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(Securities Code 9722)

March 4, 2020

**To Those Shareholders with Voting Rights**

Yoshihiro Ise  
President and Chief Executive Officer  
FUJITA KANKO INC.  
10-8, Sekiguchi 2-chome, Bunkyo-ku  
Tokyo, Japan

**NOTICE OF THE 87<sup>th</sup> ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 87<sup>th</sup> 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 exercise your voting rights in writing or through electromagnetic devices (Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:00 p.m. on March 25, 2020 (Wednesday).

- 1. Date and Time:** Thursday, March 26, 2020 at 10:00 a.m. (Door opens at 9:00 a.m.)  
**2. Place:** Grand Hall TSUBAKI\*, Hotel Chinzanso Tokyo (5<sup>th</sup> floor of Banquet Bldg.)  
10-8, Sekiguchi 2-chome, Bunkyo-ku, Tokyo, Japan
- 3. Agenda of the Meeting:**
- Matters to be reported:**
1. The Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditor and Board of Corporate Auditors for the 87<sup>th</sup> fiscal term (from January 1, 2019 to December 31, 2019)
  2. The Non-Consolidated Financial Statements for the 87<sup>th</sup> fiscal term (from January 1, 2019 to December 31, 2019)

**Proposals to be resolved:**

- Proposal No. 1:** Appropriation of Surplus  
**Proposal No. 2:** Election of Nine Directors  
**Proposal No. 3:** Election of One Corporate Auditor  
**Proposal No. 4:** Election of One Substitute Corporate Auditor

## **Reference Documents for the General Meeting of Shareholders**

### **Proposals and References**

#### **Proposal No. 1: Appropriation of Surplus**

The Company proposes the following appropriation of surplus.

The Company has a basic policy to fully consider passing its profits on to shareholders, and pay dividends in proportion to the results of its business in consideration of further reinforcement of corporate structure and accumulation of internal reserves to be utilized to promote businesses. Taking into comprehensive consideration of business performance during the term, future business environment, financial conditions, payout ratio, etc., the Company proposes the year-end dividend for this fiscal term as follows.

#### **Year-End Dividends**

(1) Type of dividend property

Money

(2) Matters related to allocation of dividend property and total amount thereof

30 yen per share of the Company's common stock and dividends total 359,606,400 yen

(3) Effective date of dividends from surplus

March 27, 2020

**Proposal No. 2: Election of Nine Directors**

The terms of office of all nine Directors will expire at the conclusion of the meeting. We therefore propose that nine Directors be newly elected.

The candidates for Directors are as follows:

Candidate No.	Name		Current position and assignment in the Company
1	Reappointment	Yoshihiro Ise	President and Chief Executive Officer
2	Reappointment	Takeaki Yamada	Representative Director in charge of Human Resources Group
3	Reappointment	Akira Kitahara	Director in charge of Marketing Group
4	New Candidate	Takanori Matsuda	Executive Officer and Chief of Human Resources Group
5	New Candidate	Hiroyuki Nozaki	Executive Officer, Chief of Planning Group, and Management Planning Officer
6	Reappointment	Rieko Zanma	Outside Director Independent Director Director
7	Reappointment	Kazunori Takami	Outside Director Independent Director Director
8	Reappointment	Shiho Takano	Outside Director Independent Director Director
9	Reappointment	Masao Yamada	Outside Director Director

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
1	<div>Reappointment</div> <div>Yoshihiro Ise</div> <ul style="list-style-type: none"> <li>• Date of birth: May 29, 1960</li> <li>• Number of shares of the Company held: 4,600 shares</li> </ul>	<div>April 1983</div> <div>May 2002</div> <div>November 2003</div> <div>March 2005</div> <div>October 2006</div> <div>March 2008</div> <div>March 2010</div> <div>March 2012</div> <div>March 2014</div> <div>March 2015</div> <div>March 2017</div> <div>March 2018</div> <div>March 2019</div> <div>(Important Concurrent Positions)</div> <div>N.A.</div>	<div>Joined FUJITA KANKO INC.</div> <div>Leader of Development and Construction Group of Corporate Center of FUJITA KANKO INC.</div> <div>Chief of Corporate Planning Office of Leisure Business Department of FUJITA KANKO INC.</div> <div>Leader of Related Companies Group of Corporate Center of FUJITA KANKO INC.</div> <div>Leader of Development Group of Washington Hotel Company Planning Office of FUJITA KANKO INC.</div> <div>President and Representative Director of CANAL CITY・FUKUOKA WASHINGTON HOTEL K.K. and General Manager of Canal City・Fukuoka Washington Hotel</div> <div>President and Representative Director of URAWA WASHINGTON HOTEL INC. and General Manager of Urawa Washington Hotel</div> <div>General Manager of Chiba Washington Hotel</div> <div>Executive Officer, and Management Planning and Business Promotion Officer of Planning Group of FUJITA KANKO INC.</div> <div>Director and Executive Officer, and Chief of Planning Group of FUJITA KANKO INC.</div> <div>Representative Director and Managing Executive Officer, and Chief of Planning Group of FUJITA KANKO INC.</div> <div>Representative Director and Senior Managing Executive Officer, and Chief of Planning Group of FUJITA KANKO INC.</div> <div>President and Chief Executive Officer of FUJITA KANKO INC. (to the present)</div>
<u>Reasons for nomination as a candidate for Director</u> Yoshihiro Ise has successively served in managerial positions at business offices, business groups and headquarters divisions of the Group, and has served as Representative Director of the Company since 2017, and as President and Chief Executive Officer since 2019. Therefore, he possesses abundant experience and knowledge in management as well as in both sales and administration operations. We nominated him as a candidate for Director as we judged that his experience and knowledge can continue to be effectively utilized in the management of the Company.			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
2	<div>Reappointment</div> <div>Takeaki Yamada</div> <ul style="list-style-type: none"> <li>• Date of birth: July 27, 1958</li> <li>• Number of shares of the Company held: 3,600 shares</li> </ul>	<div>April 1982</div> <div>April 2003</div> <div>April 2006</div> <div>June 2007</div> <div>April 2008</div> <div>June 2008</div> <div>March 2012</div> <div>July 2012</div> <div>March 2018</div> <div>March 2019</div> <div>(Important Concurrent Positions)</div> <div>N.A.</div>	<div>Joined Dowa Mining Co., Ltd. (currently DOWA HOLDINGS CO., LTD.)</div> <div>General Manager, Electric Materials Division, Electronics &amp; Metal Processing Company</div> <div>General Manager, Corporate Staff Personnel Affairs and Labor Department</div> <div>Executive Officer in charge of Personnel Affairs</div> <div>Executive Officer in charge of Personnel Affairs and Human Resources Development</div> <div>Director</div> <div>Managing Director and Managing Executive Officer in charge of Personnel Affairs Organization of FUJITA KANKO INC.</div> <div>Managing Director and Managing Executive Officer, and Chief of Human Resources Group of FUJITA KANKO INC.</div> <div>Director and Senior Managing Executive Officer, and Chief of Human Resources Group of FUJITA KANKO INC.</div> <div>Representative Director in charge of Human Resources Group of FUJITA KANKO INC. (to the present)</div>
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Takeaki Yamada has successively served in managerial positions in the human resources and labor divisions of DOWA HOLDINGS CO., LTD., and has served in a managerial position in the human resources division as a Director of the Company since 2012 and as Representative Director of the Company since 2019. Therefore, he possesses abundant experience and knowledge. We nominated him as a candidate for Director as we judged that his experience and knowledge can continue to be effectively utilized in the management of the Company.</p>			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions
3	<p>Reappointment</p> <p>Akira Kitahara</p> <ul style="list-style-type: none"> <li>• Date of birth: August 25, 1956</li> <li>• Number of shares of the Company held: 3,900 shares</li> </ul>	<p>April 1982      Joined FUJITA KANKO INC.</p> <p>September 2001      General Manager of Fujita Kanko Washington Hotel Asahikawa</p> <p>July 2003      President and Representative Director of FUJITA KANKO WASHINGTON HOTEL ASAHIKAWA K.K. and General Manager of Fujita Kanko Washington Hotel Asahikawa</p> <p>January 2004      President and Representative Director of NARITA WASHINGTON HOTEL SERVICE INC. and General Manager of Narita Airport Washington Hotel</p> <p>March 2005      President and Representative Director of KANSAI AIRPORT WASHINGTON HOTEL INC. and General Manager of Kansai Airport Washington Hotel</p> <p>October 2007      General Manager of Shinjuku Washington Hotel</p> <p>March 2011      Executive Officer, and General Manager of Shinjuku Washington Hotel of FUJITA KANKO INC.</p> <p>March 2013      Director and Executive Officer, and General Manager of Shinjuku Washington Hotel of FUJITA KANKO INC.</p> <p>March 2014      Director and Executive Officer, General Manager of Shinjuku Washington Hotel, and Co-Chief Operating Officer (Co-COO) of International Business Group of FUJITA KANKO INC.</p> <p>January 2015      Director and Executive Officer, Chief Operating Officer (COO) of WHG Business Group, and Co-Chief of International Group of FUJITA KANKO INC.</p> <p>March 2016      Director and Managing Executive Officer, Chief Operating Officer (COO) of WHG Business Group, and in charge of International Group of FUJITA KANKO INC.</p> <p>March 2017      Director and Managing Executive Officer, and Chief Operating Officer (COO) of WHG Business Group of FUJITA KANKO INC.</p> <p>March 2019      Director in charge of Marketing Group of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions) N.A.</p>
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Akira Kitahara has successively served in managerial positions at business offices, business groups, and headquarters divisions of the Group. Therefore, he possesses abundant experience and knowledge regarding all aspects of sales. We nominated him as a candidate for Director as we judged that his experience and knowledge can continue to be effectively utilized in the management of the Company.</p>		

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
4	<div>New Candidate</div> <p>Takanori Matsuda</p> <ul style="list-style-type: none"> <li>• Date of birth: October 13, 1962</li> <li>• Number of shares of the Company held: 1,400 shares</li> </ul>	<p>April 1985      Joined FUJITA KANKO INC.</p> <p>March 2006      Managing Director of NIIGATA WASHINGTON HOTEL INC. and General Manager of Niigata Washington Hotel</p> <p>March 2007      President and Representative Director of NAGASAKI WASHINGTON HOTEL SERVICE INC. and General Manager of Nagasaki Washington Hotel</p> <p>May 2011      Chief of Business Promotion Group, General Manager's Office of Business Operations Division of FUJITA KANKO INC.</p> <p>July 2012      Chief of Planning Team of WASHINGTON Business Group of FUJITA KANKO INC.</p> <p>April 2014      Chief of Planning Team of WHG Business Group of FUJITA KANKO INC.</p> <p>March 2016      Officer in charge of Personnel Affairs, Human Resources Group of FUJITA KANKO INC.</p> <p>October 2017      Executive Officer, Chief Operating Officer (COO) of Resort Business Group of FUJITA KANKO INC.</p> <p>March 2018      Director and Executive Officer, Chief Operating Officer (COO) of Resort Business Group of FUJITA KANKO INC.</p> <p>January 2020      Executive Officer and Chief of Human Resources Group of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions) N.A.</p>	
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Takanori Matsuda has successively served in managerial positions at business offices, business groups, and headquarters divisions of the Group. Therefore, he possesses abundant experience and knowledge regarding both sales and administration operations. Accordingly, we nominated him as a new candidate for Director as we judged that his experience and knowledge can be effectively utilized in the management of the Company.</p>			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
5	<div>New Candidate</div> <p>Hiroiyuki Nozaki</p> <ul style="list-style-type: none"> <li>• Date of birth: July 11, 1962</li> <li>• Number of shares of the Company held: 600 shares</li> </ul>	<p>April 1989      Joined FUJITA KANKO INC.</p> <p>December 2010      Head of Planning Section of China Marketing Department of FUJITA KANKO INC.</p> <p>November 2011      General Manager of Shanghai Office, China Marketing Department of FUJITA KANKO INC.</p> <p>July 2012      General Manager of Shanghai Office, International Business Group of FUJITA KANKO INC.</p> <p>August 2012      Representative Director and President of Fujita (Shanghai) Business Consultant Co., Ltd.</p> <p>September 2015      Managing Director, General Manager of Quality Control Department, and General Manager of Accounting Department of Fairton Corporation</p> <p>October 2017      Officer in charge of Management Planning, Planning Group of FUJITA KANKO INC.</p> <p>March 2019      Executive Officer in charge of Planning Group, and Officer in charge of Management Planning of FUJITA KANKO INC.</p> <p>January 2020      Executive Officer, Chief of Planning Group, and Officer in charge of Management Planning of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions) N.A.</p>	
<p><u>Reasons for nomination as a candidate for Director</u></p> <p>Hiroiyuki Nozaki has successively served in managerial positions at business offices, overseas (China) business offices and headquarters divisions of the Group. Therefore, he possesses abundant experience and knowledge regarding both sales and administration operations. Accordingly, we nominated him as a new candidate for Director as we judged that his experience and knowledge can be effectively utilized in the management of the Company.</p>			



Candidate No.	Name	Career summary, position, assignment and important concurrent positions
6	<div>Reappointment</div> <div>Rieko Zanma</div> <div>Outside Director</div> <div>Independent Director</div> <ul style="list-style-type: none"> <li>● Date of birth: March 21, 1950</li> <li>● Number of shares of the Company held: 1,300 shares</li> </ul>	<p>April 1970      Joined Shizuoka Broadcasting System as an announcer</p> <p>June 1973      Joined Kobunsha Publishing Co., Ltd. as a journalist of editorial department of “Josei Jishin”</p> <p>January 2001    Member of “Fiscal System Council” of the Ministry of Finance</p> <p>February 2001   Member of “Council for Social Infrastructure” of the Ministry of Land, Infrastructure, Transport and Tourism</p> <p>March 2004      Overall producer, “International Skills Festival for All Japan 2007” of the Ministry of Health, Labour and Welfare</p> <p>November 2008   Member of “Informal Discussion on the Settlement and Independence Area Plan” of the Ministry of Internal Affairs and Communications (to the present)</p> <p>January 2009    Founded “club will be” as a network for adults, Representative (to the present)</p> <p>August 2009     Member of the “study group on citizen judge system” of the Ministry of Justice</p> <p>March 2010      Outside Director of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions)</p> <p>President and Representative Director of Candid Produce</p> <p>Outside Director of IBJ, Inc.</p> <p>Outside Director of SHIMA SEIKI MFG., LTD.</p> <p>Outside Director of Trust Tech Inc. (Current trade name: BeNEXT Technologies Inc.)</p>
<p><u>Reasons for nomination as a candidate for Outside Director</u></p> <p>Rieko Zanma has been engaged in business management for many years, and successively served as members of public committees such as government councils. Moreover, she has handled many large events as an overall producer. Therefore, she possesses abundant experience and knowledge in a wide range of fields. Furthermore, as we judged that she can contribute to the Company's initiatives for diversity and inclusion, including the promotion of active involvement of female employees, we again nominated her as a candidate for Outside Director.</p>		

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
7	<div>Reappointment</div> <div>Kazunori Takami</div> <div>Outside Director</div> <div>Independent Director</div> <ul style="list-style-type: none"> <li>• Date of birth: June 12, 1954</li> <li>• Number of shares of the Company held: 100 shares</li> </ul>	<div>April 1978</div> <div>December 1998</div> <div>January 2002</div> <div>June 2004</div> <div>October 2008</div> <div>April 2012</div> <div>April 2015</div> <div>June 2015</div> <div>July 2017</div> <div>June 2018</div> <div>March 2019</div> <div>June 2019</div>	<div>Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</div> <div>Chief of Management Planning Office of Home Appliance &amp; Housing Electronics Company</div> <div>Director and General Manager of Refrigerator Business Division of Matsushita Refrigeration Company</div> <div>Managing Executive Officer and General Manager of National Marketing Division of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</div> <div>Managing Director of Panasonic Corporation, and President of Home Appliances Company</div> <div>Senior Managing Director of Panasonic Corporation, and President of Appliances Company</div> <div>Executive Vice President of Panasonic Corporation in charge of Japan Region, Customer Satisfaction, and Design</div> <div>Outside Director of TOKYO FM Broadcasting Co., Ltd. (to the present)</div> <div>Corporate Advisor of Panasonic Corporation</div> <div>Outside Director of Nojima Corporation (to the present)</div> <div>Outside Director of FUJITA KANKO INC. (to the present)</div> <div>Outside Director of Tokyo Gas Co., Ltd. (to the present)</div> <div>(Important Concurrent Positions)</div> <div>Outside Director of TOKYO FM Broadcasting Co., Ltd.</div> <div>Outside Director of Nojima Corporation</div> <div>Outside Director of Tokyo Gas Co., Ltd.</div>
<u>Reasons for nomination as a candidate for Outside Director</u> Kazunori Takami has successively served in managerial positions in the sales and other various business divisions of Panasonic Corporation and has been engaged in corporate management for many years. Therefore, he possesses abundant experience and knowledge regarding all aspects of business management and marketing. Accordingly, we again nominated him as a candidate for Outside Director as we judged that his experience and knowledge can be effectively utilized in the management of the Company.			

Candidate No.	Name	Career summary, position, assignment and important concurrent positions
8	<div>Reappointment</div> <div>Shiho Takano</div> <div>Outside Director</div> <div>Independent Director</div> <ul style="list-style-type: none"> <li>• Date of birth: June 20, 1964</li> <li>• Number of shares of the Company held: 200 shares</li> </ul>	<p>April 1987      Joined Meiji Dairies Corporation (currently Meiji Co., Ltd.)</p> <p>September 1990      Joined Parfums Yves Saint Laurent Japan Ltd.</p> <p>September 1996      Joined Coca-Cola (Japan) Company, Limited, Activation Manager</p> <p>April 1998      Joined Boots MC Company Limited, Buying and Marketing Manager</p> <p>February 2001      General Manager and Head of Japan operations of L'OCCITANE JAPON K.K</p> <p>January 2004      Representative Director and President of L'OCCITANE JAPON K.K</p> <p>April 2015      Representative Director and Chairman of L'OCCITANE JAPON K.K</p> <p>April 2016      Senior Adviser of L'OCCITANE JAPON K.K</p> <p>March 2017      Representative Director and President of Etowa Co., Ltd. (to the present)</p> <p>June 2018      Outside Director of MORINAGA &amp; CO., LTD. (to the present)</p> <p>March 2019      Outside Director of FUJITA KANKO INC. (to the present)</p> <p>(Important Concurrent Positions)</p> <p>Representative Director and President of Etowa Co., Ltd.</p> <p>Outside Director of MORINAGA &amp; CO., LTD.</p>
<p><u>Reasons for nomination as a candidate for Outside Director</u></p> <p>Shiho Takano has been engaged in corporate management for many years in the cosmetics industry, etc. and possesses abundant experience and knowledge regarding all aspects of business management and marketing. Furthermore, as we judged that she can contribute to the Company's initiatives for diversity and inclusion, including the promotion of active involvement of female employees, we again nominated her as a candidate for Outside Director.</p>		

Candidate No.	Name	Career summary, position, assignment and important concurrent positions	
9	<div>Reappointment</div> <div>Masao Yamada</div> <div>Outside Director</div> <ul style="list-style-type: none"> <li>• Date of birth: November 15, 1953</li> <li>• Number of shares of the Company held: 0 shares</li> </ul>	April 1978 April 2003 June 2003 April 2005 October 2006 April 2008 February 2009 April 2009 June 2009 April 2012 June 2018 March 2019 June 2019  (Important Concurrent Positions)	Joined Dowa Mining Co., Ltd. (currently DOWA HOLDINGS CO., LTD.) Vice President of Environmental Management & Recycling Company Officer, Vice President of Environmental Management & Recycling Company Officer, President of Environmental Management & Recycling Company Officer, President and Representative Director of Dowa Eco-system Co., Ltd. President and Representative Director of Kosaka Smelting & Refining Co., Ltd., Director of Dowa Metals & Mining Co., Ltd. Senior Officer of DOWA HOLDINGS CO., LTD. Executive Vice President and Senior Officer President and Representative Director Chairman of Japan Mining Industry Association Chairman and Representative Director of DOWA HOLDINGS CO., LTD. (to the present) Outside Director of FUJITA KANKO INC. (to the present) Outside Auditor, Audit and Supervisory Committee Member of CK SAN-ETSU Co., Ltd. (to the present)
<u>Reasons for nomination as a candidate for Outside Director</u> Masao Yamada has successively served in managerial positions in overall business management at DOWA HOLDINGS CO., LTD. and has been engaged in corporate management for many years. Therefore, he possesses abundant experience and knowledge in business management. Accordingly, we again nominated him as a candidate for Outside Director as we judged that his experience and knowledge can be effectively utilized in the management of the Company.			

- Notes: 1. No conflict of interest exists between the Company and any of the above candidates for Directors.
2. Rieko Zanma, Kazunori Takami, Shiho Takano, and Masao Yamada are candidates for Outside Directors.
3. Rieko Zanma, Kazunori Takami, and Shiho Takano satisfy the requirements for independent directors pursuant to the rules of Tokyo Stock Exchange, Inc. The Company registered them as independent directors with the said exchange and plans to maintain such registration after the approval of their reappointment.
4. The term of office of Rieko Zanma as an Outside Director will be ten years and the term of office of Kazunori Takami, Shiho Takano, and Masao Yamada as Outside Directors will be one year, at the conclusion of the meeting.
5. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 30 of the Articles of Incorporation of the Company, the Company has entered into a limited liability agreement with all of the candidates for Outside Directors above, which stipulates that the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount

stipulated by laws and regulations if they acted in good faith without gross negligence in the performance of their duties. If their reelection is approved, the Company plans to continue this agreement.

### Proposal No. 3: Election of One Corporate Auditor

The term of office of Corporate Auditor Masato Yoshihara will expire at the conclusion of the meeting. We therefore propose that one Corporate Auditor be newly elected.

The Board of Corporate Auditors has given its approval to this proposal.

The candidate for Corporate Auditor is as follows:

Name	Career summary, position and important concurrent positions	
<div>New Candidate</div> <div>Takashi Wakuri</div> <ul style="list-style-type: none"><li>● Date of birth: May 27, 1960</li><li>● Number of shares of the Company held: 1,400 shares</li></ul>	April 1983	Joined FUJITA KANKO INC.
	July 2002	General Manager of Chinzanso (currently Hotel Chinzanso Tokyo)
	January 2004	Marketing Manager of Chinzanso (currently Hotel Chinzanso Tokyo)
	October 2005	Chief of Business Center of Bridal & Luxury Hotel Company Planning Office of FUJITA KANKO INC.
	July 2006	Marketing Manager of Taiko-En
	October 2007	General Manager of Wedding Marketing Division, Mejiro Marketing Headquarters of FUJITA KANKO INC.
	March 2012	President and Representative Director of URAWA WASHINGTON HOTEL INC. and General Manager of Urawa Washington Hotel
	October 2015	Executive Officer, and Deputy Chief of Administrative Group of FUJITA KANKO INC.
	March 2016	Director and Executive Officer, and Chief of Administrative Group of FUJITA KANKO INC.
	March 2019	Director in charge of Planning Group of FUJITA KANKO INC. (to the present)
(Important Concurrent Positions)		
N.A.		
<u>Reasons for nomination as a candidate for Corporate Auditor</u> Takashi Wakuri has successively served in managerial positions at business officers and headquarters divisions of the Group, and has served as a Director of the Company since 2016. He possesses abundant experience and knowledge regarding management, and is also in charge of the Accounting Department and General Affairs Department of the headquarters. Accordingly, we nominated him as a new candidate for Corporate Auditor as we judged that his experience and knowledge can be effectively utilized in the auditing operations of the Company.		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Corporate Auditor.

2. Takashi Wakuri currently serves as a Director of the Company, and his term will expire at the conclusion of the meeting.

#### Proposal No. 4: Election of One Substitute Corporate Auditor

Election of one Substitute Corporate Auditor is proposed, in case the number of Corporate Auditors falls short of the fixed number stipulated in laws and regulations.

The Board of Corporate Auditors has given its approval to this proposal.

The candidate for Substitute Corporate Auditor is as follows:

Name	Career summary, position and important concurrent positions	
<div>Yosuke Ichimura</div> <div>Outside Corporate Auditor</div> <div>Independent Auditor</div> <ul style="list-style-type: none"><li>● Date of birth: January 19, 1951</li><li>● Number of shares of the Company held: 0 shares</li></ul>	April 1976	Appointed as a judge, Assistant Judge of Tokyo District Court
	April 1990	Judge, Tokyo District Court
	April 1997	Presiding Judge of Tokyo District Court
	April 2009	Chief Judge of Mito District Court
	July 2010	Presiding Judge of Tokyo High Court
	June 2014	Chief Judge of Yokohama District Court
	April 2015	President of Sendai High Court
	April 2016	Member of the Administrative Complaint Review Board, Ministry of Internal Affairs and Communications (Chairman)
	June 2019	Outside Director of LOTTE Co., Ltd. (to the present)
	December 2019	Registered as an attorney-at-law, Counsel of Asahi Law Offices (to the present)
	(Important Concurrent Positions)	
	Outside Director of LOTTE Co., Ltd.	
	Counsel of Asahi Law Offices	
<u>Reasons for nomination as a candidate for Substitute Outside Corporate Auditor</u> Yosuke Ichimura has long served as a judge at High Courts and District Courts, and has abundant legal knowledge and experience in the legal circles. Moreover, he has abundant experience and knowledge as he currently serves as Outside Director of LOTTE Co., Ltd. and engages in corporate management. We nominated him as a candidate for Substitute Outside Corporate Auditor as we judged that his experience and knowledge can be effectively utilized in the auditing operations of the Company, although he has not been involved in corporate management except through serving as an Outside Director.		

Notes: 1. No conflict of interest exists between the Company and the above candidate for Substitute Corporate Auditor.

2. Yosuke Ichimura is a candidate for Substitute Outside Corporate Auditor.

3. Yosuke Ichimura satisfies the requirements for independent auditors pursuant to the rules of Tokyo Stock Exchange, Inc. If Yosuke Ichimura assumes the office of Outside Corporate Auditor, the Company will register Yosuke Ichimura as an independent auditor with the said exchange.

4. Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 40 of the Articles of Incorporation of the Company, if Yosuke Ichimura assumes the office of Outside Corporate Auditor, the Company will enter into a limited liability agreement, which stipulates that the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act shall be limited to the minimum amount stipulated by laws and regulations if he acted in good faith without gross negligence in the performance of his duties.

**(Reference) Policy and procedures in the selection of candidates for Directors and Corporate Auditors**

**[Establishment of the Nominating Committee]**

With the aim of strengthening the independence, objectivity and transparency of the functions of the Board of Directors pertaining to the selection and dismissal of Directors and the procedures for nominating candidates for Directors and Corporate Auditors, in 2019 the Company established the Nominating Committee consisted of a majority of Independent Outside Directors as an advisory body to the Board of Directors.

In selecting candidates for Directors and Corporate Auditors, our policy is to carefully take into account each candidate's personality and insight, etc. irrespective of gender, age, and nationality, and select suitable persons who have the qualities to appropriately perform the duty of care and diligence of a good manager and the duty of loyalty and to contribute to the sustainable growth and the enhancement of the corporate value of the Company as well as the abilities to fulfill their duties and responsibilities. Based on the policy thereof, the Committee deliberates on whether each candidate is suitable, reports to the Board of Directors on the content and conclusions of the deliberation, and consults the Ordinary General Meeting of Shareholders, after obtaining consent from the Board of Corporate Auditors with respect to the candidates for Corporate Auditors.