

Securities code: 7947

June 4, 2020

To our shareholders:

Morimasa Sato

President

**FP CORPORATION**

1-13-15 Akebonocho, Fukuyama-shi, Hiroshima, Japan

## **NOTICE OF THE 58TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are notified that the 58th Ordinary General Meeting of Shareholders of FP CORPORATION (the “Company”) will be held as described below.

You may exercise your voting rights either in writing or by electromagnetic means (the Internet, etc.). Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights as described in “Guidance on Methods for Exercise of Voting Rights” (in Japanese only) by 5:45 p.m. on Wednesday, June 24, 2020 (Japan Standard Time).

**1. Date and Time:** Thursday, June 25, 2020 at 10:00 a.m. (Japan Standard Time)

**2. Venue:** Conference Room, 4th Floor, Company’s Comprehensive Research Institute  
1-12-17 Akebonocho, Fukuyama-shi, Hiroshima, Japan

### **3. Purposes:**

#### **Items to be reported:**

1. Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 58th Term (from April 1, 2019 to March 31, 2020)
2. The results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 58th Term

#### **Items to be resolved:**

- Proposal 1:** Election of thirteen (13) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members)
- Proposal 2:** Election of four (4) Executive Directors who are Audit and Supervisory Committee Members
- Proposal 3:** Payment of retirement benefits to the retiring Executive Director who is Audit and Supervisory Committee Member
- Proposal 4:** Determination of restricted share remuneration for Executive Directors

## Measures to prevent the spread of infection with the Novel Coronavirus (COVID-19)

- For shareholders who consider attending the General Meeting of Shareholders, please take the condition of your health to the date of the meeting into consideration and do not overexert yourself.
- You may exercise your voting rights either in writing or via the Internet, etc.
- Please wear a face mask when you attend the meeting.
- We plan on taking the following measures to organize the General Meeting of Shareholders.
  - \*Shareholders who are found to be unwell upon their arrival at the reception desk may be asked by the Company's operating staff not to enter. Thank you for your understanding.
  - \*Hand sanitizer will be provided at the entrance to the venue.
  - \*Please note that the Company's operating staff will wear a face mask.
- In the event of major adjustments or changes in the operation of the General Meeting of Shareholders, the Company will post notice on its website.

## Information published on the Company's website

1. Among documents that should be attached to this Notice of the General Meeting of Shareholders, the following information is not provided in the attached documents because it is published on the Company's website according to the laws and Article 15 of the Articles of Incorporation.
  - The "Consolidated Statement of Changes in Equity" and "Notes to Consolidated Financial Statements"
  - The "Non-Consolidated Statement of Changes in Equity" and "Notes to Non-Consolidated Financial Statements"This information is part of the Consolidated Financial Statements and Non-consolidated Financial Statements, which were audited by the Accounting Auditor in order to create the financial audit report, and part of the Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements, which were audited by the Audit and Supervisory Committee Members in order to create the audit report.
2. In the event of revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, and Non-Consolidated Financial Statements, the Company will publish the revisions on its website.

The Company's website: [https://www.fpcj.co.jp/en/en\\_ir.html](https://www.fpcj.co.jp/en/en_ir.html)

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

**Proposal 1:** Election of thirteen (13) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members)

The terms of office of all thirteen (13) Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members; the same applies throughout this proposal) will expire upon the conclusion of the General Meeting of Shareholders.

In that regard, the Company proposes the election of thirteen (13) Executive Directors.

All candidates for Executive Directors in this proposal have been approved by the Audit and Supervisory Committee of the Company.

The candidates for Executive Directors are as follows:

No.	Name	Positions and responsibilities	
1	Morimasa Sato	President	Reelection
2	Masanobu Takahashi	Executive Vice President and Director Executive General Manager, Sales Division, concurrently Integrated General Manager, Integrated Eastern Sales Department	Reelection
3	Nobuyuki Nagai	Executive Vice President and Director Executive General Manager, Manufacturing Division	Reelection
4	Isao Ikegami	Executive Vice President and Director Executive General Manager, Finance and Accounting Division, concurrently Supervisor of Corporate Planning Department, Administrative Assistant Department and Tokyo Headquarters	Reelection
5	Kazuyuki Yasuda	Executive Vice President and Director Executive General Manager, SCM Division, concurrently Supervisor of Information and Computer System Department	Reelection
6	Koji Oka	Senior Vice President and Director Integrated General Manager of Integrated Special Sales Department, concurrently Supervisor of Product Development Planning Department and Sales Information and Store Sales Department	Reelection
7	Kimiko Nishimura	Senior Vice President and Director Supervisor of General Affairs and Personnel Division, Special Case Subsidiaries and Workplaces Offering Type A Continuous Employment Support, Environment Management Department and Judicial Affairs & Compliance Department	Reelection
8	Osamu Sato	Executive Director Integrated General Manager, Integrated National Sales Department	Reelection
9	Hidetoshi Nagao	Executive Director Executive General Manager, General Affairs and Personnel Division, concurrently General Manager, Administrative Assistant Department	Reelection
10	Kenji Kobayashi	Executive Director Integrated General Manager of, Integrated Western Sales Department	Reelection
11	Takehiko Tawara	Executive Director Integrated General Manager, of Integrated Kyushu Sales Department	Reelection
12	Iwao Fukiyama	Executive Director Deputy Executive General Manager in charge of the eastern area, Manufacturing Division	Reelection
13	Hiroshi Ogawa	Executive Director Executive General Manager, Purchasing Division	Reelection

(Notes) None of the candidates have any sort of vested interest in the Company.

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
1	Morimasa Sato (June 2, 1959) Reelection Board of Directors Meeting Attendance 14/14	<p>Apr. 1983      Joined Mitsui &amp; Co., Ltd.</p> <p>June 1998      External Director, the Company</p> <p>Mar. 1999      Retired from Mitsui &amp; Co., Ltd.</p> <p>Apr. 1999      Executive Director, General Manager, Corporate Strategy Office, the Company</p> <p>June 1999      Senior Vice President and Director, Executive General Manager, Corporate Strategy Division, the Company</p> <p>June 2000      Executive Vice President and Director, Executive General Manager, Corporate Strategy Division, the Company</p> <p>June 2001      Deputy President, concurrently Executive General Manager, Corporate Strategy Division, concurrently Supervisor of General Affairs and Personnel Division, Finance and Accounting Division and SCM Division, the Company</p> <p>June 2009      President, the Company (present position)</p> <p>Significant concurrent positions outside the Company</p> <p>Chairman, FP Trading Co., Ltd.</p> <p>Chairman, FP CHUPA Corporation</p> <p>Chairman, FPCO International Package Co., Ltd.</p> <p>Chairman, FPCO Dia Foods Co., Ltd.</p> <p>Chairman, FPCO Miyako Himo Co., Ltd.</p>	124,500
<p>Reasons for nomination as candidate for Director</p> <p>Morimasa Sato has been leading the Company's Group as President. The Company's growth owes to his strong leadership supported by his extensive experience and knowledge of global business management. He is gifted with great management vision, broad horizons, and strong capabilities to drive innovation. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities		Number of the Company's shares owned
2	Masanobu Takahashi (May 25, 1959) Reelection Board of Directors Meeting Attendance 14/14	Apr. 1982	Joined the Company	8,000
		June 2005	Executive Director, Deputy Executive General Manager, Sales Division 1, concurrently General Manager, Sales Department 4, the Company	
		June 2014	Representative Director, FPCO International Package Co., Ltd.	
		Apr. 2018	Operating Officer, Deputy Executive General Manager, Sales Division 1, the Company	
		June 2018	Senior Vice President and Director, Executive General Manager, Sales Division 1, the Company	
		Apr. 2019	Senior Vice President and Director, Executive General Manager, Sales Division, concurrently Integrated General Manager of Integrated Eastern Japan Sales Department, the Company	
		June 2019	Executive Vice President and Director, Executive General Manager, Sales Division, concurrently Integrated General Manager of Integrated Eastern Japan Sales Department, the Company (present position)	
		Reasons for nomination as candidate for Director Masanobu Takahashi manages the sales division of the Company as Executive Vice President and Director with his extensive business experience and discernment nurtured through his service as Representative Director of a Group company and his long and proven track record in marketing. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.		
3	Nobuyuki Nagai (February 21, 1959) Reelection Board of Directors Meeting Attendance 13/14	Apr. 1977	Joined the Company	900
		June 2007	Executive Director, Deputy Executive General Manager, Manufacturing Division, the Company	
		June 2009	Executive Director, Executive General Manager, Manufacturing Division, the Company	
		June 2014	Senior Vice President and Director, Executive General Manager, Manufacturing Division, the Company	
		June 2016	Executive Vice President and Director, Executive General Manager, Manufacturing Division, the Company (present position)	
		Reasons for nomination as candidate for Director Nobuyuki Nagai manages the manufacturing division as Executive Vice President and Director with his extensive experience and discernment nurtured through his long and proven track record in overall manufacturing. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.		

No.	Name (Date of birth)	Career summary, position and responsibilities		Number of the Company's shares owned
4	Isao Ikegami (January 27, 1959) Reelection Board of Directors Meeting Attendance 14/14	Apr. 1982	Joined the Company	6,000
		June 2002	Executive Director, Branch Manager, Tokyo Headquarters, the Company	
		June 2007	Senior Vice President and Director, General Manager, Corporate Planning Department, concurrently Supervisor of Administrative Assistant Department and Tokyo Headquarters, the Company	
		June 2009	Senior Vice President and Director, General Manager, Corporate Planning Department, concurrently Supervisor of Finance and Accounting Division, Administrative Assistant Department and Tokyo Headquarters, the Company	
		June 2012	Senior Vice President and Director, Executive General Manager, Finance and Accounting Division, concurrently General Manager, Corporate Planning Department, concurrently Supervisor of Administrative Assistant Department and Tokyo Headquarters, the Company	
		June 2017	Executive Vice President and Director, Executive General Manager, Finance and Accounting Division, concurrently Supervisor of Corporate Planning Department, Administrative Assistant Department and Tokyo Headquarters, the Company (present position)	
<p>Reasons for nomination as candidate for Director</p> <p>Isao Ikegami manages finance, accounting, and corporate planning divisions as Executive Vice President and Director with his extensive experience and discernment nurtured through his long and proven track record in accounting and finance. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.</p>				

No.	Name (Date of birth)	Career summary, position and responsibilities		Number of the Company’s shares owned
5	Kazuyuki Yasuda (December 9, 1955) Reelection Board of Directors Meeting Attendance 14/14	Sept. 1979	Joined the Company	6,900
		June 2003	Executive Director, General Manager, New Information System Preparation Office, the Company	
		June 2008	Executive Director, Executive General Manager, SCM Division, the Company	
		June 2009	Executive Director, Executive General Manager, SCM Division, concurrently Supervisor of Information and Computer System Department, the Company	
		Apr. 2012	Executive Director, Executive General Manager, SCM Division, concurrently General Manager, Group Company SCM Department, concurrently Supervisor of Information and Computer System Department, the Company	
		June 2014	Senior Vice President and Director, Executive General Manager, SCM Division, concurrently General Manager, Group Company SCM Department, concurrently Supervisor of Information and Computer System Department, the Company	
		Apr. 2015	Senior Vice President and Director, Executive General Manager, SCM Division, concurrently Supervisor of Information and Computer System Department, the Company	
		June 2019	Executive Vice President and Director, Executive General Manager, SCM Division, concurrently Supervisor of Information and Computer System Department, the Company (present position)	
		Reasons for nomination as candidate for Director Kazuyuki Yasuda promotes the supply chain management system and manages the SCM and system divisions as Executive Vice President and Director with his extensive experience and discernment nurtured through his long and proven track record in systems and business planning. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.		

No.	Name (Date of birth)	Career summary, position and responsibilities		Number of the Company's shares owned
6	Koji Oka (January 18, 1964) Reelection Board of Directors Meeting Attendance 14/14	Apr. 1986	Joined the Company	4,100
		June 2007	Executive Director, General Manager, Tokyo Sales Department 1, concurrently General Manager, Product Development Planning Department, the Company	
		Apr. 2011	Executive Director, General Manager, Tokyo Sales Department 1, concurrently General Manager, Sales Information and Store Sales Department, concurrently Supervisor of Product Development Planning Department, the Company	
		Apr. 2014	Executive Director, Supervisor of Tokyo Sales Department 1, Sales Information and Store Sales Department, and Product Development Planning Department, the Company	
		Apr. 2019	Executive Director, Integrated General Manager of Corporate Sales Department, concurrently Supervisor of Product Development Planning Department and Sales Information and Store Sales Department, the Company	
		June 2019	Senior Vice President and Director, Integrated General Manager of Corporate Sales Department, concurrently Supervisor of Product Development Planning Department and Sales Information and Store Sales Department, the Company (present position)	
Reasons for nomination as candidate for Director Koji Oka manages corporate sales and product development divisions as Senior Vice President and Director with his extensive experience and discernment nurtured through his long and proven track record in marketing. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.				
7	Kimiko Nishimura (July 22, 1955) Reelection Board of Directors Meeting Attendance 14/14	July 2014	Joined the Company	900
		June 2017	Executive Director, Deputy Executive General Manager, General Affairs and Personnel Division, concurrently Supervisor of Special Case Subsidiaries and Workplaces Offering Type A Continuous Employment Support, Environment Management Department and Judicial Affairs & Compliance Department, the Company	
		June 2019	Senior Vice President and Director, Supervisor of General Affairs and Personnel Division, Special Case Subsidiaries and Workplaces Offering Type A Continuous Employment Support, Environment Management Department and Judicial Affairs & Compliance Department, the Company (present position)	
Reasons for nomination as candidate for Director Kimiko Nishimura manages divisions concerning general affairs and personnel, environment management, judicial affairs and compliance, and employment of disabled workers as Senior Vice President and Director with her extensive experience and discernment nurtured through her long and proven track record in wide-ranging administrative operations. The Company believes that she is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests her reelection as Executive Director.				



No.	Name (Date of birth)	Career summary, position and responsibilities		Number of the Company's shares owned
8	Osamu Sato (August 7, 1957) Reelection Board of Directors Meeting Attendance 14/14	Nov. 1980	Joined the Company	27,600
		June 2010	Executive Director, General Manager, Tokyo Sales Department 2, the Company	
		Apr. 2012	Executive Director, General Manager, National Sales Department, the Company	
		Apr. 2016	Executive Director, Supervisor of National Sales Department, the Company	
		Apr. 2019	Executive Director, Integrated General Manager of Integrated National Sales Department, the Company (present position)	
		Reasons for nomination as candidate for Director Osamu Sato manages the integrated national sales division as Executive Director with his extensive experience and discernment nurtured through his long and proven track record in marketing. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.		
9	Hidetoshi Nagao (June 4, 1961) Reelection Board of Directors Meeting Attendance 14/14	Apr. 1987	Joined the Company	11,500
		Apr. 2014	Operating Officer, General Manager, Personnel Department, the Company	
		July 2014	Operating Officer, General Manager, Personnel Department, concurrently General Manager, Administrative Assistant Department, the Company	
		June 2015	Executive Director, Executive General Manager, General Affairs and Personnel Division, concurrently General Manager, Personnel Department and Administrative Assistant Department, the Company	
		Apr. 2017	Executive Director, Executive General Manager, General Affairs and Personnel Division, concurrently General Manager, Administrative Assistant Department, the Company (present position)	
		Reasons for nomination as candidate for Director Hidetoshi Nagao manages the general affairs and personnel division as Executive Director with his extensive experience and discernment nurtured through his long and proven track record in administrative departments. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.		

No.	Name (Date of birth)	Career summary, position and responsibilities		Number of the Company's shares owned
10	Kenji Kobayashi (October 7, 1964) Reelection Board of Directors Meeting Attendance 14/14	Apr. 1987	Joined the Company	3,900
		Apr. 2014	Operating Officer, Integrated Manager for East Japan, concurrently General Manager, Tokyo Sales Department 4, the Company	
		Apr. 2016	Operating Officer, Integrated Manager for Kinki, concurrently General Manager, Kinki Sales Department 3, the Company	
		June 2016	Executive Director, Integrated Manager for Kinki, concurrently General Manager, Kinki Sales Department 3, the Company	
		Apr. 2017	Executive Director, Integrated Manager for Kinki, the Company	
		Nov. 2017	Executive Director, Integrated Manager for Kinki, concurrently General Manager, Kinki Sales Department 1, the Company	
		Apr. 2018	Executive Director, Integrated Manager for Kinki, the Company	
		Apr. 2019	Executive Director, Integrated General Manager of Integrated Western Sales Department, the Company (present position)	
Reasons for nomination as candidate for Director Kenji Kobayashi manages the western sales division as Executive Director with his extensive experience and discernment nurtured through his service as Director of a Group company and his long and proven track record in marketing. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.				
11	Takehiko Tawara (October 11, 1957) Reelection Board of Directors Meeting Attendance 14/14	Apr. 1980	Joined the Company	11,800
		Apr. 2014	Operating Officer, Integrated Manager for Chugoku, Shikoku and Kyushu, concurrently General Manager, Kyushu Sales Department, the Company	
		June 2017	Executive Director, Integrated Manager for Chugoku, Shikoku and Kyushu, concurrently General Manager, Kyushu Sales Department, the Company	
		Apr. 2018	Executive Director, Integrated Manager for Chugoku, Shikoku and Kyushu, the Company	
		Apr. 2019	Executive Director, Integrated General Manager of Integrated Kyushu Sales Department, the Company (present position)	
Reasons for nomination as candidate for Director Takehiko Tawara manages the Kyushu sales division as Executive Director with his extensive experience and discernment nurtured through his long and proven track record in marketing. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.				

No.	Name (Date of birth)	Career summary, position and responsibilities		Number of the Company's shares owned
12	Iwao Fukiyama (November 12, 1958) Reelection Board of Directors Meeting Attendance 14/14	Dec. 1982	Joined the Company	200
		Apr. 2014	Operating Officer, Assistant Executive General Manager, Manufacturing Division, the Company	
		July 2014	Operating Officer, Deputy Executive General Manager in charge of the western area, Manufacturing Division, the Company	
		Aug. 2015	Operating Officer, Deputy Executive General Manager in charge of the eastern area, Manufacturing Division, the Company	
		June 2017	Executive Director, Deputy Executive General Manager in charge of the eastern area, Manufacturing Division, the Company (present position)	
Reasons for nomination as candidate for Director Iwao Fukiyama manages the eastern area manufacturing division as Executive Director with his extensive experience and discernment nurtured through his long and proven track record in manufacturing and development. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.				
13	Hiroshi Ogawa (October 4, 1961) Reelection Board of Directors Meeting Attendance 9/10	Apr. 1985	Joined Plastic No.2 Division, Mitsui & Co., Ltd.	200
		June 2008	Seconded to Mitsui Plastics, Inc. (New York) as Director & President	
		Oct. 2014	Seconded to Mitsui & Co. Plastics Ltd. as Director and Senior Executive Managing Officer	
		Apr. 2017	Senior Vice President & Divisional Operating Officer of Chemicals Civ. (EMEA), Mitsui & Co. Europe Plc	
		Mar. 2019	Retired from Mitsui & Co. Europe Plc	
		Apr. 2019	Joined the Company Advisor, Purchasing Division	
		June 2019	Executive Director, Executive General Manager, Purchasing Division, the Company (present position)	
Reasons for nomination as candidate for Director Hiroshi Ogawa manages purchasing and overseas management divisions as Executive Director with his extensive experience and discernment nurtured through his long and proven track record in the previous employment at Mitsui Co., Ltd. group companies. The Company believes that he is the right person for achieving continuous growth and improvement of corporate value over medium to long term; therefore, the Company requests his reelection as Executive Director.				

**Proposal 2:** Election of four (4) Executive Directors who are Audit and Supervisory Committee Members

The terms of office of all four (4) Executive Directors who are Audit and Supervisory Committee Members will expire upon the conclusion of the General Meeting of Shareholders.

In that regard, the Company proposes the election of four (4) Executive Directors who are Audit and Supervisory Committee Members.

The consent of the Audit and Supervisory Committee has been obtained for this proposal.

The candidates for Executive Directors who are Audit and Supervisory Committee Members are as follows:

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
1	Takejiro Sueyoshi (January 3, 1945) Reelection External Independent Tenure 10 years Board of Directors Meeting Attendance 14/14 Audit and Supervisory Committee Meetings Attendance 15/15	<p>Apr. 1967      Joined The Mitsubishi Bank, Ltd. (presently MUFG Bank, Ltd.)</p> <p>June 1994      Director, The Mitsubishi Bank, Ltd.</p> <p>Apr. 1996      President, The Bank of Tokyo-Mitsubishi Trust Company (New York)</p> <p>June 1998      Executive Deputy President, Nikko Asset Management Co., Ltd.</p> <p>July 2003      Special Advisor to United Nations Environment Programme Finance Initiative (present position)</p> <p>June 2007      Outside Auditor, The Kagoshima Bank, Ltd.</p> <p>May 2009      Outside Director, Aeon Co., Ltd.</p> <p>June 2010      External Director, the Company</p> <p>Aug. 2011      Vice-Chair of Executive Board, Japan Renewable Energy Foundation, Public Interest Incorporated Foundation (present position)</p> <p>May 2013      Representative Director, Green Finance Promotion Institution, General Incorporated Association (present position)</p> <p>Oct. 2015      Outside Director, Kyushu Financial Group Inc.</p> <p>June 2016      External Director (Audit and Supervisory Committee Member), the Company (present position)</p> <p>Sept. 2018      Chairman, WWF Japan (present position)</p> <p>Significant concurrent positions outside the Company</p> <p>Special Advisor to United Nations Environment Programme Finance Initiative</p> <p>Vice-Chair of Executive Board, Japan Renewable Energy Foundation, Public Interest Incorporated Foundation</p> <p>Representative Director, Green Finance Promotion Institution, General Incorporated Association</p> <p>Chairman, WWF Japan</p>	2,400

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
		<p>Reasons for nomination as candidate for Director</p> <p>Takejiro Sueyoshi has extensive experience and discernment nurtured through serving as Special Advisor to the United Nations Environment Programme Finance Initiative, and endeavoring to enlighten others on environmental issues and the corporate social responsibilities (CSR/SRI). He has been actively providing his observations in order to improve transparency in the decision-making process of the Board of Directors. The Company requests his reelection as External Director in order to continue to have him play an important role in reinforcement of the Company's corporate governance.</p> <p>(Notes)</p> <ol style="list-style-type: none"> <li>1. There is no special interest between Takejiro Sueyoshi and the Company.</li> <li>2. Takejiro Sueyoshi is an External Director candidate.</li> <li>3. The Company has entered into an agreement with Takejiro Sueyoshi to limit liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for in Article 425, paragraph 1 of the same Act. If he is reelected, the Company plans to renew this agreement with him.</li> <li>4. The Company has registered Takejiro Sueyoshi as Independent Director at Tokyo Stock Exchange, and if he is reelected, the Company intends to register him again as Independent Director. Please refer to verify the "Independence Judgment Criteria for Independent External Directors of the Company" on page 20 set forth by the Company.</li> <li>5. At Aeon Co., Ltd., where Takejiro Sueyoshi had been an Outside Director until May 2017, it has become known that in February 2014, an Executive Officer of the same company was dismissed for being involved in unfair trading of company stock. Takejiro Sueyoshi was not aware of these circumstances until he heard these reports. At a meeting of that company's Board of Directors, etc., Takejiro Sueyoshi made statements about the importance of observance of the law. Also, after the concerned circumstances became known, Takejiro Sueyoshi provided his opinion at a meeting of the Board of Directors, etc., concerning the enhancement of corporate governance to prevent recurrence, thereby having fulfilled his responsibilities as an Outside Director.</li> </ol>	

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
2	<p>Masahiro Midorikawa (July 18, 1953) Reelection External Independent Tenure 6 years Board of Directors Meeting Attendance 14/14 Audit and Supervisory Committee Meetings Attendance 15/15</p>	<p>Mar. 1980 Registered as a Certified Public Accountant Dec. 1981 Established CPA Midorikawa Office Nov. 1982 Outside Auditor, Kumon Institute of Education Co., Ltd. (present position) Dec. 1990 Auditor, Nissei ASB Machine Co., Ltd. Jan. 1996 Registered as Licensed Tax Accountant Nov. 2006 Outside Director, Kokusai Motorcars Co., Ltd. (present position) Nov. 2008 President and Representative Director, Mid Group Co., Ltd. (present position) June 2014 External Director, the Company Apr. 2015 Outside Auditor, Paloma Co., Ltd. (present position) June 2016 External Director (Audit and Supervisory Committee Member), the Company (present position) Dec. 2016 External Director, Nissei ASB Machine Co., Ltd. (present position) Significant concurrent positions outside the Company Outside Auditor, Kumon Institute of Education Co., Ltd. External Director, Nissei ASB Machine Co., Ltd. Outside Director, Kokusai Motorcars Co., Ltd. President and Representative Director, Mid Group Co., Ltd. Outside Auditor, Paloma Co., Ltd.</p>	6,200
<p>Reasons for nomination as candidate for Director Masahiro Midorikawa has expert knowledge and extensive experience as a certified public accountant and tax accountant. As an External Director, he has been supervising business operations of the Company's senior executives and providing advice for them. The Company requests his reelection as External Director in order to continue to have him leverage his expertise to offer valuable opinions on the management of the Company from an objective standpoint that will serve the Company group's future business growth.</p> <p>(Notes) 1. There is no special interest between Masahiro Midorikawa and the Company. 2. Masahiro Midorikawa is an External Director candidate. 3. The Company plans has entered into an agreement with Masahiro Midorikawa to limit liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for in Article 425, paragraph 1 of the same Act. If he is reelected, the Company plans to renew this agreement with him. 4. The Company has registered Masahiro Midorikawa as Independent Director at Tokyo Stock Exchange, and if he is reelected, the Company intends to register him again as Independent Director. Please refer to verify the "Independence Judgment Criteria for Independent External Directors of the Company" on page 20 set forth by the Company.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
3	Shuichi Matsumoto (October 30, 1954) Reelection External Tenure 4 years Board of Directors Meeting Attendance 14/14 Audit and Supervisory Committee Meetings Attendance 15/15	Apr. 1978      Joined Mitsui & Co., Ltd. Feb. 1992      Mitsui & Co. Finance Inc. Vice President and Controller, Mitsui & Co. Finance Inc., New York July 2005      Vice President, Mitsui & Co. (Brasil) S.A. Nov. 2009      Deputy Office Manager, Osaka Office, Mitsui & Co., Ltd. Feb. 2012      Director, Group Manager, Administrative Group, TRI-NET (JAPAN) INC. Dec. 2014      Retired from Mitsui & Co., Ltd. June 2015      Full-time Corporate Auditor (external), the Company June 2016      External Director (Full-time Audit and Supervisory Committee Member), the Company (present position) Significant concurrent positions outside the Company Corporate Auditor, FP CHUPA Corporation Corporate Auditor, FPCO Dia Foods Co., Ltd. Corporate Auditor, FPCO Miyako Himo Co., Ltd.	1,300
	<p>Reasons for nomination as candidate for Director</p> <p>Shuichi Matsumoto has experience, proven track record, knowledge, and discernment in corporate management nurtured in a general trading company. As an External Director, he has been supervising business operations of the Company's senior executives and providing advice for them. The Company requests his reelection as External Director in order to have him continue to contribute towards reinforcement of the Company's corporate governance.</p> <p>(Notes) 1. There is no special interest between Shuichi Matsumoto and the Company.</p> <p>2. Shuichi Matsumoto is an External Director candidate.</p> <p>3. The Company plans has entered into an agreement with Masahiro Midorikawa to limit liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for in Article 425, paragraph 1 of the same Act. If he is reelected, the Company plans to renew this agreement with him.</p> <p>4. Shuichi Matsumoto was an Officer who is not an Operating Officer (Corporate Auditor) of the Company in the past.</p>		

No.	Name (Date of birth)	Career summary, position and responsibilities	Number of the Company's shares owned
4	Morihiro Otaki (June 11, 1954) New election External Independent Tenure N/A Board of Directors Meeting Attendance N/A Audit and Supervisory Committee Meetings Attendance N/A	Aug. 1996     Director, Johnson & Johnson K.K. July 1997     Representative Director and President, Johnson & Johnson K.K. Sept. 2011    Vice Chairman and Director, Pasona Inc. June 2013    Outside Director, NGK SPARK PLUG CO., LTD. (present position) June 2016    Director, Henry Schein Japan Co., Ltd. (present position) June 2018    Outside Director, GIGA PRIZE CO., LTD. (present position) Significant concurrent positions outside the Company Outside Director, NGK SPARK PLUG CO., LTD. Director, Henry Schein Japan Co., Ltd. Outside Director, GIGA PRIZE CO., LTD.	—
	Reasons for nomination as candidate for Director Morihiro Otaki has extensive experience in global enterprises and great discernment as an executive manager. The Company expects that he will supervise business operations of the Company's Executive Directors and provide valuable advice on the Company's management. The Company requests his election as External Director in order to have him continue to contribute towards reinforcement of the Company's corporate governance from diverse perspectives. (Notes) 1. There is no special interest between Morihiro Otaki and the Company. 2. Morihiro Otaki is an External Director candidate. 3. If Morihiro Otaki is elected, the Company plans to enter into an agreement with him to limit liability for damages under Article 427, paragraph 1 of the Companies Act to the minimum liability amount provided for in Article 423, paragraph 1 of the same Act. 4. Since Morihiro Otaki meets the requirements for Independent Director as provided for by Tokyo Stock Exchange, if his election is approved, the Company intends to register him as Independent Director. Please refer to verify the "Independence Judgment Criteria for Independent External Directors of the Company" on page 20 set forth by the Company.		



**Proposal 3:** Payment of retirement benefits to the retiring Executive Director who is Audit and Supervisory Committee Member

The Company seeks to pay retirement benefits to the Executive Director who is an Audit and Supervisory Committee Member Toshiro Nakai, whose term of office will expire at the conclusion of the General Meeting of Shareholders, within the scope of a reasonable amount dictated by the Company's designated standards in order to reward him for his services, and asks that the specific payment amount, timing, and method, etc. be left to deliberation by the Executive Directors who are Audit and Supervisory Committee Members.

The career summary of the retiring Executive Director who is an Audit and Supervisory Committee Member is as follows:

Name	Career summary	
Toshiro Nakai	June 2008	Full-time Corporate Auditor (external), the Company
	June 2016	External Director (Full-time Audit and Supervisory Committee Member), the Company (present position)

**Proposal 4:** Determination of restricted share remuneration for Executive Directors

Remuneration, etc. for Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) of the Company was last addressed through a resolution made at the 54th Ordinary General Meeting of Shareholders on June 28, 2016, which set the amount of remuneration at no more than five hundred million yen (500,000,000 yen) per annum (note that this does not include the employee component of wages for Executive Directors who concurrently serve as employees). In addition to this existing remuneration, the Company hereby proposes introduction of the restricted share remuneration plan to Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members and External Directors) of the Company (“Eligible Directors”) in order to provide them incentive to sustainably increase the Company’s corporate value and further promote shared value between shareholders and them.

The remuneration to be paid to Eligible Directors for the purpose of granting them restricted shares shall be monetary remuneration claims no more than two hundred and fifty million yen (250,000,000 yen) per annum, as deemed reasonable in light of the aforementioned purpose. The specific allocation to each Eligible Director shall be deliberated by the Board of Directors.

Currently, the number of Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) is thirteen (13) (of whom none (0) is External Directors). If Proposal 1 is approved as originally proposed, the number of Executive Directors (excluding Executive Directors who are Audit and Supervisory Committee Members) who are applicable to this proposal remains thirteen (13) (of whom none (0) is External Directors).

The Eligible Directors shall pay all monetary remuneration claims to be provided under this proposal in the form of property contributed in kind, in accordance with the resolution of the Board of Directors of the Company, and shall, in return receive common shares of the Company that shall be issued or disposed of by the Company. The total number of common shares issued or disposed of for this purpose shall be no more than thirty thousand (30,000) shares per annum. However, if, on or after the day on which this proposal is approved, the Company performs a share split (including allotment of common shares without contribution) or a reverse share split of its common shares, or any other reason arises necessitating an adjustment to the total number of the shares, the relevant total number shall be reasonably adjusted. The amount to be paid in per allotted share shall be determined by the Board of Directors based on the closing price of the Company’s common shares on the Tokyo Stock Exchange on the business day immediately before each date of resolution by the Board of Directors (if there is no closing price on such date, the closing price on the closest preceding trading day) within the extent that the amount will not be particularly advantageous to Eligible Directors. For such issuance or disposal of the common shares of the Company, an agreement on allotment of shares with transfer restrictions (the “Allotment Agreement”) that includes the following shall be entered into between the Company and Eligible Directors.

- (1) Eligible Directors shall not freely transfer, create a security interest on, or otherwise dispose of the common shares of the Company (“Transfer Restrictions”) allotted under the Allotment Agreement (the “Allotted Shares”) from the date the shares are received until the date the Eligible Director loses the position such as the directorship determined in the Board of Directors of the Company (the “Restriction Period”).
- (2) If an Eligible Director loses the position prescribed in (1) before the period set by the Board of Directors of the Company (the “Service Period”), the Company shall automatically acquire such Allotted Shares without contribution, unless the reason that is deemed justifiable by the Board of Directors of the Company.
- (3) The Company shall lift the Transfer Restrictions of all of the Allotted Shares upon expiration of the Restriction Period, on the condition that the Eligible Director has remained in the position prescribed in (1) continuously during the Service Period. However, if the Eligible Director loses the position prescribed in (1) before expiration of the Service Period by the reason deemed justifiable by the Board of Directors as prescribed in (2), the Company shall rationally adjust the number of the Allotted Shares on which the Transfer Restrictions to be lifted as necessary.
- (4) The Company shall automatically acquire without contribution the Allotted Shares on which the Transfer Restrictions have not been lifted in accordance with the above (3) at the expiration of the Restriction Period.
- (5) Notwithstanding the provision of (1) above, if, during the Restriction Period, matters relating to a merger agreement in which the Company is the disappearing company, a share exchange agreement or share transfer plan in which the Company becomes a wholly owned subsidiary, or other reorganization, etc. are approved at the Company’s General Meeting of Shareholders (or at a meeting of its Board of Directors in cases where

approval at the Company's General Meeting of Shareholders is not required in relation to the reorganization, etc.), the Company shall lift the Transfer Restrictions on the Allotted Shares with the number of shares that is reasonably determined considering the period from the start date of the Service Period to the date of approval of the reorganization, etc. prior to the date on which the reorganization, etc. becomes effective, by resolution of the Board of Directors of the Company.

- (6) In cases specified above (5), the Company shall automatically acquire without contribution the Allotted Shares on which the transfer restrictions have not been lifted as of the time immediately after the transfer restrictions were lifted.
- (7) The method for expressing intentions and giving notifications in the Allotment Agreement, the method for amending the Allotment Agreement, and other matters to be determined by the Board of Directors shall be laid out in the Allotment Agreement.

[For Your Reference]

#### Independence Judgment Criteria for Independent External Directors of the Company

In cases where External Directors or External Director candidates are found not to fall under any of the following items, the Company will conclude that said Directors or candidates bear independence.

1. Persons involved with business partners
  - (1) Customers, etc.  
Persons who served as an executing person at a company that constitutes a main business partner (customer) (Note 1) of the Company group within the last three (3) years
  - (2) Suppliers, etc.  
Persons who served as an executing person at a company that constitutes a main business partner (supplier) (Note 1) of the Company group within the last three (3) years
2. Persons involved with financial institutions  
Persons who served as an executing person at a financial institution where the average annual liabilities of the Company group exceed one hundred million yen (100,000,000 yen) or three percent (3%) of the Company's total consolidated assets, whichever is higher, within the last three (3) years
3. Consultants, etc. (Note 2)  
Persons who have gained monies or other economic benefits from the Company group that averages out to ten million yen (10,000,000 yen) or more over the past three (3) years
4. Major shareholders, etc.  
Persons who served as a director, executive officer or corporate auditor at a major shareholder (Note 3) of the Company or at a company of which the Company is a major shareholder (Note 3) within the last three (3) years
5. Others  
Persons whose relatives up to the second degree serve as an Executive Director, Corporate Auditor or otherwise important employee (Note 4) of the Company or Company group or fall under 1 through 4 above (limited to those who are Executive Directors)

(Note 1) "Main business partners" refers to business partners whose annual value of transactions with the Company exceeds one hundred million yen (100,000,000 yen) or three percent (3%) of the Company's total consolidated sales, whichever is higher.

(Note 2) Refers to consultants, accounting specialists or legal specialists, etc. (or persons belonging to a corporation, union or another organization if the said organization has been the one to gain economic benefits from the Company group).

(Note 3) "Major shareholders" refers to corporations, etc. that own ten percent (10%) or more of total voting rights.

(Note 4) "Important employees" refer to persons in a position of Executive General Manager or higher.