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(Stock Exchange Code 2412)  
June 10, 2019

**To Shareholders with Voting Rights:**

Norio Shiraishi  
President & COO  
Benefit One Inc.  
2-6-2 Otemachi, Chiyoda-ku  
Tokyo, Japan

**NOTICE OF CONVOCAION OF  
THE 24TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

You are cordially invited to attend the 24th Annual General Meeting of Shareholders of Benefit One Inc. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing. Please review the Reference Documents for the General Meeting of Shareholders (described hereinafter), indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 6:00 p.m. on Monday, June 24, 2019, Japan time.

- 1. Date and Time:** Tuesday, June 25, 2019 at 10:00 a.m. Japan time (reception will open at 9:30 a.m.)
- 2. Place:** Event Hall, BELLESALLE Iidabashi located at 3-8-5, Iidabashi, Chiyoda-ku, Tokyo
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. The Business Report, Consolidated Financial Statements for the Company’s 24th Fiscal Year (April 1, 2018 - March 31, 2019) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
    2. Non-consolidated Financial Statements for the Company’s 24th Fiscal Year (April 1, 2018 - March 31, 2019)
  - Proposals to be resolved:**
    - Proposal 1:** Partial Amendments to the Articles of Incorporation
    - Proposal 2:** Election of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
    - Proposal 3:** Election of Four (4) Directors Serving as Audit and Supervisory Committee Members
    - Proposal 4:** Determination of the Amount of Compensation for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
    - Proposal 5:** Determination of the Amount of Compensation for Directors Serving as Audit and Supervisory Committee Members
    - Proposal 6:** Determination of the Amount of Performance-Linked Stock Compensation for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

**4. Other matters regarding the General Meeting of Shareholders**

If a shareholder desires to exercise his/her voting rights by proxy, the shareholder may do so by designating a proxy who is also a shareholder of the Company entitled to exercise voting rights. When attending the General Meeting of Shareholders by proxy, please submit a document certifying the authority of proxy and the Voting Rights Exercise Form at the reception.

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1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  2. In accordance with laws and regulations as well as Article 14 of the Articles of Incorporation of the Company, “the Consolidated Statement of Changes in Shareholders’ Equity,” “Notes to the Consolidated Financial Statements,” “the Non-consolidated Statement of Changes in Shareholders’ Equity,” and “Notes to the Non-consolidated Financial Statements” are posted on the Company’s website (<https://corp.benefit-one.co.jp/>) and are therefore not included with this Notice of Convocation. The Consolidated Financial Statements and Non-consolidated Financial Statements included in the Appendix of this Notice of the General Meeting of Shareholders are part of the Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit & Supervisory Board Members and the Accounting Auditor in the preparation of the Auditor’s Report.
  3. Should the Appendix and Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (<https://corp.benefit-one.co.jp/>).
  4. On the day of the meeting, employees will be wearing casual attire (“Cool Biz”). We ask that shareholders attend in casual attire as well.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Partial Amendments to the Articles of Incorporation

#### 1. Reasons for the proposal

- (1) Amendment in line with the transition to a company with Audit and Supervisory Committee

The Company plans to transition to a company with Audit and Supervisory Committee for the purpose of further enhancing the effectiveness of corporate governance by strengthening the auditing and supervisory functions of the Board of Directors and enhancing management efficiency by facilitating swift decision-making through the delegation of authority to executive directors. Accordingly, the Company proposes partial amendments to the Articles of Incorporation as required, including an amendment to establish new provisions regarding the Audit and Supervisory Committee and its Members and the deletion of provisions regarding the Audit & Supervisory Board and its Members.

The amendments to the Articles of Incorporation pursuant to this proposal shall take effect at the conclusion of this General Meeting of Shareholders.

- (2) Addition of business purpose

New business purposes shall be added because the Company plans to conduct an absorption-type merger of Benefit One Health care Inc., a wholly owned subsidiary, effective on July 1, 2019, and some of the operations the Company plans to acquire from the subsidiary involve business operations requiring permits and licenses pertaining to the sales of medical equipment.

#### 2. Details of Amendments

The details of the amendments are as follows.

(Underlines indicate amended sections.)

Current Articles of Incorporation	Proposed Amendments
<p>(Purpose)</p> <p>Article 2. The purpose of the Company shall be to engage in the following businesses.</p> <p>(1) – (26) omitted</p> <p>(Newly established)</p> <p><u>(27)</u> Any operations incidental or related to any of the preceding items</p> <p>(Governing Bodies)</p> <p>Article 4. (Omitted)</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit &amp; Supervisory Board Members;</u></p> <p>(3) <u>Audit &amp; Supervisory Board;</u> and</p> <p>(4) Accounting Auditor.</p>	<p>(Purpose)</p> <p>Article 2. The purpose of the Company shall be to engage in the following businesses.</p> <p>(1) – (26) omitted</p> <p><u>(27) Sales operations for nursing care items and medical equipment</u></p> <p><u>(28)</u> Any operations incidental or related to any of the preceding items</p> <p>(Governing Bodies)</p> <p>Article 4. (Unchanged)</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit and Supervisory Committee;</u> and</p> <p>(Deleted)</p> <p><u>(3)</u> Accounting Auditor.</p>

Current Articles of Incorporation	Proposed Amendments
Chapter IV. Directors and the Board of Directors	Chapter IV. Directors and the Board of Directors
(Number of Directors) Article 18. The number of Directors of the Company shall not exceed <u>twelve (12)</u> .  (Newly established)	(Number of Directors) Article 18. The number of Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members)</u> of the Company shall not exceed <u>ten (10)</u> . <u>2. The number of Directors serving as Audit and Supervisory Committee Members of the Company shall not exceed six (6).</u>
(Election) Article 19. Directors shall be elected at a general meeting of shareholders.  (Omitted)	(Election) Article 19. Directors shall be elected at a general meeting of shareholders, <u>provided that the Directors serving as Audit and Supervisory Committee Members and other Directors shall be elected separately.</u>  (Unchanged)
(Term of Office) Article 20. The term of office of a Director shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last fiscal year ending within one (1) year after his/her election.  (Newly established)	(Term of Office) Article 20. The term of office of a Director <u>(excluding a Director serving as an Audit and Supervisory Committee Member)</u> shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last fiscal year ending within one (1) year after his/her election. <u>2. The term of office of a Director serving as an Audit and Supervisory Committee Member shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last fiscal year ending within two (2) years after his/her election.</u>
<u>2. The term of office of a Director elected to fill a vacancy or to increase the number of Directors shall be the same as the remaining term of office of the other incumbent Directors.</u>  (Newly established)	(Deleted)
  (Newly established)	<u>3. The term of office of a Director serving as an Audit and Supervisory Committee Member elected to fill a vacancy of another Director serving as an Audit and Supervisory Committee Member who has retired before the expiry of his/her term of office shall be up to the expiry of the original term of office of the retiree.</u> <u>4. The effective term of the resolution for election of a Director serving as a Substitute Audit and Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall expire at the commencement of the annual general meeting of shareholders held with respect to the last fiscal year ending within two (2) years after his/her election.</u>
(Representative Directors and Directors with Special Titles) Article 21. The Board of Directors shall elect several Representative Directors from among the Directors.  2. The Board of Directors may, by resolution, appoint one (1) Chairman & Director, one (1) President & Director, several members as Vice President & Director, Senior Managing Director and Managing Director.	(Representative Directors and Directors with Special Titles) Article 21. The Board of Directors shall elect several Representative Directors from among the Directors <u>(excluding Directors serving as Audit and Supervisory Committee Members).</u> 2. The Board of Directors may, by resolution, appoint one (1) Chairman & Director, one (1) President & Director, several members as Vice President & Director, Senior Managing Director and Managing Director, <u>from among the Directors (excluding Directors serving as Audit and Supervisory Committee Members).</u>

Current Articles of Incorporation	Proposed Amendments
<p>(Board of Directors)</p> <p>Article 22. (Omitted)</p> <p>2. A notice of convocation of a meeting of the Board of Directors shall be sent to each Director <u>and Audit &amp; Supervisory Board Member</u> at least three (3) days prior to the meeting, provided that in the event of urgency, such period may be shortened.</p> <p>3. In cases where a Director submits a proposal to be resolved by the Board of Directors, if all Directors who are authorized to vote on such proposal declare that they agree to such proposal in writing or through electromagnetic record <u>and no Audit &amp; Supervisory Board Member states his/her objections to such proposal</u>, it shall be deemed that the resolution to approve such proposal has been adopted by the Board of Directors.</p> <p>4. (Omitted)</p> <p>(Newly established)</p> <p>(Remuneration, etc.)</p> <p>Article 23. The amount of remuneration, bonuses, and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duties <u>(hereinafter referred to as "remuneration, etc.")</u> shall be determined by a resolution of a general meeting of shareholders.</p> <p>(Exemption of Liabilities of Directors)</p> <p>Article 24. (Omitted)</p> <p>Chapter V. <u>Audit &amp; Supervisory Board Members and Audit &amp; Supervisory Board</u></p> <p>(Number of Audit &amp; Supervisory Board Members)</p> <p><u>Article 25. The number of Audit &amp; Supervisory Board Members of the Company shall be three (3) or more.</u></p> <p>(Election)</p> <p><u>Article 26. Audit &amp; Supervisory Board Members shall be elected at a general meeting of shareholders.</u></p> <p><u>2. Resolutions for the election of Audit &amp; Supervisory Board Members shall be adopted at a general meeting of shareholders by a majority vote of the shareholders in attendance who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.</u></p>	<p>(Board of Directors)</p> <p>Article 22. (Unchanged)</p> <p>2. A notice of convocation of a meeting of the Board of Directors shall be sent to each Director at least three (3) days prior to the meeting, provided that in the event of urgency, such period may be shortened.</p> <p>3. In cases where a Director submits a proposal to be resolved by the Board of Directors, if all Directors who are authorized to vote on votes with respect to such proposal declare that they agree to such proposal in writing or through electromagnetic record, it shall be deemed that the resolution to approve such proposal has been adopted by the Board of Directors.</p> <p>4. (Unchanged)</p> <p><u>(Delegation of the Authority to Decide on the Execution of Business Operations to Directors</u></p> <p><u>Article 23. Pursuant to the provisions of Article 399-13, Paragraph 6 of the Companies Act, the Company may, by a resolution of the Board of Directors, delegate in whole or in part the authority to decide on the execution of important business operations (excluding matters specified in the items of Paragraph 5 of the same Article) to Directors.</u></p> <p>(Remuneration, etc.)</p> <p>Article 24. The amount of remuneration, bonuses, and any other proprietary benefits to be granted to Directors by the Company in consideration of their performance of duties shall be determined by a resolution of a general meeting of shareholders, <u>upon separating the remuneration, etc. for Directors serving as Audit and Supervisory Committee Members and other Directors.</u></p> <p>(Exemption of Liabilities of Directors)</p> <p>Article 25. (Unchanged)</p> <p>Chapter V. <u>Audit and Supervisory Committee</u></p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p><u>(Term of Office)</u></p> <p><u>Article 27. The term of office of an Audit &amp; Supervisory Board Member shall expire at the conclusion of the annual general meeting of shareholders held with respect to the last fiscal year ending within four (4) years after his/her election.</u></p> <p><u>2. The term of office of an Audit &amp; Supervisory Board Member elected to fill a vacancy shall be the same as the remaining term of office of the retiree.</u></p> <p><u>(Standing Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 28. The Audit &amp; Supervisory Board shall, by resolution, elect one (1) or more standing Audit &amp; Supervisory Board Members.</u></p> <p><u>(Audit &amp; Supervisory Board Meeting)</u></p> <p><u>Article 29. When convening a meeting of the Audit &amp; Supervisory Board, notice thereof shall be sent to each Audit &amp; Supervisory Board Member at least three (3) days prior to the meeting, provided that in the event of urgency, such period may be shortened.</u></p> <p><u>2. The operation and other matters regarding the Audit &amp; Supervisory Board shall be governed by the Audit &amp; Supervisory Board Regulations provided by the Audit &amp; Supervisory Board.</u></p> <p><u>(Remuneration, etc.)</u></p> <p><u>Article 30. The remuneration etc. for Audit &amp; Supervisory Board Members shall be determined by a resolution of a general meeting of shareholders.</u></p> <p><u>(Exemption of Liabilities of Audit &amp; Supervisory Board Members)</u></p> <p><u>Article 31. Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by a resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from the liability for damages arising from negligence in performing duties, to the extent permitted by laws and regulations.</u></p> <p><u>2. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with each of the Audit &amp; Supervisory Board Members to limit the liability for damages arising from negligence in performing duties, provided that the limit of the liability under the agreement shall be a prescribed amount of 3.60 million yen or more or an amount set by laws and regulations, whichever is greater.</u></p> <p>Article <u>32.</u> — Article <u>37.</u> (Omitted)</p>	<p>(Deleted)</p> <p><u>(Standing Audit and Supervisory Committee Members)</u></p> <p>Article <u>26.</u> The <u>Audit and Supervisory Committee</u> may, by resolution, elect <u>standing Audit and Supervisory Committee Member(s).</u></p> <p><u>(Convocation of Audit and Supervisory Committee Meeting)</u></p> <p>Article <u>27.</u> When convening a meeting of the <u>Audit and Supervisory Committee</u>, notice thereof shall be sent to each <u>Audit and Supervisory Committee Member</u> at least three (3) days prior to the meeting, provided that in the event of urgency, such period may be shortened.</p> <p>2. The operation and other matters regarding the <u>Audit and Supervisory Committee</u> shall be governed by the <u>Audit and Supervisory Committee Regulations</u> provided by the <u>Audit and Supervisory Committee.</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>Article <u>28.</u> — Article <u>33.</u> (Unchanged)</p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<u>Supplementary Provision</u> <u>(Transitional Measures Regarding Exemption of Liabilities of Audit &amp; Supervisory Board Members)</u> <u>Article 1. The Company may, by a resolution of the Board of Directors, exempt Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from the liability for damages as set forth in Article 423, Paragraph 1 of the Companies Act with respect to their action performed before the conclusion of the 24th Annual General Meeting of Shareholders, to the extent permitted by laws and regulations.</u>

**Proposal 2: Election of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)**

If Proposal 1 is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, the election of four (4) Directors (excluding Directors serving as Audit and Supervisory Committee Members) is proposed.

Approval of this Proposal will become effective subject to the effectuation of the amendments to the Articles of Incorporation in Proposal 1.

The candidates for Directors (excluding Directors serving as Audit and Supervisory Committee Members) are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Junko Fukasawa (May 28, 1953)	<p>Apr. 1974 Joined Mitsui Toatsu Chemicals Inc. (currently Mitsui Chemicals, Inc.)</p> <p>Jul. 1978 Joined DENTSU INC.</p> <p>Sep. 1981 Joined Temporary Center Inc. (currently Nambu Enterprise Inc.)</p> <p>Jan. 1990 Director, General Manager, Public Relations Department, Temporary Center Inc.</p> <p>Jun. 2000 Senior Managing Executive Officer, General Manager, Human Resources &amp; Planning Headquarters, Pasona Inc.</p> <p>Apr. 2003 President &amp; COO, Pasona Heartful Inc. (current position)</p> <p>Dec. 2007 Senior Managing Director, responsible for Human Resources Division, Public Relations and Advertising Department, General Manager, Social Contribution Department, Pasona Group Inc.</p> <p>Jun. 2015 Senior Managing Director, General Manager, Human Resources &amp; Planning Headquarters, responsible for Social Contribution Department, Pasona Group Inc.</p> <p>Jun. 2017 Chairman &amp; Director, the Company (current position)</p> <p>Aug. 2018 Executive Officer and Vice President/Director, General Manager, Pasona Way Headquarters, responsible for Social Contribution Department, Pasona Group Inc. (current position)</p>	0 shares
<p>Reasons for nomination as a candidate for Director</p> <p>As Junko Fukasawa has a wealth of experience and insight in areas such as the human resources, public relations, advertising, and social contribution sections, and as the Company has judged that specialized knowledge and know-how from her many years of experience serving as a corporate executive can be leveraged for the Company's management, she has been selected as a candidate for Director.</p>			



No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
2	Norio Shiraishi (Jan. 23, 1967)	<p>Aug. 1990 Joined Pasona Japan Inc. (currently Randstad K.K.)</p> <p>Mar. 1996 Established Business Coop Inc. (currently Benefit One Inc.) Director</p> <p>Jun. 2000 President &amp; COO, the Company</p> <p>Jan. 2012 Outside Director, J.S.B. Co., Ltd. (current position)</p> <p>Mar. 2012 Director, Benefit One Solutions Inc.</p> <p>May 2012 Director, Benefit One Health care Inc. (current position)</p> <p>May 2012 Director, Benefit One Shanghai Inc. (current position)</p> <p>Nov. 2012 Director/Chair of the Board, BENEFIT ONE USA, INC. (current position)</p> <p>Aug. 2013 Director, Pasona Group Inc.</p> <p>Oct. 2013 Director, BENEFIT ONE ASIA PTE. LTD. (currently BENEFIT ONE INTERNATIONAL PTE. LTD.) (current position)</p> <p>Jan. 2014 Director, BENEFIT ONE (THAILAND) COMPANY LIMITED (current position)</p> <p>Dec. 2014 Geschäftsführer, Benefit One Deutschland GmbH (current position)</p> <p>Dec. 2016 Director, REWARDZ PRIVATE LIMITED (current position)</p> <p>Dec. 2016 Outside Director, Japan Best Rescue System Co., Ltd. (current position)</p> <p>Jun. 2017 Director, PT. BENEFIT ONE INDONESIA (current position)</p> <p>Sep. 2017 Director, DG1 Inc. (current position)</p> <p>Jun. 2019 President &amp; COO, responsible for the Finance Division and Audit Division, the Company (current position)</p>	4,201,600 shares
<p>Reasons for nomination as a candidate for Director</p> <p>Norio Shiraishi founded the Company's business, has served as President &amp; COO of the Company since 2000, and has a wealth of experience and achievements as a corporate manager. As the Company has judged that he is suitable to lead overall business of the Company, he has been selected as a candidate for Director.</p>			
3	Hideyo Tanaka (Feb. 7, 1969)	<p>Aug. 1991 Joined Temporary Center Inc. (currently Nambu Enterprise Inc.)</p> <p>May 2000 President and Representative Director, Kobe Cruiser</p> <p>Oct. 2003 Executive Vice President and Representative Director, Medical Associa Inc.</p> <p>Jan. 2005 President &amp; COO, Medical Associa Inc.</p> <p>Mar. 2014 Retired from Director, Medical Associa Inc.</p> <p>Jun. 2017 Director, the Company (current position)</p>	0 shares
<p>Reasons for nomination as a candidate for Director</p> <p>As Hideyo Tanaka has a wealth of experience and knowledge regarding the healthcare sector, the Company has judged that specialized knowledge and know-how from experience as a manager can be leveraged for the Company's management, and she has been selected as a candidate for Director.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
4	Kenji Ozaki (Aug. 31, 1972)	<p>Apr. 1995 Joined Pasona Inc. (currently Nambu Enterprise Inc.)</p> <p>Jul. 2007 Executive Officer, General Manager, Corporate Planning Department, Pasona Tech, Inc.</p> <p>Mar. 2008 Director, Pasona Tech Consulting (Dalian) Co., Ltd.</p> <p>Apr. 2012 Executive Officer, responsible for Corporate Planning, Administration, Business, IT and CS, General Manager, Corporate Planning Department, Pasona Tech, Inc.</p> <p>Oct. 2012 Director, ARGO Co., Ltd. (currently Pasona Tech Systems, Inc.)</p> <p>Apr. 2013 Executive Officer, responsible for Administration and Business Strategy Headquarters, General Manager, Business Strategy Headquarters, Pasona Tech, Inc.</p> <p>Jun. 2015 Director, responsible for Finance and Accounting Division, General Manager, Corporate Planning Department, the Company</p> <p>Jan. 2016 Audit &amp; Supervisory Board Member, Benefit One Health care Inc. (current position)</p> <p>Jun. 2016 Managing Director, responsible for Finance and Accounting Division, General Manager, Corporate Planning Department, the Company (current position)</p> <p>Dec. 2016 Commissioner, PT. BENEFIT ONE INDONESIA (current position)</p> <p>Dec. 2016 Director, REWARDZ PRIVATE LIMITED (current position)</p> <p>Sep. 2017 Audit &amp; Supervisory Board Member, DG1 Inc. (current position)</p>	1,300 shares

**Reasons for nomination as a candidate for Director**

Kenji Ozaki has been responsible for corporate planning operations in the administration section for many years, and is well-versed in corporate finance and accounting strategy. Currently, he supervises finance and accounting strategy of the overall Group by utilizing this wealth of experience and achievements. As the Company has judged that he is suitable to appropriately execute various management decisions and decision-making based on such knowledge and ability, he has been selected as a candidate for Director.

**(Notes)**

1. There are no special interests between each candidate and the Company.
2. The “Past experience, positions, responsibilities, and significant concurrent positions” of Junko Fukasawa and Kenji Ozaki include positions and responsibilities as business executors either at present or within the past five years at the Company’s parent company, Pasona Group Inc. and at its subsidiaries Pasona Heartful Inc., Pasona Tech, Inc., and Pasona Tech Systems, Inc.
3. Liability limitation agreement with Directors  
The Company has entered into a liability limitation agreement with Junko Fukasawa to limit the amount of her liability as stipulated in Article 427, Paragraph 1 of the Companies Act, in accordance with laws and regulations. Upon approval of her reappointment, the Company will maintain the above liability limitation agreements with her. The overview of the agreement is as follows:
  - If a Director (excluding Executive Directors, etc.) is held liable for damages caused to the Company due to negligence of duties, the Director will be responsible for such liability within the limit of the higher of 3.60 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
  - The aforementioned liability limitation shall be applied only in cases where the Director (excluding Executive Directors, etc.) performed his/her duties, which caused the liability, in good faith and without gross negligence.

### Proposal 3: Election of Four (4) Directors Serving as Audit and Supervisory Committee Members

If Proposal 1 is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, the election of four (4) Directors serving as Audit and Supervisory Committee Members is proposed.

The Audit & Supervisory Board has previously given its approval to this proposal. Furthermore, approval of this Proposal will become effective subject to the effectuation of the amendments to the Articles of Incorporation in Proposal 1.

The candidates for Directors serving as Audit and Supervisory Committee Members are as follows.

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
1	Takuo Umekita (Mar. 18, 1957)	<p>Apr. 1981 Joined THE KAGOSHIMA BANK, LTD.</p> <p>Apr. 1984 Joined the Ministry of Justice Kagoshima District Legal Affairs Bureau</p> <p>Apr. 1986 Ministry of Justice Fukuoka Legal Affairs Bureau</p> <p>Jul. 1989 Joined International Digital Communications Inc. (currently IDC Frontier Inc.)</p> <p>Jul. 2003 General Manager, Legal Affairs Department, Pasona Inc.</p> <p>Dec. 2007 Executive Officer, General Manager, Legal Affairs Department, Pasona Group Inc.</p> <p>Sep. 2008 Executive Officer, General Manager, Legal Affairs Department and General Manager, Internal Control Department, Pasona Group Inc.</p> <p>Aug. 2018 Audit &amp; Supervisory Board Member, Pasona Inc. (current position)</p>	0 shares
Reasons for nomination as a candidate for Director serving as an Audit and Supervisory Committee Member Takuo Umekita has a wealth of experience in the legal field, and as the Company has judged that he can be expected to leverage the broad knowledge gained during his career to supervise management of the Company, strengthening the decision-making, auditing and supervisory functions of the Board of Directors, he has been selected as a candidate for Director serving as an Audit and Supervisory Committee Member.			
2	Nobuyasu Kubo (May 21, 1952)	<p>Apr. 1975 Joined the Ministry of Home Affairs</p> <p>Dec. 1993 Deputy Governor, Hiroshima Prefecture</p> <p>Jul. 1999 Attached to the Minister's Secretariat, the Ministry of Home Affairs</p> <p>Jan. 2001 Director, Administration Improvement Division, Local Administration Bureau, the Ministry of Internal Affairs and Communications</p> <p>Jul. 2007 Director-General, Local Public Finance Bureau, the Ministry of Internal Affairs and Communications</p> <p>Jul. 2010 Commissioner of the Fire and Disaster Management Agency, the Ministry of Internal Affairs and Communications</p> <p>Apr. 2014 Director, Local Authorities Satellite Communications Organization (current position)</p> <p>Jun. 2014 Outside Director, the Company (current position)</p> <p>Jun. 2018 Outside Director, Yasuda Logistics Corporation (current position)</p>	0 shares
Reasons for nomination as a candidate for Outside Director serving as an Audit and Supervisory Committee Member Nobuyasu Kubo has served in positions including Deputy Governor, Hiroshima Prefecture; Director-General, Local Public Finance Bureau, the Ministry of Internal Affairs and Communications; and Commissioner of the Fire and Disaster Management Agency, the Ministry of Internal Affairs and Communications, and has experience and knowledge of local administration, regional revitalization, and risk management. As the Company has judged that he can be expected to strengthen the decision-making, auditing and supervisory functions of the Board of Directors from an independent perspective, based on this wealth of experience and knowledge, he has been selected as a candidate for Outside Director serving as an Audit and Supervisory Committee Member.			

No.	Name (Date of birth)	Past experience, positions, responsibilities, and significant concurrent positions	Number of shares of the Company held
3	Toshiaki Hamada (Apr. 23, 1955)	<p>Apr. 1979 Joined the Ministry of Finance</p> <p>Jul. 1996 Director-General, JETRO Copenhagen, Japan External Trade Organization</p> <p>Jul. 2000 Director for Fiscal Investment and Loan Appropriation, Financial Bureau, the Ministry of Finance</p> <p>Jul. 2002 Director, Paper Industry, Consumer and Recreational Goods, Manufacturing Industries Bureau, the Ministry of Economy, Trade and Industry</p> <p>Jul. 2007 Director-General, Osaka Customs, the Ministry of Finance</p> <p>Jul. 2010 Assistant Commissioner of Fire and Disaster Management, the Ministry of Internal Affairs and Communications</p> <p>Aug. 2012 Deputy Director-General for Policy Evaluation, Minister's Secretariat, the Ministry of Finance</p> <p>Jul. 2014 President of National Tax College, National Tax Agency, the Ministry of Finance</p> <p>Jul. 2015 Retired from the Ministry of Finance</p> <p>Jun. 2017 Outside Director, the Company (current position)</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director serving as an Audit and Supervisory Committee Member</p> <p>Toshiaki Hamada has served in positions including Director-General, JETRO Copenhagen, Japan External Trade Organization; Director for Fiscal Investment and Loan Appropriation, Financial Bureau, the Ministry of Finance; and Deputy Director-General for Policy Evaluation, Minister's Secretariat, the Ministry of Finance, and has a deep knowledge of a broad range of matters surrounding corporate management, including politics and the economy. As the Company has judged that he can be expected to strengthen the decision-making, auditing and supervisory functions of the Board of Directors from an independent perspective, based on this wealth of experience and knowledge, he has been selected as a candidate for Outside Director serving as an Audit and Supervisory Committee Member.</p>			
4	Tomonori Fujiike (Sep. 18, 1967)	<p>Oct. 1997 Passed the bar examination</p> <p>Apr. 2000 Registered as an Attorney-at-law (Dai-Ichi Tokyo Bar Association)</p> <p>Joined Yutaka Hori Law Office (currently Hori &amp; Partners)</p> <p>Oct. 2005 Joined Ashurst London</p> <p>Feb. 2006 Returned to Yutaka Hori Law Office (currently Hori &amp; Partners) (current position)</p> <p>May 2012 Outside Audit &amp; Supervisory Board Member, Edia Co., Ltd.</p> <p>Jun. 2012 Outside Audit &amp; Supervisory Board Member, the Company (current position)</p> <p>May 2017 Outside Director serving as an Audit and Supervisory Committee Member, Edia Co., Ltd. (current position)</p>	0 shares
<p>Reasons for nomination as a candidate for Outside Director serving as an Audit and Supervisory Committee Member</p> <p>Tomonori Fujiike has a wealth of experience as an attorney, and as the Company has judged that he can be expected to leverage the broad knowledge gained during his career to supervise management of the Company, strengthening the decision-making, auditing and supervisory functions of the Board of Directors from an independent perspective, he has been selected as a candidate for Outside Director serving as an Audit and Supervisory Committee Member.</p>			

(Notes)

1. Tomonori Fujiike concurrently serves as a Partner at Hori & Partners, which provides services to the Company based on a legal advisory agreement, with a transaction amount of less than 10 million yen, and is therefore deemed immaterial. Furthermore, services based on the legal advisory agreement are provided by attorneys from Hori & Partners other than Tomonori Fujiike. There are no other special interests between each of the candidates and the Company.
2. The "Past experience, positions, responsibilities, and significant concurrent positions" of Takuo Umekita include positions and responsibilities as a business executor either at present or within the past five years at the Company's parent company, Pasona Group Inc. and at its subsidiary Pasona Inc.
3. Nobuyasu Kubo, Toshiaki Hamada and Tomonori Fujiike are candidates for Outside Director.
4. Upon approval of the appointment of Nobuyasu Kubo, Toshiaki Hamada and Tomonori Fujiike, the Company plans to retain them as Independent Directors as stipulated by the Tokyo Stock Exchange.
5. The term of office of Nobuyasu Kubo as an Outside Director of the Company will be five years as of the conclusion of this Annual General Meeting of Shareholders.

6. The term of office of Toshiaki Hamada as an Outside Director of the Company will be two years as of the conclusion of this Annual General Meeting of Shareholders.
7. Liability limitation agreement with Directors  
Upon approval of the appointment of Takuo Umekita, Nobuyasu Kubo, Toshiaki Hamada and Tomonori Fujiike, the Company will enter into a liability limitation agreement with them to limit the amount of their liability, as stipulated in Article 427, Paragraph 1 of the Companies Act, in accordance with laws and regulations. The overview of the agreement is as follows:
  - If a Director (excluding Executive Directors, etc.) is held liable for damages caused to the Company due to negligence of duties, the Director will be responsible for such liability within the limit of the higher of 3.60 million yen or the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.
  - The aforementioned liability limitation shall be applied only in cases where the Director (excluding Executive Directors, etc.) performed his/her duties, which caused the liability, in good faith and without gross negligence.

(Reference) The Company's Standards for Independence for Outside Directors

Outside directors and candidates for outside director are required by the Company to fulfil the Standards for Independence set by the Company (together with its subsidiaries, the "Group") and shown below.

- No relative of the director of up to the second degree currently serves, or has served in the past, as an executive director of any company in the Group
- If any company at which the director currently serves as an executive or employee has a business relationship with the Group (excluding specialized legal, accounting or taxation services), the amount of the said business transactions does not exceed 1% of the Company's consolidated net sales
- If the director receives compensation directly from the Group as a legal, accounting or taxation consultant (excluding compensation for duties as an officer of the Company and compensation paid to an institution or agency to which the director belongs), the said compensation does not exceed 5 million yen each year for the past three fiscal years
- If an institution or agency to which the director belongs provides specialized legal, accounting or taxation services to the Group, the amount of compensation paid for these services does not exceed 10 million yen per year for the past three fiscal years
- The director is not an executive of an organization to which the Group has donated or contributed in excess of 10 million yen per year for the past three fiscal years

**Proposal 4: Determination of the Amount of Compensation for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)**

If Proposal 1 is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee.

The level of compensation for Directors of the Company was last approved at the 15th Annual General Meeting of Shareholders held on June 29, 2010, at an amount not exceeding 200 million yen per year. Pursuant to the Company's transition to a company with an Audit and Supervisory Committee, the Company asks for approval to abolish this compensation and establish a new amount of compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) at an amount not exceeding 200 million yen per year (of which no more than 30 million yen per year for Outside Directors), which is the same as the existing level, in consideration of the overall circumstances, including the past and present economic climate.

The amount of compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) does not include portions payable corresponding to the roles of employees of Directors who concurrently serve as employees.

There are currently seven (7) Directors of the Company (including two (2) Outside Directors), but if Proposals 1 and 2 are approved as proposed, the number of Directors (excluding Directors serving as Audit and Supervisory Committee Members) after the transition will be four (4).

Approval of this Proposal will become effective subject to the effectuation of the amendments to the Articles of Incorporation in Proposal 1.

**Proposal 5: Determination of the Amount of Compensation for Directors Serving as Audit and Supervisory Committee Members**

If Proposal 1 is approved as proposed, the Company will transition to a company with an Audit and Supervisory Committee. The Company proposes compensation for Directors serving as Audit and Supervisory Committee Members at an amount not exceeding 50 million yen per year subsequent to the transition.

If Proposals 1 and 3 are approved as proposed, the number of Directors serving as Audit and Supervisory Committee Members after the transition will be four (4, including three (3) Outside Directors).

Approval of this Proposal will become effective subject to the effectuation of the amendments to the Articles of Incorporation in Proposal 1.

**Proposal 6: Determination of the Amount of Performance-Linked Stock Compensation for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)**

1. Reasons for proposal and appropriateness of compensation, etc.

The Company last approved a performance-linked stock compensation plan (the “Plan”) for Directors (only those who are Executive Directors) at the 21st Annual General Meeting held on June 29, 2016. Subject to the approval of Proposal 1, the Company will transition to a company with an Audit and Supervisory Committee. Pursuant to this transition, the Company proposes to abolish the current compensation framework for Directors under the Plan, and establish a new framework for performance-linked stock compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members and only those who are Executive Directors; hereinafter the same shall apply in this Proposal 6 unless otherwise indicated).

This proposal mainly arises from the transition to a company with an Audit and Supervisory Committee, and it is intended to clearly link Directors’ compensation to the Company’s results of operations and its share value, and thereby increase the Directors’ motivation to make contributions to increase the Company’s mid-term and long-term performance and corporate value. The Company deems that the introduction of this Plan is appropriate.

Specifically, an amount of compensation etc. is proposed for Directors under the Plan, apart from the limit on compensation for Directors (excluding Directors serving as Audit and Supervisory Committee Members) proposed in Proposal 4. It is further proposed that the details of the Plan be determined by the Board of Directors, within the framework outlined in 2 below.

Subject to the approval of Proposals 1 and 2 as proposed, three (3) Directors will be eligible for the Plan.

Approval of this Proposal will become effective subject to the effectuation of the amendments to the Articles of Incorporation in Proposal 1.

2. Amount of compensation, etc. under the Plan and reference information

(1) Outline of the Plan

The Plan is a performance-linked stock compensation plan under which the Company’s shares will be acquired through a trust using money contributed by the Company (with an upper limit stipulated in (2) below) as the source and the Company’s shares and the money equivalent to the market value of the Company’s shares (hereinafter the “Company Stock, etc.”) will be delivered to Directors through a trust in accordance with the Officer Stock Benefit Regulations established by the Company’s Board of Directors, and in an amount based on the degree to which the consolidated ordinary income target has been achieved. Directors will receive the Company Stock, etc., in principle, upon their retirement from office.

(2) Maximum amount of money to be contributed by the Company (amount of compensation, etc.)

The Company has introduced the Plan for the three fiscal years from the fiscal year ended March 31, 2017 to that ended March 31, 2019 (hereinafter, the covered three-fiscal-year period and the subsequent three-fiscal year period that started following the aforementioned three-fiscal-year period shall each be referred to as an “Applicable Period”), and for each following Applicable Period. The Company has established a trust (hereinafter the “Trust”) for Directors who meet the beneficiary requirements, and contributes a maximum of 200 million yen to acquire the Company’s shares with regard to the initial Applicable Period to ensure the delivery of such shares to the Directors under the Plan. At present, the Trust has acquired 35,055 shares (equivalent to 140,220 shares, taking into account the two-for-one stock splits executed in October 2017 and March 2019) by accepting the disposal of treasury stock, using funds entrusted by the Company (103 million yen). Pursuant to the transition to a company with an Audit and Supervisory Committee, the Proposal intends to continue the Trust with beneficiaries comprising retired Directors who meet the beneficiary requirements.

After the initial Applicable Period, the Company will make additional contributions to the Trust every Applicable Period, with 200 million yen as the upper limit for each Applicable Period, until the Plan ends. Provided, however, that in cases where such additional contribution is made and the Company’s shares (excluding any undelivered portion of the Company’s shares corresponding to the number of points granted to Directors; points are described in (3) below) and money (hereinafter referred to as the “Remaining Shares”) remain within the trust assets on the last day of the Applicable Period immediately preceding the Applicable Period in which the relevant additional contributions will be made, the total amounts of the Remaining Shares (for the Company’s shares,



the amount of the Remaining Shares shall be the book value thereof as of the last day of the preceding Applicable Period) and the additional contribution to the Trust should be in the range of the maximum amount which is approved at this General Meeting of Shareholders.

The Trust will acquire the Company's shares through the stock exchange markets or disposal of treasury stock. Timely and appropriate disclosure will be made of details of the acquisition of the Company's shares by the Trust.

(3) Method of calculating the number of the Company Stock, etc. to be delivered to Directors

For each fiscal year, the Company will calculate the quota for awarding points (the total points to be awarded for that fiscal year) based on the degree of achievement of the consolidated ordinary income target. Points are allotted to each Director from these total points, according to his/her duties, responsibilities, etc.

One point awarded to Directors, as described in (4) below, equates to one share of the Company's common stock on the granting of the Company Stock, etc. (Note that when the number of shares changes after this proposal is approved due to stock split, gratis allotment or reverse stock split, the Company shall reasonably adjust the number of points awarded or the exchange ratio, reflecting the change.)

(4) Time of delivery to Directors

If a Director who has retired from office meets the beneficiary requirements prescribed in the Officer Stock Benefit Regulations, he/she will be able to receive the Company's shares from the Trust after his/her retirement in proportion to the number of accumulated points awarded until his/her retirement as Director, by taking the prescribed procedures to confirm the beneficiary. Provided, however, that if a Director meets certain requirements set under the Officer Stock Benefit Regulations, the Company may pay him/her money equivalent to the market value of such shares, instead of delivering them.

Please note that the Trust may sell the Company's shares to pay such money.

(5) Voting rights for the Company's shares held by the Trust

Voting rights related to the Company's shares held by the Trust shall not be exercised pursuant to the instructions of the trust administrator. In this way, the Trust will be able to ensure its neutrality in the Company's management.