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Stock Exchange Code: 4997  
December 1, 2017

**To Shareholders with Voting Rights:**

Yosuke Tomoi  
Representative Director, President  
NIHON NOHYAKU CO., LTD.  
19-8, Kyobashi 1-Chome, Chuo-ku,  
Tokyo, Japan

**NOTICE OF  
THE 118TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 118th Ordinary General Meeting of Shareholders of NIHON NOHYAKU CO., LTD. (hereinafter referred to as the "Company"). The meeting will be held for the purposes as described below.

**If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and, following the instruction hereinafter described, exercise your voting rights by 5:25 p.m. on Monday, December 18, 2017, Japan time.**

**1. Date and Time:** Tuesday, December 19, 2017 at 10:00 a.m. Japan time

**2. Place:** Large Hall of Tokyo Convention Hall on the 5th floor of Tokyo Square Garden located at 1-1, Kyobashi 3-Chome, Chuo-ku, Tokyo, Japan

**3. Meeting Agenda:**

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 118th Fiscal Year (October 1, 2016 - September 30, 2017) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 118th Fiscal Year (October 1, 2016 - September 30, 2017)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendment to the Articles of Incorporation  
**Proposal 3:** Election of 10 Directors  
**Proposal 4:** Election of 1 Substitute Audit & Supervisory Board Member

#### 4. Instruction for Exercising Voting Rights:

- (1) When exercising voting rights in writing  
Please indicate your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return it so that it is received by 5:25 p.m. on Monday, December 18, 2017, Japan time.
- (2) When exercising voting rights via the Internet, etc.  
When exercising voting rights via the Internet, etc., please refer to the “Instruction for Exercising Voting Rights via the Internet, etc.” on page 3 of the attached documents and exercise your voting rights by 5:25 p.m. on Monday, December 18, 2017, Japan time.
- (3) When voting rights are exercised in duplicate by both in writing and via the Internet, etc., the vote via the Internet, etc. shall be deemed valid. When voting rights are exercised multiple times via the Internet, etc., the last vote shall be deemed valid.

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- ◎ When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - ◎ If you are exercising your voting rights by proxy, you can delegate the exercise of your voting rights to another shareholder, who also owns voting rights. In such a case, please have your proxy submit a written power of attorney.
  - ◎ Based on the stipulations in relevant laws and regulations and Article 15 of the Company’s Articles of Incorporation, the following items are posted on the Company’s website (<http://www.nichino.co.jp/>) (Japanese only) and are therefore not included in the Appendix to this convocation notice.
    - (1) “III. The system and policies of the Company” and “IV. Other significant matters concerning the current status of the corporate group” in the Business Report
    - (2) “Consolidated statement of changes in equity” and “Notes to the Consolidated Financial Statements” in the Consolidated Financial Statements
    - (3) “Statement of changes in equity” and “Notes to the Non-consolidated Financial Statements” in the Non-consolidated Financial Statements
  - ◎ Should the Appendix to this convocation notice and the Reference Documents for the General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (<http://www.nichino.co.jp/>) (Japanese only).

## **Instruction for Exercising Voting Rights via the Internet, etc.**

When exercising voting rights via the Internet, etc., please review the following matters in advance.

### **1. Website for exercising voting rights**

You may exercise your voting rights via the Internet only through the website for exercising voting rights specified by the Company.

URL of the website for exercising voting rights: <http://www.web54.net> (Available in Japanese only)

### **2. Handing of the exercise of voting rights**

- (1) When exercising voting rights via the Internet, please use the “voting rights exercise code” and “password” specified on the enclosed Voting Rights Exercise Form, and enter for or against the proposal by following the instruction on the screen.
- (2) The limit for the exercise of voting rights is until 5:25 p.m. on Monday, December 18, 2017, Japan time, however, we recommend that you exercise your voting rights at your earliest convenience.
- (3) When voting rights are exercised in duplicate both in writing and via the Internet, etc., the vote via the Internet, etc. shall be deemed valid. When voting rights are exercised multiple times via the Internet, etc., the last vote shall be deemed valid.

### **3. Handling of the password and voting rights exercise code**

- (1) The password is very important information to authenticate shareholders, so please protect your password as you would your official seal or bank passcode.
- (2) If you enter a wrong password more than a certain number of times, the password will be locked. Please follow the instructions on the screen to have your password reissued.
- (3) The voting rights exercise code indicated on the Voting Rights Exercise Form is valid for this General Meeting of Shareholders only.

### **4. System requirements**

When exercising voting rights via the Internet, you will need the following system environment:

- (1) A screen resolution of at least 800 dpi (horizontal) × 600 dpi (vertical) (SVGA) or better.
- (2) The following applications are installed:
  - (a) Microsoft® Internet Explorer Ver.5.01 SP2 or later for Internet browser
  - (b) Adobe® Acrobat® Reader® Ver.4.0 or later or Adobe® Reader® Ver.6.0 or later for PDF file browser
  - \* Internet Explorer® is a registered trademark, trademark and product name of U.S. Microsoft Corporation, while Adobe® Acrobat® Reader® and Adobe® Reader® are registered trademarks, trademarks and product names of U.S. Adobe Systems Incorporated in the U.S. and other countries.
  - \* These software are distributed for free at their respective websites.
- (3) Please disable (or temporarily disable) any popup block function or any add-in tools enabled in your web browser. Also, in your privacy settings, please permit the use of “Cookies” from this website.
- (4) If you are unable to connect to the above-mentioned website, it is possible that communications via the Internet have been restricted by settings, such as firewall, proxy server, or security countermeasures software. Please check the details of the relevant settings.

### **5. For inquiries as to the use of personal computers, etc.**

- (1) If you have any questions on the use of personal computers, etc., in exercising the voting rights at this website, please contact the following:  
Stock Transfer Agency Website Support Help Desk, Sumitomo Mitsui Trust Bank, Limited.  
[Phone] 0120-652-031 (Operating Hours: 9:00 a.m. to 9:00 p.m.) (Available in Japanese only)
- (2) For other inquiries, please contact the following:
  - (a) Shareholders who have accounts at securities companies  
For shareholders who have accounts at securities companies, please contact your securities company.
  - (b) Shareholders who do not have accounts at securities companies (special account holder)  
Stock Transfer Agency Center, Sumitomo Mitsui Trust Bank, Limited  
[Phone] 0120-782-031 (Operating Hours: 9:00 a.m. to 5:00 p.m., excluding Saturdays, Sundays and holidays) (Available in Japanese only)

### **6. The electronic voting rights exercise platform (for institutional investors)**

Institutional investors may use the “electronic voting rights exercise platform” operated by ICJ, Inc. to exercise voting rights by electromagnetic means for this General Meeting of Shareholders.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The Company's basic policy is to distribute stable and continuous dividend of profits to shareholders through enhancing the corporate value by expanding the business revenue and strengthening financial standing from the long-term perspective.

Taking into account the above policy and performance during the current fiscal year, the appropriation of surplus for the 118th fiscal year is proposed as follows.

Matters concerning the year-end dividend:

- (1) Matters concerning the allotment of dividend property to shareholders and total amount thereof:  
7.50 yen per share of the Company's common stock, in a total amount of 501,277,335 yen  
The annual dividend per share will be 15 yen per share, including the interim dividend paid of 7.50 yen per share.
- (2) The effective date of the dividend of surplus  
Wednesday, December 20, 2017

### Proposal 2: Partial Amendment to the Articles of Incorporation

#### 1. Reasons for the amendment

This amendment is to make a necessary change to Article 28, Paragraph 3 of the Company's current Articles of Incorporation, due to a change in the paragraph number of the concerned provision of the Companies Act, following the enforcement on May 1, 2015 of the Act for Partial Revision of the Companies Act (Act No. 90 of 2014).

#### 2. Content of the amendment

Content of the amendment is as follows:

(Amended parts are underlined.)

Current	Proposed amendment
Article 1. to 27. (Omitted)	Article 1. to 27. (Unchanged)
(Term of Office)	(Term of Office)
Article 28. (Omitted)	Article 28. (Unchanged)
2. (Omitted)	2. (Unchanged)
3. The effective period of the resolution for the election of Substitute Audit & Supervisory Board Members of the Company, pursuant to Article 329, Paragraph <u>2</u> of the Companies Act, shall expire at the beginning of the Ordinary General Meeting of Shareholders concerning the final fiscal year ending within four years after the election.	3. The effective period of the resolution for the election of Substitute Audit & Supervisory Board Members of the Company, pursuant to Article 329, Paragraph <u>3</u> of the Companies Act, shall expire at the beginning of the Ordinary General Meeting of Shareholders concerning the final fiscal year ending within four years after the election.
4. (Omitted)	4. (Unchanged)
Article 29. to 38. (Omitted)	Article 29. to 38. (Unchanged)

**Proposal 3:** Election of 10 Directors

The terms of office of all 11 Directors will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of 10 Directors is proposed.

The candidates for Director are as follows:

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p>Yohichi Kohyama (April 28, 1950)</p> <p>Reelection</p> <p>Attendance rate at Board of Directors meetings 100% (17 out of 17 meetings)</p>	<p>April 1975      Joined Mitsubishi Kasei Corporation (current Mitsubishi Chemical Corporation)</p> <p>October 2002    Joined the Company General Manager of Active Ingredient Division</p> <p>December 2003   Director and Deputy Division Manager of Development Division, Division Manager of Active Ingredient Division and General Manager of Active Ingredient Dept., Active Ingredient Division of the Company</p> <p>December 2004   Director and General Manager of Corporate Office Division, Deputy Division Manager of Research &amp; Development Division, General Manager of R&amp;D Strategy Dept., Research &amp; Development Division, and Division Manager of Active Ingredient Division</p> <p>December 2005   Director, General Manager of Corporate Office Division, and Deputy Division Manager of Sales Division</p> <p>December 2006   Director and Managing Executive Officer, General Manager of Corporate Office Division, and responsible for Human Resources Dept.</p> <p>December 2007   Director and Managing Executive Officer, in charge of Corporate Office Division, Division Manager of Administration Division, and responsible for Secretarial Dept.</p> <p>December 2008   Representative Director, President</p> <p>December 2015   Representative Director, Chairman (current position)</p>	28,776
<p>[Reason for election as a candidate for Director] Mr. Yohichi Kohyama was appointed as Director of the Company in 2003. After having served as Representative Director, President of the Company, he assumed the office of Representative Director, Chairman of the Company in 2015. He has formulated the Nichino Group vision and implemented measures to realize that vision as a business administrator. He has also served as Chairman of Japan Crop Protection Association and other positions to contribute to developing the industry. The Company expects him to continuously contribute to the group management of the Company by drawing on these experiences and achievements.</p>			
<p>[Special notes regarding the candidate for Director] There are no special interests between Mr. Yohichi Kohyama and the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Yosuke Tomoi (January 12, 1956)  Reelection  Attendance rate at Board of Directors meetings 100% (17 out of 17 meetings)	<p>April 1980      Joined the Company</p> <p>December 2006      Executive Officer and General Manager of Corporate Planning Dept., Corporate Office Division</p> <p>December 2007      Director and Executive Officer, General Manager of Corporate Office Division, General Manager of Corporate Planning Dept., Corporate Office Division, and General Manager of Legal &amp; Auditorial Dept., Corporate Office Division of the Company</p> <p>December 2008      Director and Executive Officer, General Manager of Corporate Office Division, responsible for Secretarial Dept., and General Manager of Secretarial Dept.</p> <p>December 2009      Director and Executive Officer, and Deputy Division Manager of Sales Division</p> <p>August 2010      Director and Executive Officer, Deputy Division Manager of Sales Division, and General Manager of Sales Dept. 2, Sales Division</p> <p>December 2011      Director and Managing Executive Officer, General Manager of Corporate Office Division, responsible for Secretarial Dept., and General Manager of Secretarial Dept.</p> <p>December 2014      Director and Senior Managing Executive Officer, General Manager of Corporate Office Division, responsible for Secretarial Dept., in charge of Administration Division, and General Manager of Secretarial Dept.</p> <p>December 2015      Representative Director, President (current position)</p>	23,512
[Reason for election as a candidate for Director] Mr. Yosuke Tomoi assumed the office of Representative Director, President of the Company in 2015 after having served as Director of the Company from 2007. He has designed the Nichino Group vision and implemented growth strategies to realize that vision. The Company expects him to continuously steer the ongoing group management of the Company as a business administrator by drawing on these experiences and achievements.			
[Special notes regarding the candidate for Director] There are no special interests between Mr. Yosuke Tomoi and the Company.			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Sumitaka Kose (February 19, 1954)  Reelection  Attendance rate at Board of Directors meetings 100% (17 out of 17 meetings)	<p>April 1978      Joined the Company</p> <p>August 2003    General Manager of Production Administration Dept., Production Division</p> <p>December 2006   Executive Officer and General Manager of Production Administration Dept., Production Division</p> <p>December 2008   Director and Executive Officer, Division Manager of Production Division, and General Manager of Production Administration Dept., Production Division of the Company</p> <p>August 2011    Director and Executive Officer, and Division Manager of Production Division</p> <p>December 2012   Director and Managing Executive Officer, and Division Manager of Production Division</p> <p>December 2014   Director and Managing Executive Officer, Assistant to President, and Division Manager of Production Division</p> <p>December 2015   Director and Senior Managing Executive Officer, Assistant to President, Division Manager of Chemical Products Division, and in charge of Production Division</p> <p>August 2016    Director and Senior Managing Executive Officer, Assistant to President, Division Manager of Chemical Products Division, in charge of Production Division, and responsible for Osaka Plant and General Manager of Osaka Plant</p> <p>December 2016   Director and Senior Managing Executive Officer, Assistant to President, Division Manager of Administration Division, responsible for Osaka Plant and General Manager of Osaka Plant, and responsible for special missions (current position)</p>	11,792
<p>[Reason for election as a candidate for Director]</p> <p>Mr. Sumitaka Kose has broad experience and knowledge gained by serving in the production and chemical products segments. He assumed the office of Director of the Company in 2008, and is currently working on the reinforcement of the administration segment as Division Manager of the Administration Division, while engaging in the total optimization of the group management as Assistant to President. The Company expects him to continuously contribute to revitalizing the Board of Directors by drawing on these experiences and achievements.</p>			
<p>[Special notes regarding the candidate for Director]</p> <p>There are no special interests between Mr. Sumitaka Kose and the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held	
4	Hirohisa Yano (July 16, 1958)  Reelection  Attendance rate at Board of Directors meetings 100% (17 out of 17 meetings)	April 1982 August 2007 December 2008 December 2011	Joined the Company General Manager of Secretarial Dept. General Manager of Marketing Dept., Sales Division Executive Officer, Deputy Division Manager of Sales Division, General Manager of Marketing Dept., Sales Division, and General Manager of Sales Dept. 2, Sales Division	6,441
		August 2013 December 2015	Executive Officer, Deputy Division Manager of Sales Division, and General Manager of Marketing Dept., Sales Division Director and Senior Executive Officer, and Division Manager of Sales Division	
		August 2017	Director and Senior Executive Officer, and Division Manager of Domestic Sales Division (current position)	
		[Reason for election as a candidate for Director] Mr. Hirohisa Yano has assumed the office of Director of the Company in 2015 and has worked to strengthen and stabilize the domestic businesses by drawing on the management experience in the sales segment and others. The Company expects him to continuously contribute to revitalizing the Board of Directors by drawing on these experiences and achievements.		
[Special notes regarding the candidate for Director] There are no special interests between Mr. Hirohisa Yano and the Company.				
5	Hirofumi Tomita (October 15, 1955)  Reelection  Attendance rate at Board of Directors meetings 100% (14 out of 14 meetings)	April 1984 October 2002 December 2009 December 2012 December 2014	Joined Mitsubishi Kasei Corporation (current Mitsubishi Chemical Corporation) Joined the Company Research Center General Manager of Research & Development Strategy Dept., Research & Development Division Executive Officer and General Manager of Development Dept., Research & Development Division Executive Officer, Deputy Division Manager of Research & Development Division, General Manager of Development Dept., Research & Development Division, and Product Development Manager of Research Center, Research & Development Division	1,184
		August 2015 December 2015	Executive Officer, Deputy Division Manager of Research & Development Division and General Manager of Development Dept., Research & Development Division Senior Executive Officer, Deputy Division Manager of Research & Development Division, and General Manager of Development Dept., Research & Development Division	
		December 2016	Director and Senior Executive Officer, Division Manager of Research Division, and responsible for Environment Safety Dept. (current position)	
		[Reason for election as a candidate for Director] Mr. Hirofumi Tomita assumed the office of Director of the Company in 2016 and has worked to enhance drug discovering capability and accelerate its development as head of the research and development segment. The Company expects him to continuously contribute to revitalizing the Board of Directors by drawing on these experiences and achievements.		
[Special notes regarding the candidate for Director] There are no special interests between Mr. Hirofumi Tomita and the Company.				



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
6	Yoshiaki Higashino (May 12, 1958)  Reelection  Attendance rate at Board of Directors meetings 100% (14 out of 14 meetings)	April 1984	Joined Mitsubishi Kasei Corporation (current Mitsubishi Chemical Corporation)	8,246
		October 2002	Joined the Company	
		December 2008	General Manager of Corporate Planning Dept., Corporate Office Division	
		December 2013	Executive Officer and General Manager of Corporate Planning Dept., Corporate Office Division	
		December 2015	Senior Executive Officer, Division Manager of Corporate Planning Division, General Manager of Corporate Planning Dept., Corporate Planning Division, and responsible for Secretarial Dept.	
		December 2016	Director and Senior Executive Officer, and Division Manager of Market Development Division (current position)	
[Reason for election as a candidate for Director] Mr. Yoshiaki Higashino has worked for years to plan and promote management strategy as head of the corporate planning segment. He assumed the office of Director of the Company in 2016, and is currently engaged in promotion of the Company's growth strategies, while pursuing the development and cultivation of new markets as Division Manager of the Market Development Division. The Company expects him to continuously contribute to revitalizing the Board of Directors by drawing on these experiences and achievements.				
[Special notes regarding the candidate for Director] There are no special interests between Mr. Yoshiaki Higashino and the Company.				
7	Hiroshi Yamanoi (January 22, 1958)  Reelection  Attendance rate at Board of Directors meetings 100% (14 out of 14 meetings)	April 1981	Joined Adeka Argus Chemical Co., Ltd. (current Adeka Corporation)	4,593
		June 2007	General Manager of Additives Solution Dept., Polymer Additives R&D Laboratory, Adeka Corporation	
		October 2010	General Manager of Additives Solution Dept., Polymer Additives R&D Laboratory, Adeka Corporation	
		May 2011	General Manager of Overseas Business Promotion Office, Corporate Planning Dept., Adeka Corporation	
		June 2014	General Manager of Affiliated Companies Support Office, Corporate Planning Dept., Adeka Corporation	
		October 2016	Joined the Company Executive Adviser of Chemical Products Division	
		December 2016	Director and Senior Executive Officer, and Division Manager of Chemical Products Division (current position)	
[Reason for election as a candidate for Director] Mr. Hiroshi Yamanoi has worked to promote and support overseas businesses in the corporate planning department of Adeka Corporation, in addition to having engaged in research and development of additives solution at that company. He assumed the office of Director of the Company in 2016, and is currently engaged in strengthening the chemical products business as Division Manager of the Chemical Products Division. The Company expects him to continuously contribute to revitalizing the Board of Directors by drawing on these experiences and achievements.				
[Special notes regarding the candidate for Director] There are no special interests between Mr. Hiroshi Yamanoi and the Company.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
8	Akio Kohri (December 21, 1948)	April 1971	Joined Asahi Denka Co., Ltd. (current Adeka Corporation)	—
	Reelection	June 2008	Director and Operating Officer, Division Manager of Food Division, and General Manager of China Food Business Promotion Dept., Adeka Corporation	
	Outside	June 2010	Director and Managing Operating Officer, General Manager of Corporate Planning Dept., responsible for New Business Promotion Office, and Chairman of Facility Investment Committee, Adeka Corporation	
	Attendance rate at Board of Directors meetings 100% (17 out of 17 meetings)	June 2012	President of Adeka Corporation (current position)	
		December 2013	Director of the Company (current position)	
		(Significant concurrent positions)		
		President of Adeka Corporation		
		Outside Audit & Supervisory Board Member of Zeon Corporation		
[Reason for election as a candidate for Outside Director] Mr. Akio Kohri serves as President of Adeka Corporation, a major shareholder of the Company. He has engaged in business administration in the manufacturing industry for many years and has a wealth of experience and broad insight. The Company has continuously selected him as a candidate for Outside Director, because the Company believes that he is adequate to serve as Outside Director. He will have served as Outside Director for 4 years at the conclusion of this Ordinary General Meeting of Shareholders.				
[Liability limitation agreement] The Company has entered into an agreement with Mr. Akio Kohri to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Outside Director, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.				
[Special notes regarding the candidate for Director] There are no special interests between Mr. Akio Kohri and the Company.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Yasunori Matsui (March 3, 1956)</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Attendance rate at Board of Directors meetings 100% (17 out of 17 meetings)</p>	<p>April 1984 Full-time lecturer of Department of Commerce, Faculty of Commerce at Takachiho University of Commerce (current Takachiho University)</p> <p>April 1987 Associate professor of Department of Commerce, Faculty of Commerce, Takachiho University of Commerce</p> <p>April 1990 Visiting researcher of the University of Exeter, U.K.</p> <p>April 1994 Associate professor of Business Department, College of Economics, Rikkyo University</p> <p>April 1995 Professor of Business Department, College of Economics, Rikkyo University</p> <p>April 2006 Professor of Global Business Department, College of Business, Rikkyo University</p> <p>March 2007 PhD (Accounting) (Rikkyo University)</p> <p>April 2008 President of Graduate School of Business Administration (MBA), Rikkyo University</p> <p>April 2012 Dean, College of Business, Rikkyo University</p> <p>December 2014 Director of the Company (current position)</p> <p>April 2016 Professor of Department of Business, College of Business, Rikkyo University (current position)</p> <p>(Significant concurrent positions) Professor of Department of Business, College of Business, Rikkyo University</p>	—
[Reason for election as a candidate for Outside Director]			
<p>Mr. Yasunori Matsui has broad knowledge and insight in business administration gained through many years of experience as a university professor (in accounting and business administration), and has provided the Company with opinions and advice on the Company's overall management from an objective perspective. Although he has no experience in being involved in corporate management except as an outside officer, the Company has continuously selected him as a candidate for Outside Director, because, in addition to the reasons mentioned above, the Company believes that he is capable of adequately executing duties relevant to the position based on his solid track record of fulfilling the responsibilities as Outside Director of the Company. He will have served as Outside Director for 3 years at the conclusion of this Ordinary General Meeting of Shareholders.</p>			
[Matters concerning independence]			
<p>Mr. Yasunori Matsui satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company has designated him as an independent officer and notified the Exchange to that effect. Subject to the approval of his election as Outside Director, the Company will notify the Exchange of his ongoing designation as an independent officer.</p>			
[Liability limitation agreement]			
<p>The Company has entered into an agreement with Mr. Yasunori Matsui to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Outside Director, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.</p>			
[Special notes regarding the candidate for Director]			
<p>There are no special interests between Mr. Yasunori Matsui and the Company.</p>			

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
	<p>Iwao Toigawa (August 22, 1953)</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Attendance rate at Board of Directors meetings 100% (17 out of 17 meetings)</p>	<p>April 1991 Registered as attorney-at-law (Tokyo Bar Association) and joined Watanabe Kijuro Law Office</p> <p>July 2001 Established Toigawa Law Office</p> <p>April 2005 Part-time lecturer, Graduate School of Law (Law School) of Keio University</p> <p>May 2006 Established Hibiya T&amp;Y Law Office (current position)</p> <p>December 2011 Audit &amp; Supervisory Board Member of the Company</p> <p>December 2015 Director of the Company (current position)</p> <p>(Significant concurrent positions)</p> <p>Attorney-at-law</p> <p>Outside Auditor of TOHTO SUISAN KABSHIKI KAISHA</p> <p>Outside Director of KOSÉ Corporation</p>	<p>—</p>
10		<p>[Reason for election as a candidate for Outside Director]</p> <p>Mr. Iwao Toigawa has expertise as an attorney-at-law, and a wealth of experience and broad insight in corporate legal affairs, and has provided the Company with opinions and advice on the Company's overall management from an objective perspective. Although he has no experience in being involved in corporate management except as an outside officer, the Company has continuously selected him as a candidate for Outside Director because, in addition to the reasons mentioned above, the Company believes that he is capable of adequately executing duties relevant to the position based on his solid track record of fulfilling the responsibilities as Outside Director of the Company. He will have served as Outside Director for 2 years at the conclusion of this Ordinary General Meeting of Shareholders.</p>	
		<p>[Matters concerning independence]</p> <p>Mr. Iwao Toigawa satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company has designated him as an independent officer and notified the Exchange to that effect. Subject to the approval of his election as Outside Director, the Company will notify the Exchange of his ongoing designation as an independent officer.</p>	
		<p>[Liability limitation agreement]</p> <p>The Company has entered into an agreement with Mr. Iwao Toigawa to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Outside Director, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.</p>	
		<p>[Special notes regarding the candidate for Director]</p> <p>There are no special interests between Mr. Iwao Toigawa and the Company.</p>	

**Proposal 4:** Election of 1 Substitute Audit & Supervisory Board Member

The effective period of the resolution for the election of Mr. Yukukazu Hanamizu as Substitute Audit & Supervisory Board Member will expire at the beginning of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of one Substitute Audit & Supervisory Board Member, in preparation for the case in which the number of Audit & Supervisory Board Members fails to meet the minimum number required by laws and regulations.

The effectiveness of the resolution for the election may be nullified by resolution of the Board of Directors, after obtaining the consent of the Audit & Supervisory Board, insofar as such termination is effected prior to the assumption of office.

The Audit & Supervisory Board has given its approval to this proposal.

The candidate for Substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Yoshiko Oshima (November 10, 1956)  Outside  Independent	April 1988 Registered as attorney-at-law (Dai-Ichi Tokyo Bar Association) and joined Nishimura & Sanada (current Nishimura & Asahi) May 1989 Joined Legal Affairs Department, Esso Sekiyu K.K. (current JXTG Nippon Oil & Energy Corporation) July 1991 Joined Blakemore & Mitsuki August 1994 Joined Atsumi & Usui (current Atsumi & Sakai) July 1995 Joined Coudert Brothers LLP (New York) May 1997 Established Oshima Law Office (current position) July 2013 Started practice as a certified public tax accountant (current position) (Significant concurrent positions) Attorney-at-law Certified public tax accountant	—
[Reason for election as a candidate for Substitute Outside Audit & Supervisory Board Member] Although Ms. Yoshiko Oshima has not been involved in corporate management except as an outside officer, the Company has selected her as a candidate for Substitute Outside Audit & Supervisory Board Member, because the Company believes that she will provide pertinent advices and conduct audits appropriately if she assumes the office of Audit & Supervisory Board Member, based on her expertise as an attorney-at-law and a certified public tax accountant, along with the legal knowledge and experience developed over the years through her professional career.		
[Matters concerning independence] Ms. Yoshiko Oshima satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company will designate her as an independent officer and notify the Exchange to that effect, in the event of her appointment as Outside Audit & Supervisory Board Member, following the approval of her election as originally proposed.		
[Liability limitation agreement] In the event of Ms. Yoshiko Oshima's appointment as Outside Audit & Supervisory Board Member, following the approval of her election as originally proposed, the Company intends to enter into an agreement with her that limits her liability under Article 423, Paragraph 1 of the Companies Act, to the amount stipulated by laws and regulations.		
[Special notes regarding the candidate for Audit & Supervisory Board Member] There are no special interests between Ms. Yoshiko Oshima and the Company.		

(Reference)

#### Independence Standards for Appointment of Independent Officers

1. In order to serve as an independent officer of the Company, he/she shall not fall under any of the following categories of persons.
  - (1) A person who is an executive director, executive officer, manager, or other employee (hereinafter collectively referred to as an “Executive Director, etc.”) of the Company or any of its subsidiaries, or a person who was an Executive Director, etc., of the Company during the past 10 years prior to assuming the office of independent officer (if the person has, at any time during those past 10 years, served as a non-executive director [meaning a director who does not fall under the criteria of an executive director; hereinafter the same shall apply], audit & supervisory board member or accounting advisor of the Company or any of its subsidiaries, during the past 10 years prior to assuming the office of such position).
  - (2) A major shareholder of the Company (meaning a shareholder holding 10% or more of the voting rights; hereinafter the same shall apply). If such major shareholder is a corporation, a person who is an executive director, executive officer, corporate officer, manager or other employee of such corporation, or the parent company or any of the major subsidiaries of such corporation (hereinafter collectively referred to as an “Executive Person”), or an Executive Person thereof during the last three years.
  - (3) A person whose major business partner is the Company or any of its subsidiaries (meaning a person who received payment equivalent to 2% or more of the Company’s consolidated annual sales for the most recent fiscal year from the Company or any of its subsidiaries; hereinafter the same shall apply). If such person is a corporation, a person who is an Executive Person of such corporation, or has been an Executive Person at any time during the three fiscal years prior to the most recent fiscal year.
  - (4) A major business partner of the Company (meaning a person who made payments equivalent to 2% or more of the Company’s consolidated annual sales for the most recent fiscal year to the Company; hereinafter the same shall apply). If such person is a corporation, a person who is an Executive Person of such corporation, or has been an Executive Person at any time during the three fiscal years prior to the most recent fiscal year.
  - (5) A person who is a director (limited to those who are responsible for the business execution) of an organization (for example, public interest incorporated foundation, public interest incorporated association, non-profit corporation, etc.), which received donations or grants exceeding ¥10 million per year on average over the past three fiscal years, from the Company or any of its subsidiaries, or a person who is an officer, corporate member or employee who executes business of such organization.
  - (6) A person who is an Executive Person of a corporation which has accepted director(s) (either full-time or part-time) from the Company or any of its subsidiaries, or of the parent company or any of the subsidiaries of such corporation.
  - (7) A person who is an Executive Person, or has been an Executive Person in the last three years, of a financial institution or other major creditor (hereinafter referred to as a “Major creditor, etc.”) that is essential to the Company’s financing and is relied upon by the Company to the extent that there is no substitute, or the parent company or any of major subsidiaries of such major creditor, etc.
  - (8) A person who is currently an accounting auditor, certified public accountant (or tax accountant) who serves as accounting advisor, or a member, partner or employee of an auditing firm (or tax accountant office) for the Company or any of its subsidiaries.

- (9) A person who has been an accounting auditor, certified public accountant (or tax accountant) who served as accounting advisor, or a member, partner or employee of an auditing firm (or tax accountant office) who has actually engaged in the auditing operations (excluding assisting involvement) for the Company or any of its subsidiaries over the last three years (including those who are currently retired from or have left the relevant organization).
  - (10) A person who is an attorney-at-law, certified public accountant, tax accountant or any other consultant that does not fall under items (8) or (9) above, and has received monetary or any other financial benefits of ¥10 million or more per year on average over the past three years, in addition to directors' remuneration, from the Company or any of its subsidiaries.
  - (11) A person who is a member, partner, associate or employee of a law firm, audit firm, tax accountant office, consulting firm or any other professional advisory firm which does not fall under items (8) or (9) above, and has received payment of ¥10 million or more per year on average over the past three years, from the Company or any of its subsidiaries.
  - (12) A person who is a spouse, relative within the second degree of kinship, or a co-habiting relative of a person specified in any of the items above.
2. In order to serve as an independent officer of the Company, it is required that he/she be free from risk of developing a substantive conflict of interest on a constant basis with the Company's general shareholders for reasons other than those covered by Paragraph 1 above.
  3. Even if he/she falls under any of the categories set forth in Paragraph 1 above, when the Company believes that the individual is appropriate to be appointed as an independent officer of the Company based upon his/her personal quality and insight, it may appoint such individual as an independent officer on the condition that it explains to the public that he/she satisfies the requirements for outside director or outside audit & supervisory board member set forth by the Companies Act, and provides reasons why it considers he/she be appropriate for its independent officer.