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August 1, 2019

To Those Shareholders with Voting Rights

Takara Printing Co., Ltd.

Seiichiro Akutsu, President

(Securities code: 7921 TSE First Section)

Contact Person: Hiroaki Wakamatsu, Executive Officer, Director of General Affairs Dep.

Phone: 03-3971-3101

NOTICE OF THE 82nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 82nd Ordinary General Meeting of Shareholders of the Company. The meeting will be held as described below.

If you are unable to attend the meeting, you can place your vote by post or electronic means including the use of the Internet. Please review the “Guidance for the Exercise of Voting Rights,” and place your vote by no later than 6:00 p.m. on Thursday, August 22, 2019.

1. Date and Time 10:00 a.m., Friday, August 23, 2019

2. Place Ballroom Fuji, Hotel Metropolitan Tokyo 3F
6-1, Nishi-Ikebukuro 1-chome, Toshima-ku, Tokyo

3. Agenda of the Meeting:

- Matters to be reported:** (1) Business Report and Consolidated Financial Statements for the 82nd Fiscal Term (from June 1, 2018 to May 31, 2019) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements
(2) Non-consolidated Financial Statements for the 82nd Fiscal Term (from June 1, 2018 to May 31, 2019)

Proposals to be resolved:

- Proposal No. 1:** Approval of Incorporation-type Company Split Plan
Proposal No. 2: Partial Amendments of the Articles of Incorporation
Proposal No. 3: Election of Seven (7) Directors
Proposal No. 4: Election of Three (3) Corporate Auditors
Proposal No. 5: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Part-time Directors and Outside Directors)
Proposal No. 6: Continuation of a Policy on the Large-scale Purchase of the Company Shares (Anti-takeover Measures)
Proposal No. 7: Payment of Retirement Benefits to a Retiring Director and a Retiring Corporate Auditor

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- Notes: 1. If you have exercised your voting rights more than once via the internet, etc., the final vote cast shall be deemed valid.
2. If you have exercised your voting rights both via the internet, etc. and by sending the Voting Rights Exercise Form, the vote cast through the internet, etc. shall be deemed valid.

Guidance for the Exercise of Voting Rights

If you are attending the General Meeting of Shareholders

Please hand in your Voting Rights Exercise Form at the front desk when you arrive at the venue.

Date and Time: 10:00 a.m., Friday, August 23, 2019

If you cannot attend the General Meeting of Shareholders

- By post

Please return the enclosed Voting Rights Exercise Form with your approval or disapproval for each proposal.

Exercise deadline: to be received by 6:00 p.m., Thursday, August 22, 2019

- By the Internet

Please access the Company's designated voting rights exercise website and send your approval or disapproval for each proposal.

Exercise deadline: 6:00 p.m., Thursday, August 22, 2019

Electronic Voting Rights Exercise Platform for Institutional Investors

In addition to the above methods, shareholders may vote via the electronic voting rights exercise platform for institutional investors operated by ICJ, Inc. by prior application.

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal No. 1: Approval of Incorporation-type Company Split Plan

1. Reason for Incorporation-type Company Split

As a specialist firm that prints disclosure-related documents, the Group has been putting its “customers first” policy into practice since its founding. In addition, the Group has appropriately responded to customer needs by constantly working to improve its technology, and by providing a wide range of disclosure-related services under the motto, “accurate, fast and confidential.”

Meanwhile, the external environment in which the Group operates is now changing at a faster pace than ever before, because of the progress of globalization due to internationalized economy and society as well as technological innovation mainly through information technology (IT), and the changes in the social environment such as the population structure and life cycles as a result of the declining birthrate and aging population in Japan.

As the business environment surrounding the Group ushers in an era when disclosure and IR services will undergo immense changes, our management policy as a Group is to provide customers with new “e-Disclosure Solutions” and related services, and to contribute to enhancing our customers’ corporate value and developing the disclosure system, leveraging our specialist knowledge and making full use of our accumulated digital technology.

To realize our Group growth strategy, we believe that we need to improve our ability to create value that meets our customers’ needs and to set up a management structure that maximizes the corporate value of the entire Group, and therefore have decided to transition to a holding company structure.

By transitioning to a holding company, the Company specifically aims to:

1) Integrate the Group and strengthen our strategic functions

By formulating a management strategy from a Group-wide perspective, we will strengthen the strategic functions of each Group company and deepen collaboration between Group companies, in order to optimize the allocation of management resources within the Group.

2) Strengthen new business creation functions

In our efforts to expand our business mainly through M&A, we will create a framework to bring acquired companies under our control and implement a system capable of responding to flexible strategic business alliances.

3) Secure and train management personnel

We will secure management personnel to be responsible for our Group growth strategy from within as well as outside the Group, and appoint candidates for next-generation managers to each Group company, in order to realize sustainable training of next-generation leaders to promote reform throughout the Group.

4) Realize a management structure capable of speedy decision-making

We will aim for speedy decision-making and clarification of management responsibilities by delegating authority according to the scale, capabilities and characteristics of each Group company, in order to accelerate business growth and improve corporate value at each Group company.

5) Achieve a diverse environment

We will strive to strengthen management from a company-wide perspective, appoint the right employees to the right workplace, design an organization according to the business content and streamline work processes, in order to further promote a diverse environment.

2. Outline of Incorporation-type Company Split Plan

Incorporation-type Company Split Plan (copy)

Takara Printing Co., Ltd. (intending to change its trade name to TAKARA & COMPANY LTD.; hereinafter referred to as the “Company”) hereby creates the following incorporation-type company split plan (hereinafter referred to as the “Plan”) concerning an incorporation-type company split (hereinafter referred to as the “Split”) in which rights and obligations held in relation to all businesses (hereinafter referred to as the “Split Business”), excluding the Company’s group company management operations, shall be succeeded to by the newly-incorporated Takara Printing Co., Ltd. (hereinafter referred to as the “New Company”).

Article 1 (Purpose)

The Company shall conduct an incorporation-type company split in which the New Company succeeds to the rights and obligations the Company holds in relation to the Split Business, based on the Plan, in accordance with the incorporation-type company split method prescribed in the Companies Act.

Article 2 (Matters Prescribed in the New Company’s Articles of Incorporation)

1. The New Company’s head office location shall be 28-8, Takada 3-chome, Toshima-ku, Tokyo.
2. The New Company’s purpose, trade name and total number of shares authorized to be issued, and other matters to be prescribed in the New Company’s Articles of Incorporation shall be as stated in the Takara Printing Co., Ltd. Articles of Incorporation (Appendix 1).

Article 3 (Names of Officers and Representative Director at Incorporation of New Company)

1. The names of officers at the time of incorporation of the New Company are as follows:
 - (1) Directors at incorporation: Seiichiro Akutsu, Eiichi Kashima, Tetsuo Imai, Ryusuke Okada, Akira Tsuda
 - (2) Corporate Auditor at incorporation: Yoshinori Tamura
2. The Representative Director at the time of incorporation of the New Company is as follows:
 - (1) Representative Director at incorporation: Seiichiro Akutsu

Article 4 (Matters Related to Assets, Debts, Employment Agreements and Other Rights and Obligations to Be Succeeded to by the New Company)

1. When the Split is conducted, the New Company shall succeed to the assets, debts, employment agreements and other rights and obligations stated in the Schedule of Succeeded Rights and Obligations (Appendix 2).
2. The Company shall jointly assume, together with the New Company, all debts succeeded to by the New Company from the Company.
3. In the case where succeeding to a contractual status included in assets, debts, employment agreements and other rights and obligations provided for in Paragraph 1 or to the rights and obligations under such agreement as a result of the Split conflicts with obligations prescribed in each agreement, and there is no prospect of being able to comply with such obligations on the date immediately preceding the effective date of the split, or in other cases where there is a prospect that other significant disadvantages will occur at the Company and the New Company, the Company may exclude such contractual status and rights and obligations under such agreement from assets, debts, employment agreements and other rights and obligations provided for in Paragraph 1.
4. Registration procedure fees and all other costs required for the procedures of registering, recording or notifying, etc. undertaken when succeeding to assets, debts, employment agreements and other rights and obligations provided for in Paragraph 1 shall be borne by the New Company.

Article 5 (Number of Shares Delivered by the New Company at the Time of the Split)

1. The New Company shall issue 1,000 shares of common stock at the time of the Split, and all such shares shall be allotted and delivered to the Company as consideration for the rights and obligations prescribed in the preceding Article.
2. At the time of the Split, the New Company shall not deliver to the Company any assets other than the shares issued by the New Company prescribed in the preceding Paragraph.

Article 6 (Matters Related to the New Company's Capital Stock and Reserves)

The amounts of the New Company's capital stock and reserves shall be as follows:

- (1) Capital stock at incorporation: 100,000,000 yen
- (2) Capital reserve at incorporation: 0 yen
- (3) Legal retained earnings at incorporation: 0 yen

Article 7 (Effective Date of the Split)

The date on which the incorporation of the New Company should be registered shall be December 2, 2019 (hereinafter referred to as the "Effective Date of the Split"); provided, however, that if necessary in the course of procedures, or for any other reason, the date may be changed by a resolution of the Company's Board of Directors.

Article 8 (Duty Not to Compete)

The Company shall not assume the duty not to compete prescribed in Article 21 of the Companies Act with regard to split businesses, even after the Split.

Article 9 (Amendment of Conditions or Cancellation)

During the period between the creation of the Plan and the Effective Date of the Split, the Company may amend details of the Plan or cancel the Split in the case of occurrence of material changes to the Company's assets or management situation due to a natural disaster or other grounds, in the case of occurrence of any event that significantly hinders the execution of the Split, or in any other case where it has become difficult to achieve the purpose of the Split.

Article 10 (Effect of the Plan)

The Plan shall cease to be effective if approval at the Company's 82nd Ordinary General Meeting of Shareholders or approval from related government agencies prescribed in laws and regulations cannot be obtained.

Article 11 (Matters not Provided for in the Plan)

In addition to those provided for in the Plan, matters necessary in relation to the Split shall be determined by the Company in accordance with the purport of the Split.

July 23, 2019

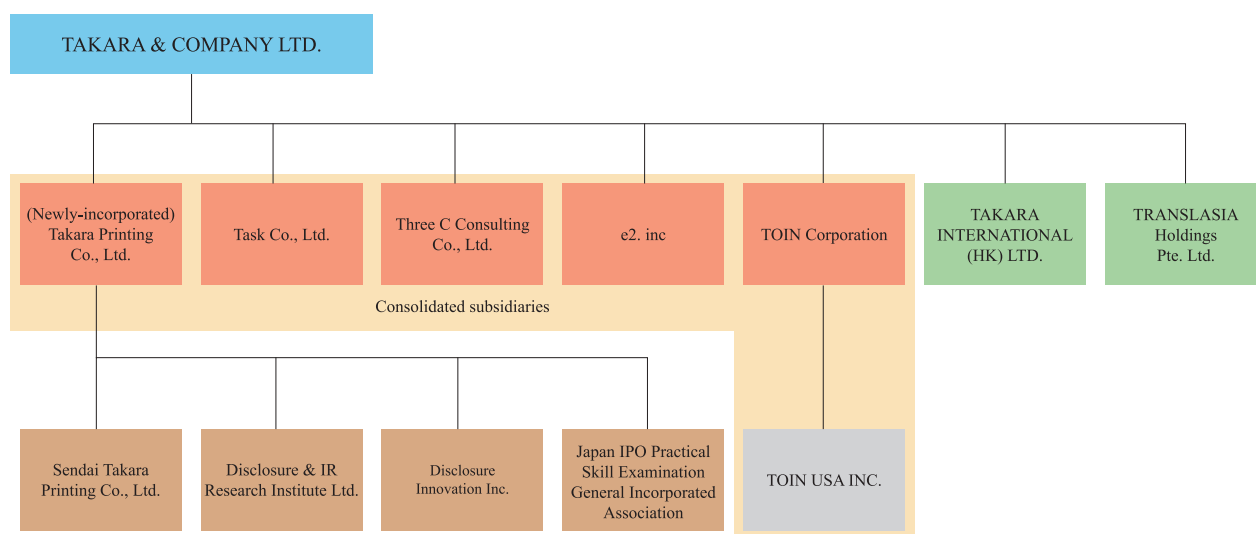
Company Splitting in the Incorporation-type Company Split:

Takara Printing Co., Ltd.
28-8, Takada 3-chome, Toshima-ku, Tokyo
Seiichiro Akutsu, Representative Director

Reference Outline of Group Structure after Transition to a Holding Company

1. We intend to change the trade name from Takara Printing Co., Ltd. (listed in First Section of the Tokyo Stock Exchange) to TAKARA & COMPANY LTD.
2. We will newly incorporate Takara Printing Co., Ltd. as an operating company to mainly engage in disclosure and IR-related businesses.
3. The newly-incorporated Takara Printing, Co., Ltd., Task Co., Ltd., Three C Consulting Co., Ltd., e2 inc., TOIN Corporation, TAKARA INTERNATIONAL (HK) LTD., and TRANSLASIA Holdings Pte. Ltd. will be the seven subsidiaries under the control of TAKARA & COMPANY LTD. Other operating companies will be the subsidiaries under the control of the newly-incorporated Takara Printing, Co., Ltd.

Overview of Group Companies



Takara Printing Co., Ltd. Articles of Incorporation

CHAPTER I. GENERAL PROVISIONS

(Trade Name)

Article 1 The name of the Company shall be “*Takara Printing Kabushiki Kaisha*” and in English it shall be “TAKARA PRINTING CO., LTD.”

(Purpose)

Article 2 The purpose of the Company shall be to engage in the following businesses:

1. Research, gathering and provision of information relating to companies and management and information disclosed by companies (disclosures) and consulting business
2. Plate making, printing, book-binding of various materials, and sale of printed materials
3. Planning, editing, production and sale of images, information and advertising media, etc., and event planning and production
4. Translation and interpreting business
5. Services and consulting business relating to electronic document preparation, storage, management and data exchange
6. Development and sale of systems and software relating to information and communications equipment
7. Information processing service business and information provision service business
8. Telecommunications business prescribed in the Telecommunications Business Act
9. Information processing service business relating to issuing of electronic certificates
10. Worker dispatching undertaking and employment placement business
11. Advertising business
12. Acquisition and transfer of industrial property rights and intellectual property rights relating to art, literature, images and music, etc.
13. Leasing of real property and the management thereof
14. Outsourced packaging and shipping services
15. Motor truck transportation business and cargo transportation handling business
16. All businesses incidental or relating to each of the preceding items

(Location of Head Office)

Article 3 The head office of the Company shall be located in Toshima-ku, Tokyo, Japan.

(Organs)

Article 4 The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors:

- (1) Board of Directors; and
- (2) Corporate Auditors

(Method of Public Notice)

Article 5 Public notices of the Company shall be made through publication in the Official Gazette.

CHAPTER II. SHARES

(Total Number of Shares Authorized to be Issued)

Article 6 The total number of shares authorized to be issued by the Company shall be four thousand (4,000) shares.

(Non-Issuance of Share Certificates)

Article 7 The Company shall not issue share certificates for shares in the Company.

(Restrictions on the Transfer of Shares)

Article 8 Approval of the Board of Directors must be obtained for acquisition by transfer of shares in the Company.

(Share Handling Regulations)

Article 9 Handling relating to shares in the Company and procedures and charges for exercising the rights of shareholders shall be governed by, in addition to laws and regulations and these Articles of Incorporation, the Share Handling Regulations adopted or amended by resolution of the Board of Directors,

CHAPTER III. GENERAL MEETING OF SHAREHOLDERS

(Convocation of General Meeting of Shareholders)

Article 10 The ordinary general meeting of shareholders of the Company shall be convened in August of each year and an extraordinary general meeting of shareholders shall be convened whenever necessary.

(Convocation Location)

Article 11 The general meeting of shareholders shall be convened in Tokyo.

(Record Date with Respect to Ordinary General Meeting of Shareholders)

Article 12 The record date with respect to voting rights exercisable at an ordinary general meeting of shareholders of the Company shall be May 31 of each year.

(Convener and Chairman)

Article 13 The President and Director of the Company shall convene the general meeting of shareholders and act as the chairman thereof.

2. In the event that the President and Director of the Company is unable to act, another Director shall convene the general meeting of shareholders and act as the chairman thereof, in accordance with an order of priority determined in advance by the Board of Directors.

(Method of Adopting Resolutions)

Article 14 Except as otherwise provided by laws and regulations or by these Articles of Incorporation, all resolutions of a general meeting of shareholders shall be adopted by a majority of the voting rights held by the shareholders present who are entitled to exercise voting rights.

2. Resolutions to be adopted pursuant to Article 309, Paragraph 2 of the Companies Act may be adopted by two-thirds (2/3) or more of the voting rights held by the shareholders present who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

(Exercise of Voting Rights by Proxy)

Article 15 A shareholder may exercise his/her voting rights by authorizing one (1) other shareholder with voting rights of the Company to act as his/her proxy.

2. A shareholder or his/her proxy shall submit to the Company a document evidencing his/her authority of representation for each general meeting of shareholders.

(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and the Deemed Provision of Information)

Article 16 In convening a general meeting of shareholders, the Company may be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, the business reports, the financial statements and the consolidated financial statements, by disclosing such information via the Internet in accordance with the provisions of the Ordinance of the Ministry of Justice.

CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS

(Number of Directors)

Article 17 The number of Directors of the Company shall not exceed six (6).

(Election of Directors)

Article 18 Directors shall be elected at the general meeting of shareholders.

2. Resolutions for the election of Directors shall be adopted by a majority of the voting rights of the shareholders present who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.
3. Resolutions for the election of Directors shall not be adopted by cumulative voting.

(Term of Office of Directors)

Article 19 The term of office of a Director shall expire upon conclusion of the ordinary general meeting of shareholders pertaining to the last business year ending within one (1) year from his/her election to office.

(Convener and Chairman of the Board of Directors)

Article 20 Except as otherwise provided by laws and regulations, the President and Director shall convene the meetings of the Board of Directors and act as the chairman thereof; provided, however, that if the President and Director is unable to so act, another Director shall convene the meetings of the Board of Directors and act as the chairman thereof, in accordance with an order of priority determined in advance by the Board of Directors.

(Notice of Convocation of the Board of Directors)

Article 21 Notice of convocation of a meeting of the Board of Directors shall be sent to each Director and Corporate Auditor at least three (3) days prior to the meeting; provided, however, that in the event of an emergency, this period may be shortened.

2. When the consent of all Directors and Corporate Auditors is obtained in advance, a meeting of the Board of Directors of the Company may be held without following the procedures for convening a meeting.

(Representative Directors and Executive Directors)

Article 22 The Board of Directors shall elect Representative Directors by the resolution of its meeting.

2. The Board of Directors may appoint one (1) Chairman of the Board of Directors, one (1) President and Director, one (1) Executive Vice President and Director, several Senior Managing Directors and Managing Directors by the resolution of its meeting.

(Method of Adopting Resolutions of the Board of Directors)

Article 23 All resolutions of a meeting of the Board of Directors shall be adopted by a majority of votes of the Directors present at the meeting attended by the majority of the Directors entitled to participate in the vote.

2. When requirements provided for in Article 370 of the Companies Act are satisfied, resolutions of the Board of Directors of the Company shall be deemed to have been adopted for the matters that are the purpose of resolution at the Board of Directors.

(Board of Directors Rules)

Article 24 The matters related to the Board of Directors of the Company shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Board of Directors Rules adopted or amended by the Board of Directors.

CHAPTER V. CORPORATE AUDITORS

(Number of Corporate Auditors)

Article 25 The number of Corporate Auditors of the Company shall not exceed three (3).

(Election of Corporate Auditors)

Article 26 Corporate Auditors shall be elected at the general meetings of shareholders.

2. Resolutions for the election of Corporate Auditors shall be adopted by a majority of the voting rights of the shareholders present who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

(Term of Office of Corporate Auditors)

Article 27 The term of office of a Corporate Auditor shall expire upon conclusion of the ordinary general meeting of shareholders pertaining to the last business year ending within four (4) years from his/her election to office.

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 retired Corporate Auditor.

(Effect of Resolutions Concerning Pre-election of Substitute Corporate Auditors)

Article 28 The resolutions concerning the pre-election of substitute corporate auditors shall remain effective until the start of the ordinary general meeting of shareholders pertaining to the last business year ending within four (4) years from his/her election to office.

CHAPTER VI. ACCOUNTS

(Business Year)

Article 29 The business year of the Company shall be one (1) year from June 1 of each year until May 31 of the following year.

(Distribution of Surplus)

Article 30 The Company shall distribute surplus to shareholders or registered pledgees of shares entered or recorded in the latest register of shareholders as of May 31 each year.

(Interim Dividends)

Article 31 The Company may, by resolution of the Board of Directors, distribute an interim dividend under Article 454, Paragraph 5 of the Companies Act to shareholders or registered pledgees of shares entered or recorded in the register of shareholders as of November 30 each year.

(Expiration Period for Dividends)

Article 32 If dividends, which are to be paid in cash, have not been received for a period of three (3) years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to make such payment.

SUPPLEMENTARY PROVISIONS

(Initial Business Year)

Article 1 The initial business year of the Company shall be from incorporation of the Company until May 31, 2020.

(Directors and Corporate Auditors at the Time of Incorporation)

Article 2 The Directors and Corporate Auditors at the time of incorporation of the Company shall be as follows:

Seiichiro Akutsu, President and Representative Director

Eiichi Kashima, Director

Tetsuo Imai, Director

Ryusuke Okada, Director

Akira Tsuda, Director

Yoshinori Tamura, Corporate Auditor

(Deletion of Supplementary Provisions)

Article 3 These supplementary provisions shall be deleted upon the conclusion of the ordinary general meeting of shareholders pertaining to the initial business year of the Company.

Schedule of Succeeded Rights and Obligations

The New Company shall succeed to the following assets, debts, employment agreements and other rights and obligations attributable to the Split Business from the Company on the Effective Date of the Split.

1. Assets

(1) Current assets

Cash and deposits, notes receivable - trade, electronically recorded monetary claims - operating, accounts receivable - trade, raw materials, work in process, supplies, deferred tax assets and other current assets related to the Split Business.

(2) Non-current assets

Machinery and equipment, vehicles, tools, furniture and fixtures, software, software in progress, other intangible assets, shares of subsidiaries and associates (limited to shares in Sendai Takara Printing Co., Ltd., Disclosure Innovation Inc. and Disclosure & IR Research Institute Ltd.), long-term prepaid expenses and other investments and other assets (including interest in Japan IPO Practical Skill Examination General Incorporated Association) related to the Split Business.

2. Liabilities

(1) Current liabilities

Accounts payable - trade, accounts payable - other, accrued expenses, deposits received and other current liabilities related to the Split Business.

(2) Non-current Liabilities

Provision for retirement benefits related to the Split Business.

(3) The Company shall jointly assume, together with the New Company, all debts succeeded to by the New Company.

3. Employment Agreements

Employment agreements with employees engaged in the Split Business on the Effective Date of the Split. Working conditions prescribed in employment agreements shall be maintained as-is.

4. Contractual Relationships

Contractual status under master transaction agreements, service agreements and all other agreements related to the Split Business, and all rights and obligations arising under such agreements.

5. Permissions and Licenses, etc.

Permissions and Licenses, etc. obtained by the Company relating to the Split Business that can be succeeded to by the New Company from the Company under laws and regulations.

3. Outline of Details Provided for in Each Item of Article 205 of the Regulation for Enforcement of the Companies Act

- (1) Matters related to adequacy of the provision on the matters stated in Item 6 of Article 763 of the Companies Act

- 1) Matters related to adequacy of the number of shares in the company incorporated in the incorporation-type company split delivered at the time of the Split

The company incorporated in the incorporation-type company split shall issue 1,000 shares of common stock at the time of the Split, and all such shares shall be allocated and delivered to the Company. Since the Split is an incorporation-type company split conducted solely by the Company, it is understood that no differences in substantial relationships of rights will arise between the Company and the company incorporated in the incorporation-type company split as a result of the number of allocated shares, and that the number of shares issued by the company incorporated in the incorporation-type company split may be determined at the discretion of the Company. In light of the purpose of the Company's transition to a holding company, the above-stated number of allocated shares is deemed appropriate in consideration of matters including the efficient management of shares in the company incorporated in the incorporation-type company split, which will be a wholly owned subsidiary company, and the amount of capital stock of the company incorporated in the incorporation-type company split.

- 2) Matters related to adequacy of the amounts of capital stock and reserves of the company incorporated in the incorporation-type company split

Regarding the amounts of capital stock and reserves of the company incorporated in the incorporation-type company split, the Company has decided that the amounts shall be as stated in Article 6 of the Incorporation-type Company Split Plan, in accordance with the Regulation on Corporate Accounting, from the perspective of achieving agile and flexible capital policies, taking into consideration the assets, etc. the company incorporated in the incorporation-type company split will succeed to and other circumstances including future business activities. The Company judges that the amounts of such capital stock and reserves are adequate.

- (2) Disposal of important property, burden of major obligations or any other event that has material impact on the status of Company property that occur after the last day of the most recent business year of the Company

Not applicable

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

1. Reason for Amendments

As stated in “1. Reason for Incorporation-type Company Split” in Proposal No. 1 “Approval of Incorporation-type Company Split Plan,” the Company shall make necessary changes in its trade name and purpose following the transition to a holding company structure through an incorporation-type company split.

2. Details of Amendments

The details of the amendments are as follows:

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
(Trade Name) Article 1 The name of the Company shall be “ <u>Takara Printing Kabushiki Kaisha</u> ” and in English it shall be “ <u>TAKARA PRINTING CO., LTD.</u> ”	(Trade Name) Article 1 The name of the Company shall be “ <u>Kabushiki Kaisha TAKARA & COMPANY</u> ” and in English it shall be “ <u>TAKARA & COMPANY LTD.</u> ”
(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses:	(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses <u>and, by holding shares or interest in companies and other corporations, etc. that engage in the following businesses, to control and manage the business activities of such companies, etc.</u>
1. Research, gathering and provision of information disclosed by companies (disclosures) and consulting business	1. Research, gathering and provision of information disclosed by companies (disclosures) <u>and information relating to business management in general</u> and consulting business
2. Plate making, printing, book-binding of various materials, and sale of printed materials	2. Plate making, printing, book-binding of various materials, and sale of printed materials
3. Planning, editing, production and sale of images, information and advertising media, etc., and event planning and production	3. Planning, editing, production and sale of images, information and advertising media, etc., and event planning and production
<New> 4. <u>Acquisition and transfer of industrial property rights and intellectual property rights relating to art, literature, images and music, etc.</u>	4. <u>Translation and interpreting business</u> <Move to Item 12>
5. <u>Gathering, research and provision of information relating to companies and management and consulting business</u> <Move from Item 13>	<Integrate with Item 1>
<Move from Item 12>	5. <u>Services and consulting business relating to electronic document preparation, storage, management and data exchange</u>
<Move from Item 11>	6. <u>Development and sale of systems and software relating to information and communications equipment</u>
<Move from Item 10>	7. <u>Information processing service business and information provision service business</u>
<Move from Item 14>	8. <u>Telecommunications business prescribed in the Telecommunications Business Act</u>
<Move from Item 15>	9. <u>Information processing service business relating to issuing of electronic certificates</u>
	10. <u>Worker dispatching undertaking and employment placement business</u>

Current Articles of Incorporation	Proposed Amendments
<p><Move from Item 9> <Move from Item 4></p> <p><Move from Item 8></p> <p>6. Outsourced packaging and shipping services 7. Motor truck transportation business and cargo transportation handling business 8. <u>Leasing of real property and the management thereof</u> 9. <u>Advertising business</u> 10. <u>Telecommunications business prescribed in the Telecommunications Business Act</u> 11. <u>Information processing service business and information provision service business</u> 12. <u>Development and sale of systems and software relating to information and communications equipment</u> 13. <u>Services and consulting business relating to electronic document preparation, storage, management and data exchange</u> 14. <u>Information processing service business relating to issuing of electronic certificates</u> 15. <u>Worker dispatching undertaking and employment placement business</u> 16. All businesses incidental or relating to each of the preceding items Articles 3 to 38 (Omitted) <New></p>	<p>11. <u>Advertising business</u> 12. <u>Acquisition and transfer of industrial property rights and intellectual property rights relating to art, literature, images and music, etc.</u> 13. <u>Leasing of real property and the management thereof</u> 14. Outsourced packaging and shipping services 15. Motor truck transportation business and cargo transportation handling business <Move to Item 13> <Move to Item 11> <Move to Item 8> <Move to Item 7> <Move to Item 6> <Move to Item 5> <Move to Item 9> <Move to Item 10></p> <p>16. All businesses incidental or relating to each of the preceding items Articles 3 to 38 (Unchanged) <u>SUPPLEMENTARY PROVISIONS</u> <u>Amendments to Article 1 (Trade Name) and Article 2 (Purpose) shall take effect on the effective date of the incorporation-type company split on the condition that the “Approval of Incorporation-type Company Split Plan” to be discussed at the 82nd Ordinary General Meeting of Shareholders to be held on August 23, 2019 is approved as proposed, and that the incorporation-type company split based on such incorporation-type company split plan takes effect. This supplementary provision shall be deleted after the effective date of the incorporation-type company split.</u></p>

Proposal No. 3: Election of Seven (7) Directors

All of the eight (8) Directors will complete their terms of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of seven (7) Directors.

The candidates for Directors are as follows.

No.		Name (age)		Current position at the Company	Concurrent positions at other listed companies	Attendance at the Board of Directors for the current fiscal term
1	<u>Reelection</u>	Seiichiro Akutsu (65)		President and Representative Director	0	100% (15 out of 15 meetings)
2	<u>Reelection</u>	Eiichi Kashima (63)		Director and Managing Executive Officer	0	100% (15 out of 15 meetings)
3	<u>Reelection</u>	Tetsuo Imai (62)		Director and Managing Executive Officer	0	100% (15 out of 15 meetings)
4	<u>Reelection</u>	Ryusuke Okada (56)		Director and Managing Executive Officer	0	100% (10 out of 10 meetings)
5	<u>Reelection</u>	Akira Tsuda (75)		Director and Executive Officer	2	100% (15 out of 15 meetings)
6	<u>New election</u> <u>Outside</u> <u>Independent</u>	Toshimasa Iue (56)	–		1	–
7	<u>New election</u> <u>Outside</u> <u>Independent</u>	Chikako Sekine (65)	–		3	–

- Notes: 1. The ages of the above candidates for Directors are stated in Western style method as of the closing of this General Meeting of Shareholders.
2. No special interests exist between the Company and the above candidates for Directors.
3. Mr. Akira Tsuda is the candidate for Part-time Director.
4. Mr. Toshimasa Iue and Ms. Chikako Sekine are the candidates for Outside Directors. The Company has appointed them as independent directors who have no potential conflicts of interest with general shareholders as defined by Tokyo Stock Exchange, and submitted notification of their appointment to the said exchange.
5. Mr. Ryusuke Okada was newly elected and appointed as Director at the 81st Ordinary General Meeting of Shareholders held on August 24, 2018, and therefore his attendance at the Board of Directors for the current fiscal term denotes attendance at the Board of Directors after his appointment.

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions		Number of shares of the Company held
<p>1. Seiichiro Akutsu (65) (December 17, 1953)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (15 out of 15 meetings)</p>	January 1986	Joined the Company	22,972 shares
	May 1989	General Manager, President Office of the Company	
	July 1991	General Manager, General Planning Department of the Company	
	August 1991	Director and General Manager, General Planning Department of the Company	
	October 1996	Director and General Manager, Accounting Department of the Company	
	August 1997	Managing Director and General Manager, Accounting Department of the Company	
	October 1997	Managing Director and Division Manager, Administration Division of the Company	
	August 2002	President and Representative Director of the Company (current position)	
	<p>Reasons for appointment as candidate for Director</p> <p>Since joining the Company, Mr. Seiichiro Akutsu is well versed in its overall business mainly in the field of administration with abundant knowledge and experience in operations, and appropriately performs his duties. Since his assumption of office as Director in August 1991 and as President and Representative Director in August 2002, he has accumulated achievements as the chief executive officer of the Group. Therefore, the Company determines that he is appropriate as Director and reappoints him as candidate for Director.</p>		

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions		Number of shares of the Company held
<p>2. Eiichi Kashima (63) (September 25, 1955)</p> <p>Reelection</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (15 out of 15 meetings)</p>	February 1988	Joined the Company	7,550 shares
	October 1997	General Manager, Accounting Department of the Company	
	September 1998	General Manager, General Affairs Department of the Company	
	August 2006	Executive Officer and General Manager, General Affairs and Personnel Department of the Company	
	July 2013	Managing Executive Officer and General Manager, Disclosure & IR Business Department II of the Company	
	August 2013	Director, Managing Executive Officer and General Manager, Disclosure & IR Business Department II of the Company	
	July 2014	Director, Managing Executive Officer and General Manager, Production Department of the Company	
	July 2017	Director, Managing Executive Officer and General Manager, Disclosure & IR Business Promotion Department and Disclosure & IR Business Department V of the Company	
	July 2018	Director, Managing Executive Officer and General Manager, Disclosure & IR Business Promotion Department and Disclosure & IR Business Department V of the Company, in charge of Business Management Department	
	July 2019	Director, Managing Executive Officer and General Manager, Disclosure & IR Business Promotion Department, Corporate Relations Advisory Services Department and REIT Management Department of the Company, in charge of Business Management Department (current position)	
<p>Reasons for appointment as candidate for Director</p> <p>Since joining the Company, Mr. Eiichi Kashima is well versed in its overall business mainly in the fields of administration, sales and production with abundant knowledge and experience in operations, and appropriately performs his duties. Since his assumption of office as Director in August 2013, he has accumulated achievements in the management of the Group through a wide range of operational experience. Therefore, the Company determines that he is appropriate as Director and reappoints him as candidate for Director.</p>			

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions		Number of shares of the Company held
<p><u>Reelection</u></p> <p>3. Tetsuo Imai (62) (January 17, 1957)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (15 out of 15 meetings)</p>	April 1981	Joined The Mitsui Trust Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)	2,700 shares
	November 2004	General Manager, Abeno Branch, The Chuo Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)	
	April 2007	Joined the Company Senior Manager, Disclosure Business Department I of the Company	
	August 2008	Executive Officer and General Manager, Disclosure Sales Promotion Department of the Company	
	August 2015	Director, Managing Executive Officer and General Manager, Disclosure & IR Business Department II of the Company	
	July 2017	Director, Managing Executive Officer, Division Manager, Disclosure & IR Business Division and General Manager, Disclosure & IR Business Department II of the Company and in charge of Fukuoka Branch Office	
	July 2018	Director, Managing Executive Officer, Division Manager, Disclosure & IR Business Division and General Manager, Disclosure & IR Business Department III and Disclosure & IR Business Department IV of the Company and in charge of Fukuoka Branch Office	
	July 2019	Director, Managing Executive Officer, Division Manager, Disclosure & IR Business Division and General Manager, Business Planning Department (current position)	
	<p>Reasons for appointment as candidate for Director</p> <p>Mr. Tetsuo Imai possesses deep insight and experience in trust and banking operations. As he is well versed in overall business mainly in the field of sales since joining the Company, and has accumulated achievements in the management of the Group in that area and others since his assumption of office as Director in August 2015, the Company determines that he is appropriate as Director and reappoints him as candidate for Director.</p>		

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions		Number of shares of the Company held
<p>4. Ryusuke Okada (56) (October 19, 1962)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (10 out of 10 meetings)</p> <p><u>Reelection</u></p>	<p>April 1986 Joined Nomura Securities Co., Ltd.</p> <p>August 2007 Joined Deutsche Securities Inc.</p> <p>January 2012 Joined Intralinks, Inc.</p> <p>December 2012 Joined the Company</p> <p>Deputy General Manager, Disclosure Translation Department of the Company</p> <p>July 2014 Executive Officer, General Manager, Global Solutions Department of the Company, and Head of Hong Kong Office</p> <p>July 2017 Executive Officer, General Manager, General Planning Department and Global Solutions Department of the Company</p> <p>July 2018 Executive Officer, General Manager, General Planning Department, Global Solutions Department and Corporate Relations Advisory Services Department of the Company</p> <p>August 2018 Director, Managing Executive Officer, General Manager, General Planning Department, Global Solutions Department and Corporate Relations Advisory Services Department of the Company</p> <p>July 2019 Director, Managing Executive Officer, General Manager, General Planning Department and Global Relations Department of the Company (current position)</p> <p>Reasons for appointment as candidate for Director Mr. Ryusuke Okada possesses deep insight and experience in securities operations. Since joining the Company, he has accumulated achievements in the management of the Group particularly in the areas of development and incubation of new businesses such as advisory services to domestic companies expanding overseas by drawing on his experience from serving at companies of foreign capital and overseas locations. Therefore, the Company determines that he is appropriate as Director and reappoints him as candidate for Director.</p>		300 shares

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<p> <u>Reelection</u> 5. Akira Tsuda (75) (June 15, 1944) Attendance at the Board of Directors for the current fiscal term 100% (15 out of 15 meetings) </p>	<p> April 1968 Joined Nomura Securities Co., Ltd. December 1987 Director of Nomura Securities Co., Ltd. June 1989 Managing Director of Nomura Securities Co., Ltd. June 1996 Representative Director and Senior Managing Director of Nomura Securities Co., Ltd. June 1997 Representative Director and Senior Managing Director of Japan Associated Finance Co., Ltd. (currently JAFECO Co., Ltd.) April 1999 Vice President and Representative Director of JAFECO Co., Ltd. May 2002 Chairman and Director of Nomura Investor Relations Co., Ltd. June 2003 Chairman and Executive Officer of Nomura Investor Relations Co., Ltd. June 2005 President and Representative Director of Nippon Venture Capital Co., Ltd. June 2005 External Director of Hitachi Capital Corporation April 2009 Director of Nippon Venture Capital Co., Ltd. June 2009 Outside Auditor of Torishima Pump Mfg. Co., Ltd. August 2009 Director and Executive Officer of the Company (part-time) (current position) June 2015 Outside Director (Member of Audit and Supervisory Committee) of Torishima Pump Mfg. Co., Ltd. (current position) April 2018 Chairman of Japan Compliance Promotion Association (current position) June 2019 Outside Director of PATH corporation (current position) Significant concurrent positions Outside Director (Member of Audit and Supervisory Committee) of Torishima Pump Mfg. Co., Ltd. Outside Director of PATH corporation Reasons for appointment as candidate for Director Mr. Akira Tsuda possesses abundant knowledge and experience in the securities industry, venture capital industry and corporate management, as well as experience as an independent outside director and outside corporate auditor at other companies. Since his assumption of office as Director in August 2009, he has provided appropriate advice on the overall management of the Group and has accumulated achievements in sales operations. Therefore, the Company determines that he is appropriate as Director and reappoints him as candidate for Director. </p>	<p>1,000 shares</p>

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<div> <div>New election</div> <div>Outside</div> <div>Independent</div> </div> <p>6. Toshimasa Iue (56) (December 3, 1962)</p>	<p>April 1989 Joined SANYO Electric Co., Ltd.</p> <p>June 1996 Member of the Board of SANYO Electric Co., Ltd.</p> <p>June 2002 Vice President of SANYO Electric Co., Ltd.</p> <p>June 2005 President of SANYO Electric Co., Ltd.</p> <p>June 2007 Special Advisor of SANYO Electric Co., Ltd.</p> <p>February 2010 Vice President and Operating Officer of LIXIL Group Corporation</p> <p>April 2011 Director, Vice President and Operating Officer of LIXIL Corporation</p> <p>June 2016 Director of LIXIL Group Corporation</p> <p>July 2017 Advisor of LIXIL Group Corporation</p> <p>June 2018 Outside Director (Member of the Audit Committee) of Enplas Corporation (current position)</p> <p>Significant concurrent position Outside Director (Member of the Audit Committee) of Enplas Corporation</p> <p>Reasons for appointment as candidate for Outside Director Mr. Toshimasa Iue has held key positions including a representative director, and possesses abundant experience and broad insight as a corporate manager. Therefore, the Company determines that he can give valuable advice on our management as an Outside Director.</p>	0 shares

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions		Number of shares of the Company held
<div> <div>New election</div> <div>Outside</div> <div>Independent</div> </div> <p>7. Chikako Sekine (65) (December 16, 1953)</p>	<p>April 1972 Joined Shiseido Yamagata Sales Co., Ltd.</p> <p>April 2006 General Manager, Osaka Branch of Shiseido Sales Co., Ltd. (currently Shiseido Japan Co., Ltd.)</p> <p>April 2008 Seconded to Headquarters of d'ici là Co., Ltd. General Manager, Japan Marketing Headquarters of d'ici là Co., Ltd.</p> <p>October 2009 General Manager, Beauty Consultation Planning Group, International Marketing Department, International Business Division of Shiseido Company, Limited</p> <p>April 2012 Corporate Officer of Shiseido Company, Limited</p> <p>April 2014 Corporate Executive Officer of Shiseido Company, Limited</p> <p>January 2016 Corporate Advisor of Shiseido Company, Limited</p> <p>February 2016 Outside Director of E-SUPPORTLINK, Ltd. (current position)</p> <p>April 2018 Representative Director of B-mind Corporation (current position)</p> <p>June 2018 Outside Director of VALQUA, LTD. (current position)</p> <p>May 2019 Outside Director of FamilyMart UNY Holdings Co., Ltd. (current position)</p> <p>Significant concurrent positions Representative Director of B-mind Corporation Outside Director of E-SUPPORTLINK, Ltd. Outside Director of VALQUA, LTD. Outside Director of FamilyMart UNY Holdings Co., Ltd.</p> <p>Reasons for appointment as candidate for Outside Director In addition to experience accumulated as a corporate officer of a major cosmetics company, Ms. Chikako Sekine has served as a representative director and outside director at other companies and possesses abundant experience and broad insight. Therefore, the Company determines that she can give valuable advice on our management as an Outside Director.</p>	0 shares	

Proposal No. 4: Election of Three (3) Corporate Auditors

All of the three (3) Corporate Auditors will complete their terms of office at the closing of this General Meeting of Shareholders. Consequently, the Company proposes the election of three (3) Corporate Auditors. The Board of Corporate Auditors has already approved this Proposal.

The candidates for Corporate Auditors are as follows.

No.		Name (age)		Current position at the Company	Concurrent positions at other listed companies	Attendance at the Board of Directors/Board of Corporate Auditors for the current fiscal term
1	New election	Yoshinori Tamura	(62)	Director and Managing Executive Officer	0	The Board of Directors 100% (15 out of 15 meetings) The Board of Corporate Auditors —
2	Reelection Outside Independent	Yutaka Onishi	(63)	Corporate Auditor	0	The Board of Directors 100% (15 out of 15 meetings) The Board of Corporate Auditors 100% (16 out of 16 meetings)
3	New election Outside Independent	Shinkichi Matsuo	(50)	—	1	—

- Notes: 1. The ages of the above candidates for Corporate Auditors are stated in Western style method as of the closing of this General Meeting of Shareholders.
2. No special interests exist between the Company and the above candidates for Corporate Auditors.
3. Messrs. Yutaka Onishi and Shinkichi Matsuo are the candidates for Outside Corporate Auditors. The Company has appointed them as independent corporate auditors who have no potential conflicts of interest with general shareholders as defined by Tokyo Stock Exchange, and submitted notification of their appointment to the said exchange.

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<p><u>New election</u></p> <p>1. Yoshinori Tamura (62) (January 6, 1957)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (15 out of 15 meetings)</p> <p>Attendance at the Board of Corporate Auditors for the current fiscal term —</p>	<p>April 1980 Joined Japan Securities Dealers Association Corporation (currently Japan Securities Dealers Association)</p> <p>September 1999 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC)</p> <p>June 2000 Director of Nippon First Securities Co., Ltd.</p> <p>July 2001 Corporate Advisor of the Company</p> <p>August 2004 Director of the Company</p> <p>August 2006 Director and Managing Executive Officer of the Company (current position)</p> <p>Reasons for appointment as candidate for Corporate Auditor Since joining the Company, Mr. Yoshinori Tamura has been engaged in IPO sales and has served in disclosure research and internal audit departments. He possesses abundant expertise in securities operations, which deeply relates to the Group's business. Therefore, the Company determines that he is appropriate as Corporate Auditor.</p>	6,875 shares
<p><u>Reelection</u> <u>Outside</u> <u>Independent</u></p> <p>2. Yutaka Onishi (63) (May 9, 1956)</p> <p>Attendance at the Board of Directors for the current fiscal term 100% (15 out of 15 meetings)</p> <p>Attendance at the Board of Corporate Auditors for the current fiscal term 100% (16 out of 16 meetings)</p>	<p>April 1989 Registered as attorney at law</p> <p>August 1994 Corporate Auditor of the Company (current position)</p> <p>Significant concurrent position Attorney at law, Maruichi Sogo Law Firm</p> <p>Reasons for appointment as candidate for Outside Corporate Auditor Mr. Yutaka Onishi has never been involved in corporate management other than as an outside director or outside auditor. As an attorney at law, however, he has detailed expertise of corporate legal affairs, etc. Therefore, the Company determines that he will continue to make use of his expertise for audits of the Company and reappoints him as candidate for Outside Corporate Auditor. His current term of office as an Outside Corporate Auditor will reach 25 years at the closing of this General Meeting of Shareholders.</p>	0 shares

Name (Age) (Date of Birth)	Career summary and status of significant concurrent positions	Number of shares of the Company held
<div> <div>New election</div> <div>Outside</div> <div>Independent</div> </div> <p>3. Shinkichi Matsuo (50) (January 9, 1969)</p>	<p>April 1991 Joined Mitsubishi Electric Corporation March 1993 Joined Yokohama City Government October 1995 Joined Showa Ota & Co. (currently Ernst & Young ShinNihon LLC) April 1999 Registered as a certified public accountant July 2018 Representative Director of NextLeap Co., Ltd. (current position) October 2018 Outside Audit & Supervisory Board Member of Amvis Holdings Corporation (current position) June 2019 Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION (current position)</p> <p>Significant concurrent positions Representative Director of NextLeap Co., Ltd. Outside Audit & Supervisory Board Member of Amvis Holdings Corporation Outside Audit & Supervisory Board Member of SEIKAGAKU CORPORATION</p> <p>Reasons for appointment as candidate for Outside Corporate Auditor As a certified public accountant, Mr. Shinkichi Matsuo possesses detailed expertise of corporate accounting, etc. and experience as an outside corporate auditor at other companies. Therefore, the Company determines that he will make use of his expertise and experience for audits of the Company.</p>	0 shares

Proposal No. 5: Determination of Remuneration for Granting Restricted Stock to Directors (Excluding Part-time Directors and Outside Directors)

It was approved at the 69th Ordinary General Meeting of Shareholders held on August 24, 2006 that the amount of remuneration, etc. for Directors of the Company shall be within ¥180 million per year (including the amount for Outside Directors which is to be within ¥15 million per year, however, excluding the portion of employee salaries for Directors concurrently serving as employees).

As part of a review of the officer remuneration system, the Company intends to newly provide the Company's Directors (excluding Part-time Directors and Outside Directors; hereinafter referred to as "Eligible Directors") with remuneration for granting restricted stock, separately from the amount of remuneration stated above, for the purpose of providing them with incentives to strive for the sustainable improvement of the Company's corporate value and further promoting value sharing with stockholders.

Based on this Proposal, the remuneration provided for granting restricted stock to the Eligible Directors shall be monetary receivables (hereinafter referred to as "monetary remuneration receivables"), and the total amount shall be within ¥100 million per year, an amount that is deemed reasonable in light of the aforementioned purpose. The specific timing of the provision and allocation to each Eligible Director shall be determined by the Board of Directors. The remuneration for granting restricted stock shall not be provided to Part-time Directors and Outside Directors.

The above remuneration amount does not include the portion of employee salaries for Directors concurrently serving as employees.

The current number of Directors is eight (8) (including one (1) Part-time Director and two (2) Outside Directors). If Proposal No. 3 "Election of Seven (7) Directors" is approved as originally proposed, the number of Directors will be seven (7) (including one (1) Part-time Director and two (2) Outside Directors).

Furthermore, based on a resolution of the Board of Directors of the Company, the Eligible Directors shall make in-kind contribution of all the monetary remuneration receivables to be granted according to this Proposal, and shall, in return, receive common shares of the Company that shall be issued or disposed of by the Company. The total number of the common shares of the Company issued or disposed of in this manner shall be within 55,000 shares per year. (However, on or after the date of approval of this Proposal, in the event of implementation of a stock split (including allotment of common shares of the Company without contribution) or a stock consolidation of the common shares of the Company, or in other circumstances that require adjustments to the total number of the common shares of the Company to be issued or disposed of as restricted stock, the total number shall be adjusted to the extent reasonable.).

The amount to be paid per share shall be determined by the Board of Directors within the range that is not particularly advantageous to the Eligible Directors who will receive the common shares, based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day immediately prior to the date of each resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). For the issuance or disposal of the common shares of the Company, an agreement for allotment of the restricted stock including the following

contents (hereinafter referred to as the “Allotment Agreement”) shall be entered into between the Company and each Eligible Director.

(1) Transfer restriction period

The Eligible Directors shall not transfer, create a security interest on, or otherwise dispose of the common shares of the Company allotted under the Allotment Agreement (hereinafter referred to as the “Allotted Shares”) during a time period set out in advance by the Board of Directors of the Company, which shall be between 20 (twenty) and 30 (thirty) years from the date of allotment in accordance with the Allotment Agreement (hereinafter referred to as the “Transfer Restriction Period”). (hereinafter referred to as the “Transfer Restriction”)

(2) Treatment upon retirement

If the Eligible Director retires from the positions defined in advance by the Board of Directors of the Company before the Transfer Restriction Period expires, the Company shall rightfully acquire the Allotted Shares without contribution, unless such retirement is due to the expiration of the term of his/her office, death, or other justifiable reasons.

(3) Removal of the Transfer Restriction

Notwithstanding the provision in (1) above, the Company shall remove the Transfer Restriction with respect to all of the Allotted Shares at the expiration of the Transfer Restriction Period, on the condition that the Eligible Director has remained in the positions defined in advance by the Board of Directors throughout the Transfer Restriction Period. However, in the event that the Eligible Director retires from the positions specified in (2) above before the Transfer Restriction Period expires due to the expiration of the term of his/her office, death, or other justifiable reasons as specified in (2) above, the number of the Allotted Shares subject to removal of the Transfer Restriction and the timing of such removal shall be reasonably adjusted as necessary. Furthermore, the Company shall rightfully acquire, without contribution, the Allotted Shares for which the Transfer Restriction has not been removed at the time immediately after the Transfer Restriction was removed in accordance with the provisions above.

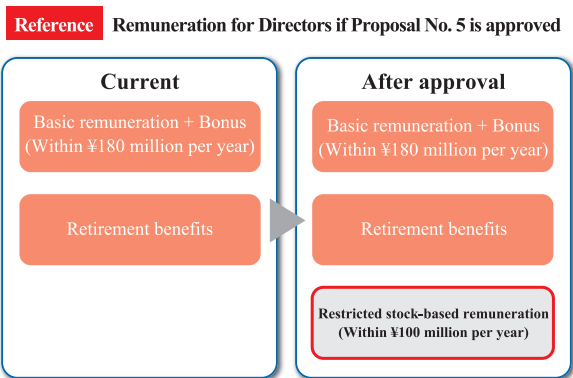
(4) Treatment of the Allotted Shares in the event of organizational restructuring, etc.

Notwithstanding the provision in (1) above, if matters relating to a merger agreement where the Company becomes the dissolving company, a share exchange agreement or share transfer plan where the Company becomes a wholly-owned subsidiary, or other reorganization, etc. are approved at the General Meeting of Shareholders of the Company (or approved by the Board of Directors of the Company if such reorganization, etc. does not require the approval of the General Meeting of Shareholders of the Company) during the Transfer Restriction Period, the Company shall remove the Transfer Restriction of the Allotted Shares, whose number will be reasonably determined in light of the period from the commencement date

of the Transfer Restriction Period to the date of approval of such reorganization, etc., prior to the effective date of such reorganization, etc., by resolution of the Board of Directors of the Company. In the case specified above, the Company shall rightfully acquire, without contribution, the Allotted Shares for which the Transfer Restriction has not been removed at the time immediately after the Transfer Restriction was removed.

(5) Other matters

Other matters with regard to the Allotment Agreement shall be determined by the Board of Directors of the Company.



(Note) Approval was given at the 69th Ordinary General Meeting of Shareholders held on August 24, 2006 for the amount to be within ¥180 million per year (including the amount for Outside Directors which is to be within ¥15 million per year, however, excluding the portion of employee salaries for Directors concurrently serving as employees).

Proposal No. 6: Continuation of a Policy on the Large-scale Purchase of the Company Shares (Anti-takeover Measures)

The Company adopted a policy on the large-scale purchase of the Company shares (Anti-takeover Measures) which was approved by the shareholders at the Company's 70th Ordinary General Meeting of Shareholders held on August 23, 2007. The Anti-takeover Measures was resolved and continued at the 73rd Ordinary General Meeting of Shareholders held on August 20, 2010, the 76th Ordinary General Meeting of Shareholders held on August 23, 2013 and the 79th Ordinary General Meeting of Shareholders held on August 26, 2016 (the current Anti-takeover Measures hereinafter referred to as the "Current Plan"), and the effective term of the Current Plan is until the conclusion of the 82nd Ordinary General Meeting of Shareholders (hereinafter referred to as "this OGMS") to be held on August 2019.

Under the "Basic Policy on Corporate Governance" stipulated on July 21, 2015, for the purpose of ensuring the common interests of shareholders, we have continued to examine how the Current Plan should be, including whether or not to continue the Current Plan, responding flexibly to the changes in the environment, on the assumption that we have a strong commitment to public service specializing mainly in supporting preparations of statutory and non-statutory corporate disclosure and IR-related documents that are highly confidential or sensitive.

As a result, we hereby announce that the Board of Directors including two Outside Directors resolved at its meeting held on July 9, 2019 that the Current Plan should be continued (the newly continued plan hereinafter referred to as "the Plan"), subject to approval by the shareholders at this OGMS.

The three Corporate Auditors, including two Outside Corporate Auditors, have stated that they all consent to the Plan on condition that it is appropriately implemented.

I. Basic Policy on Who Is Suitable to Be Entrusted with Control of Decision-Making over the Financial and Business Policies of the Company

The Company has specialized in supporting preparations of disclosure and IR-related documents, entrusted by the clients including listed companies, under the Financial Instruments and Exchange Act and Corporation Law, etc., and its operation relates to the critical matters for the development of fair capital market. Especially when the Company faces the situations that hinder its smooth business operation, its clients' activities for disclosure or IR may be impeded, which could lead to material effect on stability of fair capital market. Accordingly, the Company believes that it has a crucial responsibility in society regarding its business execution.

In handling the disclosure and IR-related documents, it is essential to possess high level of security environment and expertise in order to maintain and secure confidentiality and sensitivity of the information (including insider information) entrusted by the clients. Since its foundation, the Company has accumulated and cultivated information and various tools related to disclosure and IR as well as know-how possessed by each individual employee and network with cooperative business partners, all of which are the Company's valuable and important assets that can be offered to the clients. We believe that the wellspring of our corporate

value lies in our efforts in creating environment in which each and every employee is empowered to act in a fashion that gains the trust from the clients and caters to their needs through the corporate management that enhances organizational strengths.

We are convinced that enhancement of our corporate value and the common interests of shareholders are to be realized only through ensuring a reasonable profit returnable to shareholders over the medium to long term, and sufficiently fulfilling our role and mission in society while maintaining the management independence. Besides, we believe it is of crucial importance to maintain and develop sound and appropriate relations with our stakeholders including the clients, business partners and employees, not to mention our shareholders. These, we believe, are the kinds of management principles that are fundamental to maintaining the Company's edge in the field of disclosure and IR services.

When a bid is made to purchase the Company's shares, therefore, the impact of that purchase on the Company's corporate value and on the common interests of its shareholders needs to be properly determined by adequately grasping and examining the following: the feasibility and legality of the business plan proposed by the purchaser; the impact on management resources both tangible and intangible, especially on the trust from the clients, as well as the individual impacts on each stakeholder, and how they will affect our corporate value; the benefits that would accrue should the purchase be made; the actual state of the Group's finances and operations; and other factors contributing to the Company's corporate value.

As the result of such understanding and examination, if, as and when a large-scale purchase of the Company's shares could harm its corporate value and thereby undermine the common interests of shareholders, we will regard that the party making that purchase is not suitable to be entrusted with control over decision-making on the financial and business policies of the Company.

To be specific, a large-scale share purchase will be deemed incompatible with the Company's corporate value and the common interests of its shareholders in such cases as these: (i) if the purchase poses a clear threat of damaging the Company's corporate value and the common interests of shareholders; (ii) if it could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover (In the case of a tender offer, offering to buy up all the Company's shares at the time of the initial purchase setting unfavorable conditions of purchase for the second stage, which may effectively coerce shareholders to sell the Company's shares; (iii) if it is implemented without allowing the Company reasonable time to propose an alternative; (iv) if it is implemented without providing shareholders with the information reasonably deemed necessary to judge the specifics of the purchase; or (v) if the conditions of the purchase (e.g., the amount to be paid or form of payment, the timing of the purchase, or the legality of the method of purchase) are inadequate or inappropriate in light of the Company's actual corporate value, they will be considered unwilling to contribute to the Company's corporate value and the common interests of its shareholders.

II. Steps Designed to Contribute to Realization of the Basic Policy

Since the late Mr. Masamichi Nomura, who then worked for the Japanese government's Securities and Exchange Commission (now the Financial Services Agency), founded the Company, we have specialized in

mainly supporting clients' preparation of corporate disclosure and IR-related documents that are highly confidential or sensitive. In this business, information management and quality control systems, not to mention expert knowledge, are essential, which is why we have obtained the PrivacyMark on a company-wide basis. We also obtained, within specific bounds, Information Security Management System (ISMS) certification as well as "FSC Certification" and Green Printing certified by the Japan Federation of Printing Industries. Furthermore, at Printing Department Ukima Plant, we obtained certification for quality standard ISO (ISO 9001) and environmental standard (ISO 14001). The management systems required under these various certifications are run in integrated fashion as laid out in our CSR administration manual as well as various rules and regulations.

The Company has been working to enhance its risk management system in order to develop and improve the internal control system, as well as to further enhance its corporate governance based on the "Basic Policy on Corporate Governance." At the same time, the Company formulated and launched "New Medium Term Management Plan FY2020" aiming to achieve net sales of ¥19.1 billion, operating income of ¥1.9 billion, and ROE of 9% in the fiscal year ending May 2020, which marks the final fiscal year of the new plan.

Outline of "New Medium Term Management Plan FY2020" is as follows,

(1) Takara Printing's Future Vision and Basic Policy

(1) Takara Printing's Future Vision

To be a global financial support company

To be the sole provider of both disclosure and IR services

(2) Basic Policy

Based on our basic philosophy of aiming to become a company that can attract and impress customers by providing high-quality financial disclosure and IR services, the Group will grow along with the improved corporate value of our clients and developments in the financial disclosure system.

Consequently, as a financial disclosure and IR specialist, our basic policy is to work on the provision and expansion of solutions that are useful to customers, and to develop and cultivate new businesses necessary to take the next major step into the future.

(2) Specific Points of Action

- (1) Engage in proactive marketing activities that maximize the utilization of tools useful for customers' disclosure, as well as make efforts to improve convenience through the continuous expansion of functions. In addition, strive to enhance customer satisfaction in line with providing tools that meet new customer needs.
- (2) Further promote the expansion and sophistication of our disclosure support consulting services in collaboration with group companies in order to meet the rising need for support for Initial Public Offerings (IPO) and International Financial Reporting Standards (IFRS).
- (3) Use the expertise we have acquired as a disclosure and IR pioneer to support the activities of

our customers and expand our services for the growing area of discretionary disclosure as companies work to address the corporate governance code. In addition, strive to further expand and improve the quality of our translation business.

- (4) Work on initiatives and expansion in collaboration with our group companies as a whole in new business areas that we have cultivated while providing various solutions in response to the diverse needs of our customers. In addition, consider corporate alliances and M&A in order to develop new business areas.
- (5) Promote and proactively engage in collaboration with group companies in the area of website services whose importance as a communication tool for disclosure and IR services is increasing.
- (6) Refine the “Takara Brand” by accumulating advanced expertise in highly specialized fields and providing customers with new solutions, including through the transition of Disclosure & IR Research Institute Ltd., which conducts comprehensive research and analysis in the area of disclosure, to a subsidiary and the establishment of the Design Center (internal organization), which specializes in disclosure document-related design services.

(3) Target Indicators

(billions of yen)

Fiscal term	ended May 31, 2017	ended May 31, 2018		ended May 31, 2019		ending May 31, 2020	
	(Actual)	(Plan)	(Actual)	(Plan)	(Actual)	(Plan)	(Estimate)
Net sales	15.1	15.5	15.7	16.9	18.2	19.1	19.1
Operating income	1.4	1.5	1.5	1.6	1.7	1.9	1.9
Operating income margin	9.7%	9.9%	9.7%	10%	9.7%	10%	10%
Net income	1.0	1.1	1.1	1.2	1.2	1.3	1.3
ROE	8.3%	8.1%	8.0%	8.3%	8.5%	9.0%	9.0%

※ Net income presents net income attributable to owners of the parent.

After the expiry of the term of Medium Term Management Plan, we are to newly formulate another Medium Term Management Plan and publicly announce it.

As to profit return to our shareholders over the long term, we regard this matter as one of the important management issues, and based on our policy on maintaining stable dividend, having taken into consideration the reinforcement of our corporate structure and future business developments, we pay dividends commensurate with financial performance. Since we believe we have sufficient internal reserves for smooth business operations, we intend to return profits to shareholders in the form of dividends, as much as possible. Regarding the acquisition of treasury stock, with the goals of returning profits to shareholders as well as increasing capital efficiency, and taking into consideration the liquidity of the Company’s shares, acquisitions

will be made on an as-needed basis.

In order to enhance the Company's sustainable growth, social importance and corporate value over the medium to long term, we are striving to ensure profits while promoting CSR management. And through providing high quality products and services, implementing environmental conservation activities, safety information control, and equitable employment, we are conducting management in a timely and appropriate manner to return profits to shareholders.

* "Basic Policy on Corporate Governance" is posted on the Company's website:

<https://www.takara-print.co.jp/company/outline/cg.html>

* "New Medium Term Management Plan FY2020" is posted on the Company's website:

<https://www.takara-print.co.jp/english/about/management-plan.html>

III. Specifics of the Plan

Our policy on the large-scale purchase of company shares ("the Plan") is designed to keep control of decision-making over the Company's financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company's corporate value and the common interests of its shareholders.

The Plan shall be subject to the resolution of a general meeting of shareholders and shall not aim to serve directors' own interests but to serve common interests of shareholders.

1. Purpose of Adoption of the Plan

The Company does not consider all large-scale share purchases unacceptable. Nonetheless, as is clear from past instances in Japan, some large-scale share purchases can damage corporate value and harm the common interests of shareholders.

In the case of a purchase of company shares or a similar act, or a proposal to purchase company shares (all referred to hereinafter by the general term "purchase"), the Plan clearly sets out procedures to be followed by the party making the purchase or proposal (referred to hereinafter by the general term "purchaser"). It is thereby designed to ensure that shareholders are given sufficient necessary information and time to reach an appropriate decision. It is also designed to secure the opportunity to negotiate with the purchaser. By means of the Plan, the Company hopes to keep control of decision-making over the Company's financial and business policies out of the hands of purchasers who, in light of this policy, pose a clear threat of damaging the Company's corporate value and the common interests of its shareholders, and thus to prevent its corporate value from being damaged and the interests of its shareholders from being undermined contrary to their intentions.

As to the status of major shareholders of the Company as of May 31, 2019, please refer to Business Report "3. Status of Shares" (Japanese only).

Please be advised that the Company has not received any proposal regarding large-scale purchase of shares of the Company as the present.

2. Purchases Subject to the Plan

If a purchaser implements a purchase that matches either of the descriptions below (“a subject purchase”), the Company will consider whether or not to issue stock acquisition rights without charge or take such other countermeasures as are permitted under the law and the Company’s Articles of Incorporation (sometimes referred to hereinafter simply as “countermeasures”).

(i) A purchase that, with respect to shares and other securities¹ issued by the Company, would result in the ratio of shares and other securities² held by a particular holder³ exceeding 20%

(ii) A tender offer that, with respect to shares and other securities⁴ issued by the Company, would result in the total of the ratio of held shares and other securities⁵ covered by the tender offer⁶ and of the ratio of shares and other securities held by special stakeholders⁷ exceeding 20%

3. Procedures for Invocation or Non-invocation of the Plan

3.1. Establishment of a Special Panel

If a subject purchase has been or may be implemented, the Company’s Board of Directors will promptly establish a Special Panel independent of the Board.

The Special Panel will, independently of the Board of Directors, deliberate and make recommendations to the Board of Directors.

In the interests of protecting the corporate value of the Company and the common interests of its shareholders, the Special Panel will consult and negotiate with the purchaser as necessary, either directly or indirectly, in accordance with “3.2. Request to the Purchaser for Information” below. If the Special Panel asks the purchaser to furnish documentation for study or other information, or to enter consultations or negotiations, the purchaser must promptly accede.

An overview of the Special Panel is provided in “IV. The Special Panel.”

3.2. Request to the Purchaser for Information

Except where the Company’s Board of Directors deems it unnecessary, a purchaser engaging in a subject purchase will, before going ahead with the purchase, submit to the Board of Directors a written statement (“purchase description”) containing the following information, along with a pledge to comply with the procedures set out in the Plan when implementing the purchase:

(i) details about the purchaser and the purchaser’s group (including joint shareholders⁸, special stakeholders, association members, and, in the case of a fund, any other constituent members), including specific name, address, law under which established, name of representative, contact information in Japan, capital structure, and financial structure;

(ii) the purpose, method, and specifics of the purchase, including the purchase price and form of payment, purchase timing, relevant transaction methods, legality of the proposed purchase method, and feasibility of

¹⁻⁷ Each of these terms is to be understood as defined in the Financial Instruments and Exchange Act (Act No. 25 of 1948, April 13, 1948).

⁸ To be understood as defined in the Financial Instruments and Exchange Act (Paragraph 5, Article 27-23).

the purchase;

(iii) the basis on which the purchase price is calculated, including the facts on which the calculation is predicated, the method of calculation, and the numerical information used to make the calculation; as well as the premium value expected to arise from the series of transactions involved in the Purchase and the basis on which that value is calculated, and specifically the premium value to be distributed to minority shareholders and the basis on which that value is calculated;

(iv) evidence of funding to make the purchase, including the specific names of the providers (including the real providers) of the purchase funding, how it is to be raised, and details of relevant transactions;

(v) management policies, business plans, capital policies, and dividend policies for the Group to be implemented after the purchase;

(vi) policies pertaining to the treatment of the Group's clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase;

(vii) any legislative or other regulations that may apply to the purchase proposal, as well as the possibility that legislative or other approval or licensing can be obtained;

(viii) the possibility that the licensing required for the Group to operate can be maintained after the purchase, and that legislative and other regulations can be duly observed; and

(ix) such other information as the Special Panel deems reasonably necessary.

Upon the Company's receipt of the purchase description, the Board of Directors will promptly submit it to the Special Panel.

If the Special Panel determines that the information contained in the purchase description falls short of what is required, it may ask the purchaser to submit such additional information as is necessary to analyze its purchase, setting a reasonable deadline to reply.

To enable proper disclosure of information to our shareholders, the purchase description and any additional information submitted must, whatever language they are in, be accompanied by a Japanese translation. For the same reason, the Japanese text will be treated as the official version.

If a purchaser appears on the scene, the Company will disclose appropriate information at the necessary time. Any information submitted may also be disclosed if the Board of Directors deems it necessary in order to enable shareholders to reach a decision.

3.3. Request by the Special Panel for Opinions and Information from the Company's Board of Directors

Once the purchaser has submitted the purchase description and any other additional information requested, the Special Panel will ask the Company's Board of Directors to submit its opinions on the specifics of the purchase by the purchaser, setting a reasonable deadline within ten business days of receipt of that description. Along with its opinions, the Board will also be asked to submit documentation to back them up, an alternative plan, and such other information as the Special Panel may deem necessary.

3.4. Course of the Special Panel's Deliberations

Upon receipt of the purchase description and the other information requested from the purchaser, and of the opinions, documentation, and other information requested from the Company's Board of Directors, the Special Panel will have a maximum period of, as a rule, sixty days to deliberate ("period for deliberation by the Special Panel"). (The Special Panel can however extend this period under 3.6.(iii).) During that time, the Special Panel will gather information on the respective business plans etc. of the purchaser and the Company's Board of Directors, examine the details of the purchase by the purchaser and of the alternative plan proposed by the Company's Board, and compare the two. It will analyze the details of the purchase from the standpoint of protecting the Company's corporate value and the common interests of its shareholders.

To ensure that its judgments indeed contribute to the Company's corporate value and the common interests of its shareholders, the Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts.

3.5. Disclosure of Information to Shareholders

To increase the transparency of its decisions, the Special Panel will promptly disclose to shareholders facts of appearance of the purchaser, a summary and facts of receipt of the purchase description from the purchaser, the opinions of the Company's Board of Directors on the details of the purchase by the purchaser, a summary and facts of the alternative plan presented by the Board, facts of the beginning and the end of the period for deliberation by the Special Panel and such other information as the Special Panel or the Board of Directors of the Company consider appropriate. However, information deemed by the Panel as unsuitable for disclosure, such as business secrets, will be exempt from disclosure.

3.6. How the Special Panel Reaches Its Decision

If a purchaser appears on the scene, the Special Panel will implement the procedures described below.

The details of the recommendation made by the Special Panel in line with these procedures will, along with other relevant information, be promptly disclosed by the Company upon adoption of the relevant resolution. (If the period for deliberation by the Special Panel is extended as per (iii) below, the information disclosed will include the length of and reason for the extension).

(i) If the Special Panel recommends invocation of Countermeasures

If the Special Panel determines that the purchase by the purchaser meets one of the conditions stipulated in "4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures" below, and concludes that it is therefore appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company's Board of Directors that such measures be implemented.

(ii) If the Special Panel recommends non-invocation of Countermeasures

If, as the result of examining the details of the purchase by the purchaser and negotiating with the

purchaser, the Special Panel concludes that the purchase meets none of the conditions stipulated in “4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures” below or concludes that, although the purchase meets one of those conditions, it would not be appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel will recommend to the Company’s Board of Directors that no such measures be implemented⁹.

(iii) If the period for deliberation by the Special Panel is extended

If by the end of the original period for deliberation by the Special Panel, the Panel has not yet formulated a recommendation on whether or not to issue stock acquisition rights without charge or implement other countermeasures, the Panel can decide to extend the period of deliberation for as long as considered reasonably necessary (provided, however, no more than thirty days) in order to examine the details of the purchase by the purchaser, negotiate with the purchaser, and so forth.

3.7. Resolution of the Board of Directors

The Board of Directors of the Company will respect the recommendation of the Special Panel under “3.6. How the Special Panel Reaches Its Decision” above in resolving invocation or non-invocation of issuance of stock purchase right without charge or other countermeasures. Upon adoption of the resolution, the Board of Directors will promptly disclose its content and other relevant information.

The purchaser cannot implement the purchase of company shares until the Company adopts this resolution.

3.8. Holding of General Meeting of Shareholders

If the Special Panel has recommended the Board of Directors to obtain prior approval of general meeting of shareholder confirming intention of shareholders with respect to invocation of issuance of stock purchase right without charge or other countermeasures, or the Board of Director has decided in accordance with its duty of due care of a prudent manager that it is appropriate to confirm intention of shareholders whether or not it satisfy the “4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures” below, the Board of Directors may convene a General Meeting of Shareholders to consult with the shareholders.

4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures

If the purchaser fails to abide by the procedures stipulated in the Plan, or if, although the purchaser abides by those procedures, the purchase meets one of the descriptions below, and it is therefore deemed appropriate to issue stock acquisition rights without charge or take other countermeasures, the Special Panel

⁹ However, if a change occurs in the facts upon which this recommendation is predicated, leading the Special Panel to conclude that the purchase now meets one of the conditions stipulated in “4. Conditions for Issuing Stock Acquisition Rights without Charge or Implementing Other Countermeasures” below, and that it is therefore appropriate to issue stock acquisition rights without charge or take other countermeasures, the Panel can reach a different decision, which may include recommending to the Company’s Board of Directors that stock acquisition rights be issued without charge or other countermeasures taken.

will recommend the Company's Board of Directors implement such measures in accordance with the procedures stipulated in 3. above, "Procedures for Invocation or Non-invocation of the Plan," then the Board of Directors will decide, based on the Special Panel's recommendation, whether or not to invoke countermeasures.

(i) If the purchase poses a clear threat of damaging the Company's corporate value and the common interests of its shareholders in that it involves one of these or similar behaviors:

- (a) though there exists no true intention of participating in the management of the Company, buying up shares for the purpose of making the Company buy back the shares at a premium, which is deemed so-called "greenmailer" scenario;
- (b) gaining temporary control of the Company and then transferring its important assets such as clients' confidential information including insider information, disclosure and IR-related information, know-how, network with our business partners, disclosure document preparation system, or factory facilities to the purchaser or its group companies. These types of conduct are deemed to be for the iniquitous purpose or for the benefits of the purchaser to the detriment of public interest of the Company's business;
- (c) intend to misappropriate Company assets to use as security for the purchaser's own debt or that of one of its group companies, or to pay down such debt, all of which are deemed a leveraged buyout for realizing profits with no public interest; or
- (d) gaining temporary control of the Company, having it dispose of its real estate, securities and other assets, etc. that are not immediately related to its business, which is deemed to be for the purpose of causing the Company to pay temporarily inflated dividends out of the profits gained from such disposition; or taking advantage of the sudden jump in share price triggered by that temporary surge in dividends to sell off the shares at a premium.

(ii) If the purchase could effectively compel shareholders to sell their shares, as in a coercive two-tier takeover.

(iii) If the purchase is implemented without the Company being given the time reasonably necessary to present an alternative plan.

(iv) If the purchase is implemented without shareholders being adequately provided with the information requested and such other information as is deemed reasonably necessary in order to assess the details of the purchase.

(v) If the conditions of the purchase (e.g., amount to be paid or form of payment; timing of the purchase; legality of the method of purchase; feasibility of the purchase; management policies or business plans to be implemented after the purchase; impact of the purchase on the Company's relationship with its clients; or policies pertaining to the treatment of the Company's clients, business partners, employees, community stakeholders, and so forth to be implemented after the purchase) are inadequate or inappropriate in light of the Company's actual corporate value.

5. Countermeasures Other Than the Issue of Stock Acquisition Rights without Charge

Besides the issue of stock acquisition rights without charge, the Company's Board of Directors may in certain cases choose to take one of the other countermeasures permitted under the law and the Company's Articles of Incorporation. In that case it will select the form of action deemed appropriate at the time, such as the issue of shares for subscription, after referring the matter to the Special Panel.

IV. The Special Panel

If a subject purchase has been or may be implemented, the Company's Board of Directors will promptly establish a Special Panel.

To guarantee the Special Panel's impartiality, objectivity, and reasonableness, the Board of Directors will appoint to the Panel individuals who have a high degree of independence from both the Company's Board of Directors and the purchaser, namely, outside directors, outside corporate auditors, or outside eminent persons such as lawyers or university professors. The appointed members will elect a chairperson from their number. The Panel will consist of three or more members. For an overview of the Special Panel to be established under the Plan, see Appendix 1, "The Special Panel Rules." For the names of the candidates for the Panel and brief summaries of their careers, see Appendix 2, "Candidates for the Special Panel."

V. Overview of the Applicable Stock Acquisition Rights

If under the Plan it is decided to issue stock acquisition rights without charge (which rights will be referred to hereinafter as "applicable stock acquisition rights"), the Company will notify all shareholders recorded in the latest register of shareholders or register of beneficial shareholders as of a specific date, to be set by the Company's Board of Directors, that stock acquisition rights will be issued to them, without charge, at the rate separately determined by the Board of Directors per share held. Two conditions will be imposed on these stock acquisition rights: (i) the exercise provision that certain parties including the purchaser will not be allowed to exercise those rights; and (ii) the acquisition provision that the Company will acquire one stock acquisition right in exchange for one Company share from any shareholder other than the purchaser and related parties.

VI. Approval of the Plan by the General Meeting of Shareholders

The Plan will be rescinded if it fails to be approved by the shareholders at the Ordinary General Meeting of Shareholders.

VII. Effective Term, Repeal, and Revision of the Plan

The effective term of the Plan will be for the approximately three years from the conclusion of the Ordinary General Meeting of Shareholders, until the conclusion of the Ordinary General Meeting of Shareholders relating to the fiscal term ending on May 31, 2022.

The Company can repeal the Plan before its effective term expires by a resolution of the Board of Directors.

In the interests of maintaining and enhancing its corporate value and the common interests of its shareholders, the Company can also modify the Plan during its effective term by a resolution of the Board of Directors, as long as the modifications do not violate the spirit of the Plan as approved by the Ordinary General Meeting of Shareholders.

The Company can repeal or revise the Plan during the effective term of the Plan with the approval of a majority of the shareholders at a General Meeting of Shareholders. If the Plan is repealed or revised, the Company will promptly disclose the relevant details.

VIII. The Reasonableness of the Plan

In line with the Company's basic policy, the Plan fulfills related laws and regulations, court precedents, Regulations for Trading Supervision Systems at Trading Participants to Prevent Unfair Trading set out by Tokyo Stock Exchange, Inc., and three principles set out in the related laws and regulations the Guidelines on Anti-takeover Measures Designed to Guarantee or Enhance Corporate Value and the Common Interests of Shareholders (Ministry of Economy, Trade and Industry and Ministry of Justice, May 27, 2005): (i) the principle of guaranteeing and enhancing corporate value and the common interests of shareholders; (ii) the principle of prior disclosure and the will of the shareholders; and (iii) the principle of necessity and appropriateness as well as contents of guideline set forth in the "Takeover Defense Measures in Light of Recent Environmental Changes" (Corporate Value Study Group, June 30, 2008).

1. The Will of Shareholders Is Respected

The Plan will be rescinded if the essential thinking behind it fails to be approved by the shareholders at the Ordinary General Meeting of Shareholders.

The effective term of the Plan is restricted to approximately three years. In addition, the Company's directors serve for a term of one year; hence shareholders have a chance for their voice to be heard once a year when the directors come up for election.

2. Decisions Are Based on the Recommendation of Highly Independent Outsiders, and Information Is Duly Disclosed

Under the Plan, a Special Panel is established consisting of individuals who are in a position to oversee the Board of Directors, to wit, outside directors, outside corporate auditors, and outside eminent persons such as lawyers or university professors. The decision on whether or not to invoke the Plan is made by a resolution of the Board of Directors in accordance with the Panel's recommendation. The adoption of these procedures creates a mechanism that prevents arbitrary decisions by the Company's management and ensures that the Plan is administered fairly in such a way as to contribute to maintaining and enhancing the corporate value of the Company and the common interests of its shareholders.

To further increase the transparency of the Special Panel's decisions, a summary of the purchase description submitted by the purchaser, the opinions of the Company's Board of Directors on the specifics

of the purchase by the purchaser, a summary of the Board's alternative plan, and such other information as the Special Panel deems appropriate are in principle promptly disclosed to shareholders.

3. Objective Conditions Are Established for Invoking the Plan

The Plan is designed not to kick in unless certain rational, objective conditions defined in advance are met. This mechanism serves to prevent arbitrary decisions by the Company's Board of Directors.

4. The Views of Third-party Experts Are Obtained

The Special Panel can, at the Company's expense, seek the advice of independent third parties including certified public accountants, lawyers, consultants, financial advisers, and other experts. This further strengthens the impartiality and objectivity of the Special Panel's decision.

5. The Plan Is Not a Dead-hand or Slow-hand Defense

The Plan can, before its effective term expires, be repealed by a resolution of the Company's Board of Directors. It is therefore not a so-called dead-hand defense.

The Company's directors serve for one-year terms, and those terms are not staggered. The Plan is thus not a so-called slow-hand defense either.

IX. Impact on Shareholders

1. Impact on Shareholders at the Time of the Plan's Adoption

At the time of the Plan's initial adoption, there is no direct specific impact on the rights and interests of shareholders and investors, since no issuance of applicable stock acquisition rights without charge then takes place.

2. Impact on Shareholders When Applicable Stock Acquisition Rights Are Issued

Applicable stock acquisition rights will be granted, without charge, at a rate separately determined, to all persons who are shareholders of the Company as of a specific date, which date is set separately by the Company's Board of Directors in the resolution deciding that stock acquisition rights are to be issued. One stock acquisition right will be issued per share held. All shareholders will automatically receive their stock acquisition rights on the date when the issue of those rights takes effect; no application procedures are thus required.

In exchange for Company shares, the Company will, by resolution of the Board of Directors, acquire applicable stock acquisition rights from any shareholder except the purchaser, which will be unable to exercise stock acquisition rights (that purchaser will be referred to hereinafter as "the rights-restricted purchaser"). Shareholders other than the rights-restricted purchaser will thus receive Company shares

without exercising the applicable stock acquisition rights or paying moneys equivalent to the exercise price; the Company shares they hold will therefore not be diluted.

When applicable stock acquisition rights are to be issued without charge, a base date relating to issue of those stock acquisition rights will be announced. Stock acquisition rights will then be granted, without charge, to shareholders as of that base date. Shareholders must therefore promptly complete registration transfer procedures. Shareholders whose certificates are deposited with the Japan Securities Depository Center, however, do not need to complete registration transfer procedures.

When the Board of Directors passes a resolution deciding to acquire applicable stock acquisition rights, the Company will acquire those rights as of a date separately determined by the Board of Directors in accordance with legally prescribed procedures. Shareholders will be issued Company stock in return. In such cases the Company may ask such shareholders to separately submit a written statement, in a format prescribed by the Company, asserting, among other matters, that they are not the rights-restricted purchaser.

Even after the base date for issue of the applicable stock acquisition rights, or after the issue of those rights takes effect, the Company may, by the day before the first day of the exercise period for the applicable rights, cancel the issuance of the applicable rights or acquire the applicable stock acquisition rights without charge and without issuing Company shares to those holding those rights under certain circumstances such as where the purchaser withdraws its large-scale purchase bid. In such cases the value per share will not be diluted; considerable damages may therefore be sustained by shareholders or investors who trade the stock in anticipation of a dilution in its per-share value.

In addition to the above, details of method of allotment, exercise and acquisition by the Company will be disclosed or announced to shareholders upon adoption by the Board of Directors of a resolution to issue applicable stock acquisition rights without charge.

The Special Panel Rules

Article 1

This set of rules governs the operation and activities of the Special Panel to be established by the Board of Directors in order to consider the question of whether to invoke the policy on the large-scale purchase of shares and other securities of the Company (“the Policy”).

Article 2

The Special Panel shall be established by resolution of the Board of Directors.

Article 3

The Special Panel shall consist of three or more members. These members shall be appointed by the Board of Directors from among individuals independent of the management team that runs the Company’s operations, which individuals shall fall into one of the following categories:

- (i) outside directors of the Company;
- (ii) outside corporate auditors of the Company; or
- (iii) outside eminent persons other than the above.

The category “outside eminent persons” excludes individuals falling into Categories (i) or (ii). An outside eminent person must be one of the following; a chief company executive whose company does not have a vested interest in any executive of the Company Group and the Group itself; a former government official; a financial adviser; a lawyer; a certified public accountant; an academic; or the equivalent. An outside eminent person must also have executed an agreement with the Company, in a format to be separately prescribed by the Board of Directors, which includes a due-diligence clause.

Article 4

1. The term of office of Special Panel members shall expire at the end of the Ordinary General Meeting of Shareholders relating to the last business year to end within one year of their appointment, except if decided otherwise by resolution of the Board of Directors.
2. If a Special Panel member as defined above is an outside director or outside corporate auditor, but later ceases to be a director or corporate auditor, his or her term of office as a member of the Special Panel shall expire at the same time. Nonetheless, if the Special Panel member still fulfills the requirements for being deemed an outside eminent person, the Board of Directors may reappoint him or her to the Special Panel by following the prescribed procedures.

Article 5

1. The Special Panel shall deliberate and decide on the following matters independently of the Board of Directors:
 - (i) whether or not the issue of applicable stock acquisition rights without charge should be implemented;
 - (ii) the cancellation of the issue, without charge, of applicable stock acquisition rights, or the acquisition, without charge, of those rights; and
 - (iii) such other matters as are to be decided by the Board of Directors and are referred by it to the Special Panel.

The Special Panel shall then make a recommendation to the Board of Directors containing the details of its decision, stating also the reasons for it. In reaching that decision, the members of the Special Panel shall consider whether or not the corporate value of the Company and the common interests of its shareholders are best served. Their objective must not be the pursuit of their own personal interests or those of Company management.

2. As the body enshrined in the Corporation Law, the Board of Directors shall pass a resolution deciding, for instance, to issue or not to issue applicable stock acquisition rights without charge, in so far as possible respecting the above recommendation by the Special Panel.
3. In addition to the matters enumerated in Clause 1, the Special Panel shall also be responsible for the following:
 - (i) determining whether the purchase in question merits invoking the Policy;
 - (ii) deciding what information the purchaser and the Board of Directors should provide to the Special Panel, and setting the deadline for doing so;
 - (iii) determining and extending the length of the period for deliberation by the Special Panel;
 - (iv) scrutinizing and analyzing the details of the purchase by the purchaser;
 - (v) negotiating and consulting with the purchaser and others, whether directly or through the Board of Directors;
 - (vi) asking the Board of Directors to submit an alternative plan, examining the alternative plan drawn up by the Board of Directors;
 - (vii) approving revisions or changes to the Policy;
 - (viii) performing such other functions as the Special Panel is authorized to carry out under the Policy; and
 - (ix) performing such functions as the Special Panel is authorized to carry out by the Board of Directors.

Article 6

1. If the Special Panel determines that the information contained in the purchase description falls short of what is required under the Policy, it shall ask the purchaser to submit such additional information as is required under the Policy.
2. Once the purchaser has submitted the purchase description, as well as such additional information as is

required under the Policy as per the preceding clause, the Special Panel can ask the Company's Board of Directors to submit, by a reasonable deadline, its opinions on the specifics of the purchase by the purchaser, along with documentation to back them up, an alternative plan, and such other information and data as the Special Panel may deem necessary.

Article 7

1. If it deems it necessary, the Special Panel shall, either directly or through the Board of Directors, consult and negotiate with the purchaser in order to improve the terms of the purchase in the interests of protecting the corporate value of the Company and the common interests of its shareholders.
2. In accordance with the results achieved as per the provisions of the preceding clause, the Special Panel shall present an alternative plan to the shareholders.

Article 8

In order to gather necessary information, the Special Panel can ask the Board of Directors to arrange for the attendance of directors, corporate auditors, executive officers, employees, and any other persons whose attendance the Special Panel deems necessary, and can ask those persons to brief it on such matters as it stipulates.

Article 9

The Special Panel can, at the Company's expense, seek the advice of independent third parties (e.g., financial advisers, certified public accountants, lawyers, consultants, and other experts).

Article 10

Any member of the Special Panel can convene the Special Panel whenever a purchase bid has occurred or at any other time.

Article 11

Resolutions of the Independent Panel shall in principle be adopted by a majority of the members present with all members in attendance. In the absence or disability of a member, however, a resolution can be adopted by a majority of the members present with a majority of members in attendance.

Candidates for the Special Panel

Nobuo Nakamura

April 1991	Full-time Lecturer, Faculty of Law, Aichi Gakuin University
April 1994	Assistant Professor, School of Commerce, Waseda University
April 1996	Associate Professor, School of Commerce, Waseda University
April 2001	Professor, School of Commerce, Waseda University and subsequently Professor, Faculty of Commerce, Waseda University (to present)
March 2004	Visiting Researcher, Institute of Advanced Legal Studies, University of London
August 2007	Outside Director of the Company (retired in August 2008)

Yutaka Onishi

April 1989	Registered as attorney at law
August 1994	Corporate Auditor of the Company (to present)

Chikako Sekine

April 1972	Joined Shiseido Yamagata Sales Co., Ltd.
April 2006	General Manager, Osaka Branch of Shiseido Sales Co., Ltd. (currently Shiseido Japan Co., Ltd.)
April 2008	Seconded to Headquarters of d'ici là Co., Ltd. General Manager, Japan Marketing Headquarters of d'ici là Co., Ltd.
October 2009	General Manager, Beauty Consultation Planning Group, International Marketing Department, International Business Division of Shiseido Company, Limited
April 2012	Corporate Officer of Shiseido Company, Limited
April 2014	Corporate Executive Officer of Shiseido Company, Limited
January 2016	Corporate Advisor of Shiseido Company, Limited
February 2016	Outside Director of E-SUPPORTLINK, Ltd. (to present)
April 2018	Representative Director of B-mind Corporation (to present)
June 2018	Outside Director of VALQUA, LTD. (to present)
May 2019	Outside Director of FamilyMart UNY Holdings Co., Ltd. (to present)

Proposal No. 7: Payment of Retirement Benefits to a Retiring Director and a Retiring Corporate Auditor

Mr. Yoshinori Tamura and Mr. Aritsune Hiramatsu will retire from their office as Director and Corporate Auditor, respectively, at the closing of this General Meeting of Shareholders. In order to reward them for their contribution during their terms of office, the Company proposes the award of the retirement benefits within the range of a due amount in accordance with certain standards set by the Company. The Company requests that the specific amounts, the timing, the methods, etc. of the award to the retiring Director be left to the discretion of the Board of Directors and those of the award to the retiring Corporate Auditor be left to the deliberation of Corporate Auditors.

The career summaries of the retiring Director and Corporate Auditor are as follows.

Name	Career	
Yoshinori Tamura	August 2004	Director of the Company
	August 2006	Director and Managing Executive Officer of the Company (current position)
Aritsune Hiramatsu	August 2015	Standing Corporate Auditor of the Company (current position)