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(Stock Exchange Code 9277)
May 31, 2019

To Shareholders:

Kenji Sakamoto
Representative Director, President &
Chief Executive Officer
SOGO MEDICAL HOLDINGS CO., LTD.
2-14-8 Tenjin, Chuo-ku, Fukuoka

NOTICE OF CONVOCAION OF THE 1ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We hereby notify you that the 1st Annual General Meeting of Shareholders of SOGO MEDICAL HOLDINGS CO., LTD. (the “Company”) will be held as described below.

If you are unable to attend the Meeting, you may exercise your voting rights either in writing or over the Internet, and we ask that you please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 6:00 p.m. (Japan time) on Thursday, June 20, 2019.

[If you wish to exercise your voting rights in writing (by postal mail)]

Please indicate your vote for or against each proposal on the enclosed Voting Rights Exercise Form (available in Japanese only) and send it back to us so that it arrives by the above noted exercise deadline.

[If you wish to exercise your voting rights over the Internet]

To exercise voting rights over the internet, please see (<https://evote.tr.mufg.jp/>) (available in Japanese only) and enter your vote for or against each proposal by the above noted exercise deadline.

Annual General Meeting Details

- 1. Date and Time:** Friday, June 21, 2019, at 10:00 a.m. (Japan time)
(Scheduled commencement of reception on that day is 9:00 a.m.)
- 2. Venue:** *Heian no ma*, Hotel Okura Fukuoka 4F
3-2 Shimokawabata-machi, Hakata-ku, Fukuoka City, Fukuoka, Japan
- 3. Meeting Agenda:**
 - Matters to be reported:**
 1. The Business Report, Consolidated Financial Statements for the 1st Term (from April 1, 2018, to March 31, 2019) and report of results of audits of the Consolidated Financial Statements by the Independent External Auditors and the Audit & Supervisory Board
 2. Non-consolidated Financial Statements for the 1st Term (from October 1, 2018, to March 31, 2019)
 - Matters to be resolved:**
 - Proposal No. 1:** Appropriation of Surplus
 - Proposal No. 2:** Partial Amendment of the Articles of Incorporation
 - Proposal No. 3:** Election of Five (5) Directors
 - Proposal No. 4:** Determination of Amount of Remuneration, etc., for Directors
 - Proposal No. 5:** Determination of Amount of Remuneration, etc., for Audit & Supervisory Board Members

<Requests>

- When attending the Meeting in person, please submit the enclosed Voting Rights Exercise Form to the reception desk at the venue.
As the reception area is expected to become crowded immediately before commencement of the Meeting, please arrive at the venue early.
- For the purpose of conserving resources, please bring this “Notice of Convocation of the 1st Annual General Meeting of Shareholders” with you when attending the Meeting.

<Notices>

- Among the documents to be provided with this Notice, “5. System to ensure appropriateness of operations and status of implementation of the system” and “6. Basic policy for control of stock company” in the Business Report, and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted on the Company’s website (<https://www.sogo-medical-hd.co.jp/ja/ir.html>), pursuant to the provisions of laws and regulations as well as Article 15 of the Articles of Incorporation of the Company, and are thus not contained in the documents provided with this Notice. Accordingly, the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements contained in the documents provided with this Notice are part of the Business Report, Consolidated Financial Statements and Non-consolidated Financial Statements that have been audited in preparation for the Audit Report and Independent External Audit Report by the Auditors and the Independent External Auditors, respectively. Shareholders who wish to receive the parts posted on the website by mail are advised to contact the Company’s staff in charge at the Public Information and Investor Relations Division (TEL: +81-92-713-9181).
- In the case where any revision to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements and/or Non-consolidated Financial Statements becomes necessary, the revised versions will be posted on the Company’s website (<https://www.sogo-medical-hd.co.jp/ja/ir.html>).
- Souvenirs will be available to shareholders who attend the Meeting, however, please understand that the number of souvenirs given will be limited to one per shareholder present at the Meeting, regardless of the number of Voting Rights Exercise Forms the shareholder may bring with him/her.

Reference Documents for the General Meeting of Shareholders

Proposal No.1: Appropriation of Surplus

The Company has a basic policy of striving to improve profitability and strengthen corporate structure with efficient management, and striving to return profits to shareholders by maintaining stable dividend payments in consideration of the Company's earnings position. In the mid-term management plan "Action 2020" which was started in April 2017, the Company set a policy of "maintaining dividend payout ratio to be 20% or higher."

Based on the above basic policy, the Company proposes to pay a year-end dividend for the current fiscal year as follows:

1. Type of dividend property
Cash
2. Matters relating to the allotment of dividend property to shareholders and the total amount
Price per common share of the Company 13.75 yen
Total amount of dividends 411,603,047 yen
3. Effective date of dividends of surplus
June 24, 2019

Proposal No. 2: Partial Amendment of the Articles of Incorporation

1. Reasons for the proposal

To facilitate a flexible capital policy, the Company will newly establish Article 7 (Acquisition of Own Shares) as the proposed amendment, which will allow the Company to acquire its own shares by resolution of the Board of Directors, in accordance with the provisions of Paragraph 2, Article 165 of the Companies Act.

In conjunction with establishment of the new article, the remaining articles will be renumbered.

2. Content of the amendment

Content of the amendment is as follows:

(Amended parts are underlined.)

Current	Proposed amendment
Articles 1. to 6. (Omitted)	Articles 1. to 6. (Unchanged)
(New)	<u>(Acquisition of Own Shares)</u> <u>Article 7. The Company may acquire its own shares through market transactions by resolution of the Board of Directors in accordance with the provisions of Paragraph 2, Article 165 of the Companies Act.</u>
Articles <u>7.</u> to <u>39.</u> (Omitted)	Articles <u>8.</u> to <u>40.</u> (Unchanged)

Proposal No. 3: Election of Five (5) Directors

The terms of office of all six (6) Directors will expire at the conclusion of this year's General Meeting of Shareholders. Accordingly, the Company proposes the election of five (5) Directors.

The candidates for Directors are as follows:

Candidate No.	Name		Current position and responsibilities at the Company	Attendance at Board of Directors meetings
1	Kenji Sakamoto	<u>Reappointment</u>	Representative Director, President and Chief Executive Officer (In charge of Audit Department and Office of the President)	7/7 (100%)
2	Shinya Mikita	<u>Reappointment</u>	Representative Director, Executive Vice President (In charge of Business Development Division)	6/7 (85%)
3	Masatoshi Sadahisa	<u>Reappointment</u>	Director, Executive Vice President (In charge of Group Corporate Planning Division, Group Administration Division and Group Human Resources Division)	6/7 (85%)
4	Kiyotaka Watanabe	<u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	Director	6/7 (85%)
5	Eiichi Seki	<u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	Director	7/7 (100%)

Kenji Sakamoto

(Born October 9, 1958)

Number of shares in the Company held: 69,500 shares



Reappointment

■ **Current position and responsibilities at the Company**

Representative Director, President and Chief Executive Officer (In charge of Audit Department and Office of the President)

■ **Career summary, important concurrent positions, etc.**

February 1983 Joined SOGO MEDICAL CO., LTD.
 June 2008 Director, Executive Managing Officer and Regional Operating Officer, East-Japan Regional Headquarters of SOGO MEDICAL CO., LTD.
 April 2010 Executive Managing Director of SOGO MEDICAL CO., LTD.
 April 2011 Senior Managing Director of SOGO MEDICAL CO., LTD.
 April 2012 Representative Director, Vice President of SOGO MEDICAL CO., LTD.
 April 2015 Representative Director, Executive Vice President of SOGO MEDICAL CO., LTD.
 April 2016 Representative Director, President and Chief Executive Officer of SOGO MEDICAL CO., LTD.
 October 2018 Representative Director, President and Chief Executive Officer of the Company (to present)

Reason for being nominated as a candidate for Director

Kenji Sakamoto has been applying the Company's management principles—which are “Our Pledge”, “Mission Statement and Corporate Credo”—in actual practice, is well-versed in the Group's businesses in general and has a wealth of managerial experience. Since assuming the position of Representative Director, President and Chief Executive Officer of the Company, he continues to properly manage matters to be resolved and matters to be reported at the meetings of the Board of Directors, in addition to making decisions on important management matters and supervising the execution of operations in an appropriate manner. Since April 2017, he has been executing his duties toward the fulfillment of the Medium-Term Management Plan, “Action 2020”. The Company proposes that Mr. Sakamoto be elected to Director, having determined that he is best suited to take charge of management and realize the enhancement of corporate value.

Shinya Mikita

(Born March 2, 1952)

Number of shares in the Company held: 6,100 shares



Reappointment

■ **Current position and responsibilities at the Company**

Representative Director, Executive Vice President (In charge of Business Development Division)

■ **Career summary, important concurrent positions, etc.**

August 2007 Joined SOGO MEDICAL CO., LTD.
 June 2009 Director, Executive Managing Officer, General Manager, Tokyo Division and Deputy General Manager, Sales Administrative Division of SOGO MEDICAL CO., LTD.
 April 2010 Executive Managing Director of SOGO MEDICAL CO., LTD.
 April 2011 Senior Managing Director of SOGO MEDICAL CO., LTD.
 April 2012 Senior Managing Director and General Manager, Business Development Division of SOGO MEDICAL CO., LTD.
 April 2014 Director, Senior Executive Managing Officer and General Manager, Business Development Division of SOGO MEDICAL CO., LTD.
 April 2015 Director, Senior Executive Managing Officer and General Manager, Business Promotion Division of SOGO MEDICAL CO., LTD.
 April 2016 Representative Director, Executive Vice President of SOGO MEDICAL CO., LTD.
 October 2018 Representative Director, Executive Vice President of the Company (to present)

Reason for being nominated as a candidate for Director

Shinya Mikita has been applying the Company's management principles—which are “Our Pledge”, “Mission Statement and Corporate Credo”—in actual practice, and continues to properly make decisions on important management matters and supervised the execution of operations primarily from a strategic perspective since he assumed the position of Representative Director, Executive Vice President of the Company. The Company proposes that Mr. Mikita be elected to Director, having determined that he is well-suited to realize the sustainable enhancement of corporate value in consideration of his superior management skills.

No.

3

Masatoshi Sadahisa

(Born October 1, 1964)

Number of shares in the Company held: 40,100 shares



Reappointment

■ **Current position and responsibilities at the Company**

Director, Executive Vice President (In charge of Group Corporate Planning Division, Group Administration Division and Group Human Resources Division)

■ **Career summary, important concurrent positions, etc.**

March 1987 Joined SOGO MEDICAL CO., LTD.
 June 2012 Director and Regional Operating Officer, East-Japan Regional Headquarters of SOGO MEDICAL CO., LTD.
 April 2014 Director, Senior Managing Officer and Regional Operating Officer, East-Japan Regional Headquarters of SOGO MEDICAL CO., LTD.
 April 2015 Director, Executive Managing Officer and General Manager, Human Resources Division of SOGO MEDICAL CO., LTD.
 April 2016 Director, Senior Executive Managing Officer of SOGO MEDICAL CO., LTD.
 October 2018 Director of the Company
 April 2019 Director, Executive Vice President of the Company (to present)
 Representative Director, President and Chief Executive Officer of SOGO MEDICAL CO., LTD (to present)

Reason for being nominated as a candidate for Director

Masatoshi Sadahisa has been applying the Company's management principles—which are “Our Pledge”, “Mission Statement and Corporate Credo”—in actual practice, and has properly made decisions on important management matters and supervised the execution of operations primarily from a strategic perspective. The Company proposes that Mr. Sadahisa be elected to Director, having determined that he is well-versed in all businesses of the Group, and is well-suited to realize the sustainable enhancement of corporate value in consideration of his superior management skills.

No.

4

Kiyotaka Watanabe

(Born May 31, 1948)

Number of shares in the Company held: 2,300 shares



Reappointment

Candidate for
External Director

■ **Current position and responsibilities at the Company**

Director

■ **Career summary, important concurrent positions, etc.**

April 1971 Joined Mitsui & Co., Ltd.
 July 1997 General Manager, Flat Steel Products Division I, Iron & Steel Products Business Unit, Mitsui & Co., Ltd.
 April 2001 General Manager, Flat Steel Products Division, Iron & Steel Products Business Unit, Mitsui & Co., Ltd.
 March 2002 President & CEO, Mitsui & Co. (Canada) Ltd.
 April 2005 Managing Officer and Chief Operating Officer, Iron & Steel Products Business Unit, Mitsui & Co., Ltd.
 April 2007 Executive Managing Officer and Chief Operating Officer, Iron & Steel Products Business Unit, Mitsui & Co., Ltd.
 April 2008 Executive Managing Officer and General Manager, Kyushu Office, Mitsui & Co., Ltd.
 April 2010 Advisor of Kyushu Electric Power Co., Inc.
 June 2013 Auditor of SOGO MEDICAL CO., LTD.
 April 2014 Chairman of Mizoe Kensetsu Corporation (to present)
 June 2015 Director of SOGO MEDICAL CO., LTD.
 October 2018 Director of the Company (to present)

Reason for being nominated as a candidate for External Director

Kiyotaka Watanabe has been making use of his wealth of experience and broad insight that he has gained to date in the management of the Company and has been helping enhance corporate governance of the Company by providing advice on management in general. Accordingly, the Company proposes that Mr. Watanabe be elected to External Director, having determined that he would continue performing his duties in an appropriate manner into the future.



Reappointment

Candidate for
External Director

■ **Current position and responsibilities at the Company**

Director

■ **Career summary, important concurrent positions, etc.**

April 1971	Joined The Industrial Bank of Japan, Ltd.
September 2000	Executive Officer of The Industrial Bank of Japan, Ltd. and General Manager of Fukuoka Branch
April 2002	Managing Executive Officer of Mizuho Bank, Ltd.
June 2005	Representative Director and President of Kokunai Shinpan Co., Ltd.
June 2008	Representative Director and Chairman of Rakuten KC Co., Ltd.
May 2011	Special Advisor of Polaris Capital Group Co., Ltd. (to present)
July 2011	Advisor of SOGO MEDICAL CO., LTD.
March 2013	Auditor of Innova, Inc. (to present)
June 2016	Director of SOGO MEDICAL CO., LTD.
April 2017	Director and Chairman, Yodogawa Transformer Co., Ltd.
October 2018	Director of the Company (to present)
April 2019	Director and Chairman of LB Co., Ltd. (to present)

Reason for being nominated as a candidate for External Director

Eiichi Seki has been making use of his wealth of experience and broad insight that he has gained to date in the management of the Company and has been helping enhance corporate governance of the Company by providing advice on management in general. Accordingly, the Company proposes that Mr. Seki be elected to External Director, having determined that he would continue performing his duties in an appropriate manner into the future.

Notes:

1. There is no special interest between any of the Director candidates and the Company.

2. Kiyotaka Watanabe and Eiichi Seki are candidates for External Directors.

The Company has declared Kiyotaka Watanabe and Eiichi Seki as Independent Directors, pursuant to the provisions of the Tokyo Stock Exchange, Inc.

3. The terms of office of the respective External Directors in the Company are as follows:

- (1) Kiyotaka Watanabe will have served as External Director for nine months at the conclusion of this General Meeting of Shareholders; and
- (2) Eiichi Seki will have served as External Director for nine months at the conclusion of this General Meeting of Shareholders.

4. The current Article 27 of the Articles of Incorporation of the Company prescribes that the Company may conclude an agreement with Directors (excluding directors with executive authority, etc.) to limit liability for damages to the Company to within a certain scope. Pursuant to that Article, the Company has entered liability limitation agreements under Article 427, Paragraph 1, of the Companies Act with Kiyotaka Watanabe and Eiichi Seki.

The Company plans to continue the agreements with Kiyotaka Watanabe and Eiichi Seki if their appointments are approved.

An outline of the agreement is as follows:

- (1) In a case where a Director (excluding directors with executive functions, etc.) is liable for damages with respect to the Company due to his/her failure to perform duties, he/she shall be liable up to the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- (2) The aforementioned liability limit is applicable only where the Director acted in good faith and was not grossly negligent in the performance of his/her duties that gave rise to such liability.

[Reference] Criteria for Judging Independence of External Officers (External Directors and External Auditors)

The Company has established the following criteria for judging independence of External Officers (External Directors and External Auditors) to enhance its corporate governance functions based on the independence requirements established by the Tokyo Stock Exchange, Inc..

An external officer shall not be:

1. a person who currently serves, or formerly served, as an executive (Note 1) of the Group;
2. a person who is, or formerly was, a person for whom the Group is a major client (Note 2) or its executive in the current fiscal year or in the past five (5) fiscal years;
3. a person who is, or formerly was, a major client of the Group or its executive in the current fiscal year or in the past five (5) fiscal years;
4. a consultant, accounting professional including a certified public accountant or legal professional including a lawyer who receives, or formerly received, a large amount of money or other property (Note 3) from the Group in addition to the remuneration for officers in the current fiscal year or in the past five (5) fiscal years;
5. a person who is a relative (in the second degree of kinship) of the following; provided, however, that items (3) and (5) of this paragraph shall apply only in the case of judging independence of an external auditor;
 - (1) an important person among the executives stated in paragraphs 2 and 3 above (Note 4);
 - (2) an important person among those stated in paragraph 4;
 - (3) a representative partner or partner of an accounting auditor of the Group;
 - (4) an important person among the executives of the Group; or
 - (5) a Director of the Group who is not an executive;
6. a person who is, or formerly was, an executive of a major shareholder of the Company (Note 5) in the current fiscal year or in the past five (5) fiscal years;
7. a person who is, or formerly was, an executive of a company of which the Group is a major shareholder in the current fiscal year or in the past five (5) fiscal years;
8. an accounting auditor of the Company including, if such accounting auditor is an organization such as a legal entity or partnership, a person who belongs to such organization;
9. a person with whom the Group dispatches or accepts a Director, Auditor or Executive Officer mutually; or
10. a person who receives a large amount of money or other property (Note 3) as a donation from the Group.

(Note)

1. An “executive” shall mean a Director with executive authority, Executive Officer or employee.
2. A “major client” shall mean a company to which the amount paid or from which the amount received reaches 2% or more of consolidated net sales of the Group or of such client’s group in transactions with the Group during the relevant period.
3. “A large amount of money or other property” shall mean, in the case of an individual, 10 million yen or more annually or, in the case of an organization, an amount exceeding 2% of consolidated net sales of such organization on average during the relevant period.
4. An “important person” shall mean a Director, Auditor, Executive Officer or important employee.
5. A “major shareholder” shall mean a person who directly or indirectly holds voting rights representing 10% or more of all voting rights.

Proposal No. 4: Determination of Amount of Remuneration, etc., for Directors

With respect to the amount of remuneration, etc., for Directors of the Company, in Article 2, Paragraph 1 of the supplementary provisions of the Company's current Articles of Incorporation, it is provided that the amount of remuneration of Directors (excluding the salary of a Director who is concurrently an employee) for the period from the date of foundation of the Company to the closure of the Company's first Annual General Meeting of Shareholders shall be a fixed amount not exceeding two hundred million (200,000,000) yen plus an incentive equivalent to an amount not exceeding 2% of current profit attributable to shareholders of the parent for the previous consolidated fiscal year.

Accordingly, the Company would like to obtain approval for the amounts of remuneration, etc., for the Company's Directors that will take effect after the conclusion of this General Meeting of Shareholders.

With respect to the remuneration, etc., of the Directors after the conclusion of this General Meeting of Shareholders, the Company has carefully examined various factors, such as the status of the Company's management system and economic conditions. As a result, the Company would like to keep the amount of remuneration, etc., of Directors (excluding the salary of a Director who is concurrently an employee) at a fixed amount not exceeding two hundred million (200,000,000) yen plus an incentive equivalent to an amount not exceeding 2% of current profit attributable to shareholders of the parent for the previous consolidated fiscal year.

The current number of Directors are six (6). If Proposal 2 is approved as proposed, then there will be five (5) Directors (including two (2) External Directors).

Proposal No. 5: Determination of Amount of Remuneration, etc., for Audit & Supervisory Board Members

With respect to the amount of remuneration, etc., for Audit & Supervisory Board Members of the Company, in Article 2, Paragraph 2 of the supplementary provisions of the Company's current Articles of Incorporation, it is provided that the amount of remuneration of Audit & Supervisory Board Members for the period from the date of foundation of the Company to the closure of the Company's first Annual General Meeting of Shareholders shall be an amount not exceeding fifty million (50,000,000) yen.

Accordingly, the Company would like to obtain approval for the amounts of remuneration, etc., for the Company's Audit & Supervisory Board Members that will take effect after the conclusion of this General Meeting of Shareholders.

With respect to the remuneration, etc., of the Audit & Supervisory Board Members after the conclusion of this General Meeting of Shareholders, the Company has carefully examined various factors, such as economic conditions. As a result, the Company would like to keep the amount of remuneration, etc., of Audit & Supervisory Board Members at an amount not exceeding fifty million (50,000,000) yen.

The current number of Audit & Supervisory Board Members are four (4) (including three (3) External Audit & Supervisory Board Members).