting Firm(after Chuo Aoyama Pricewaterhouse Coopers • Misuzu Audit Corporation)</p> <p>March 1983     Registered as Certified Public Accountant in Japan</p> <p>August 1993     Partner, Chuo Accounting Firm</p> <p>August 1998     Senior Partner, Chuo Accounting Firm</p> <p>July 2006     Senior Partner, Ernst &amp; Young ShinNihon LLC</p> <p>July 2016     Founder, Kazuo Ohashi Certified Accounting Office</p> <p>                    Outside Auditor (to present)</p> <p>May 2019     Outside Auditor, Graphite Design Inc. (to present)</p>	0
<p>Reasons for nomination as candidate for Outside Auditor:</p> <p>As a certified public accountant, Kazuo Ohashi has extensive audit experience and possesses specialized knowledge relating to finance and accounting. He does not have experience participating directly in corporate management, but we have determined that he is able to properly perform duties as an Auditor of the Company. Accordingly, we have reelected him as Candidate for Auditor. As of the conclusion of this general shareholder's meeting, he will have served as an Outside Auditor of the Company for two years.</p>			

No.	Name (Date of birth)	Past experience, positions and responsibilities (Significant concurrent positions)	Number of shares of the Company held
5*	Takehisa Inoyama (Oct 16, 1975)	December 2007 Admitted to Daini Tokyo Bar Association Joined Shimoyama Law Office (currently Legal Professional Corporation Shimoyama Law Office) February 2012 A member of managing committee of Legal Professional Corporation Shimoyama Law Office June 2016 Independent Outside Director, Tokyo Theatres Co. Inc. (to present) November 2016 A representative of managing committee of Legal Professional Corporation Shimoyama Law Office (to present)	100

Reasons for nomination as candidate for Substitute Outside Auditor:

Takehisa Inoyama, has extensive experience as an attorney and possesses specialized knowledge relating to corporate legal affairs. He does not have experience participating directly in corporate management, but we have determined that he is able to properly perform duties as an Outside Auditor of the Company. Accordingly, we have elected him as Candidate for a Substitute Auditor.

(Notes) 1. No material conflict of interest exists between the Company and any of the above candidate for Auditor.

Takehisa Inoyama, candidate for substitute Auditor, also serves as representative member of Legal Professional Corporation, Shimoyama Law Office. The Company has entered into an advisory agreement with Legal Professional Corporation, Shimoyama Law Office, and in the fiscal year ended March 2019, the transaction amount under this agreement was 0.01% of the Company's selling, general, and administrative expenses.

2. Unless otherwise noted, the above describes the past experience, positions and responsibilities significant concurrent positions) of each candidate as they pertain to the Company.

3. Mr. Shoji Omori, Mr. Takemi Hiramitsu, and Mr. Kazuo Ohashi are candidates for Outside Auditor.

4. Conclusion of limited liability agreements with Outside Auditor

The Company has established a provision in Article 34 of its existing Articles of Incorporation enabling the Company to enter into an agreement with Outside Auditors limiting their liability for damages arising from any neglect of their duties, for the purpose of allowing Outside Auditors to fully perform their expected roles. Under this provision, limited liability agreements will be agreed with Mr. Shoji Omori, Mr. Takemi Hiramitsu and Mr. Kazuo Ohashi, should he be appointed as Outside Auditor. The agreement sets the minimum liability limit stipulated by law, and states that the Outside Auditors shall bear that level of responsibility.

5. The asterisk (\*) indicates the Candidate for substitute Auditor.