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Securities code: 4541

May 31, 2018

To our shareholders:

Yuichi Tamura
President & CEO
Nichi-Iko Pharmaceutical Co., Ltd.
1-6-21 Sogawa, Toyama-shi

NOTICE OF THE 54TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 54th Ordinary General Meeting of Shareholders of Nichi-Iko Pharmaceutical Co., Ltd. (the “Company”), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by either of the following methods. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:40 p.m., Thursday, June 14, 2018 (Japan Standard Time).

- 1. Date and Time:** Friday, June 15, 2018 at 10:00 a.m. (Japan Standard Time)
- 2. Venue:** 6F Multipurpose Hall, Global Development Center (Honeycomb Building),
Nichi-Iko Pharmaceutical Co., Ltd.
205-1, Shimo-Umezawa, Namerikawa-shi, Toyama Prefecture

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 54th Term (from April 1, 2017 to March 31, 2018), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board
2. Non-Consolidated Financial Statements for the 54th Term (from April 1, 2017 to March 31, 2018)

Items to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of Nine (9) Board Members
Proposal 3: Election of Three (3) Audit & Supervisory Board Members
Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

4. Instructions for Exercising Voting Rights

- (1) Exercising voting rights in writing (by postal mail)
Please return the enclosed voting form indicating your vote for or against each proposal so that your vote will be received by 5:40 p.m., Thursday, June 14, 2018 (Japan Standard Time).
- (2) Exercising voting rights via the Internet, etc.
If you exercise your voting rights via the Internet, etc., you are kindly requested to examine the “Instructions for Exercising Voting Rights via the Internet, etc.” and enter your vote for or against each proposal by 5:40 p.m., Thursday, June 14, 2018 (Japan Standard Time).

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

As a basic policy of distributing profits, the Company is working to improve and strengthen its financial condition while maintaining a sufficient level of retained earnings and continues to ensure proper return of profits to shareholders. Accordingly, the Company makes effective use of its internal reserves resulting in prioritized allocation to pharmaceutical development, expansion into new markets, capital investment aimed at ensuring stable supply, and profit distribution based on financial performance.

For appropriation of surplus, based on the above policy, the Company proposes as below:

1. Matters related to year-end dividends
 - (1) Type of dividend property
Cash
 - (2) Allocation of dividend property and total amount thereof
15 yen per common share of the Company
Total amount of dividends: 855,530,355 yen
Full-year dividends including the interim dividend for this fiscal year will be 30 yen per common share of the Company.
 - (3) Effective date of distribution of dividends of surplus
June 18, 2018
2. Matters related to other appropriation of surplus
 - (1) Item of surplus to be increased and amount of increase thereof
General reserve: 7,000,000,000 yen
 - (2) Item of surplus to be decreased and amount of decrease thereof
Retained earnings brought forward: 7,000,000,000 yen

Proposal 2: Election of Nine (9) Board Members

The terms of office of all eight (8) Board Members will expire at the conclusion of this meeting. In that regard, the Company proposes to elect nine (9) Board Members, increasing the number of Board Members by one (1) to enhance the management system.

The candidates for Board Members are as follows:

No.	Name		Position, etc., in the Company	Attendance rate at meetings of the Board of Directors
1	Yuichi Tamura	Reelection	President & CEO	100%
2	Kenji Akane	Reelection	Vice President, Board of Director	100%
3	Noboru Inasaka	Reelection	Board of Executive Director	100%
4	Takahiro Yoshikawa	Reelection	Board of Senior Director	100%
5	Toshinori Kongouji	Reelection	Board Member	100%
6	Shigeo Takagi	Reelection	Board Member	Outside Independent 92.3%
7	Hideki Sakai	Reelection	Board Member	Outside Independent 92.3%
8	Hajime Imamura	Reelection	Board Member	Outside Independent 100%
9	Kyoko Tanebe	New election	Board Member	Outside Independent -

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions)	Number of the Company's shares owned
1	<p style="text-align: center;">Yuichi Tamura (July 2, 1962)</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1989 Joined the Company</p> <p>Feb. 1990 Board Member, Director, Corporate Strategy and Planning Office of the Company</p> <p>Feb. 1992 Board Member, Responsible for Sales and Marketing Division and Director, Corporate Strategy and Planning Office and Tokyo Management Department of the Company</p> <p>Feb. 1994 Representative Board of Executive Director, Responsible for Sales and Marketing Division and Corporate Strategy and Planning Office of the Company</p> <p>Feb. 2000 President & CEO of the Company (present position)</p>	1,800,151
	<p>(Reasons, etc. for nomination as candidate for Board Member)</p> <p>Yuichi Tamura has led the management of the entire Group as the Company's President & CEO since 2000. He has led the Group with a vision for the medium- to long-term, with strong leadership, and is continually contributing to the improvement of the Company's corporate value. The Company proposes the election of Mr. Tamura as Board Member so that his wide-ranging knowledge, extensive experience and broad discernment, and strong leadership, and other qualities related to the generic drug industry will continue to be utilized in the management of the Company.</p>		
2	<p style="text-align: center;">Kenji Akane (August 5, 1953)</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1976 Joined The Hokuriku Bank, Ltd.</p> <p>June 2005 General Manager, Finance and Public Funds Department of The Hokuriku Bank Ltd.</p> <p>Sept. 2006 Joined the Company</p> <p>Dec. 2006 Operating Officer, Director, General Affairs Department of the Company</p> <p>Dec. 2008 Operating Officer, Head of the Administrative Division and Director, Finance Department of the Company</p> <p>Feb. 2009 Board Member, Head of the Administrative Division and Director, Finance Department of the Company</p> <p>Feb. 2011 Board of Senior Director, Head of the Administrative Division of the Company</p> <p>Dec. 2011 Board of Executive Director, Responsible for Overall Management and Internal Audit Group of the Company</p> <p>Apr. 2013 Board of Executive Director, Responsible for President Office and Internal Audit Group of the Company</p> <p>Apr. 2017 Board of Executive Director, Responsible for President Office and Compliance & Internal Auditors Office of the Company</p> <p>Apr. 2018 Vice President, Board of Director, Responsible for Compliance & Internal Auditors Office of the Company (present position)</p>	44,606
	<p>(Reasons, etc. for nomination as candidate for Board Member)</p> <p>Kenji Akane has extensive experience and specialist knowledge, as well as a high level of insight into corporate management, gained through his many years working at financial institutions. Since joining the Company in 2006, Mr. Akane has been involved with the Administrative Division, the President Office, and the Compliance & Internal Auditors Office, and has been judged to be an appropriate person to pursue further improvement of corporate value at the Group; therefore the Company proposes his election as Board Member.</p>		

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions)	Number of the Company's shares owned
3	Noboru Inasaka (December 18, 1955) Reelection	Mar. 1978 Joined the Company Dec. 2001 Director, Operation Department of the Company Dec. 2005 Representative Board Member of Oriental Pharmaceutical Co., Ltd. (secondment) Jan. 2008 Operating Officer, Director, Operation Department of the Company Dec. 2008 Operating Officer, Vice Head of the Sales and Marketing Division and Director, Operation Department of the Company May 2009 Senior Operating Officer, Director, Purchasing Department of the Company Dec. 2009 Senior Operating Officer, Director, Finance Department of the Company Dec. 2011 Senior Operating Officer, Head of the Administrative Division of the Company June 2014 Board of Senior Director, Head of the Administrative Division of the Company Apr. 2018 Board of Executive Director, Head of the Administrative Division of the Company (present position)	25,865
(Reasons, etc. for nomination as candidate for Board Member) Noboru Inasaka has been involved with the Administrative Division, the Sales and Marketing Division, and the Production Division, and has wide-ranging knowledge and extensive experience in the generic drug industry, as well as a high level of insight into management. Since 2014, Mr. Inasaka has supervised the Administrative Division of the Company as a Board Member, and has been judged to be an appropriate person to pursue further improvement of corporate value at the Group; therefore the Company proposes his election as Board Member.			
4	Takahiro Yoshikawa (March 8, 1952) Reelection	Apr. 1975 Joined SUMITOMO CORPORATION Apr. 2005 Senior Officer, General Manager of the Life Science Division of SUMITOMO CORPORATION Oct. 2010 Joined the Company Oct. 2010 Operating Officer, Vice Head of the Distribution Stabilization Promotion Division of the Company Dec. 2010 Senior Operating Officer, Head of the Planning Division of the Company Feb. 2011 Senior Operating Officer, Head of the Planning Division of the Company Dec. 2011 Senior Operating Officer, Head of the Development and Planning Division of the Company June 2013 Board of Senior Director, Head of the Development and Planning Division of the Company Apr. 2016 Board of Senior Director, Head of the Procurement Division of the Company (present position)	27,987
(Reasons, etc. for nomination as candidate for Board Member) Takahiro Yoshikawa had held key positions at overseas affiliates, etc., of general trading companies, and has wide-ranging knowledge and extensive expertise in medicine, as well as a high level of insight into management. Since joining the Company in 2010, Mr. Yoshikawa has been involved with the Distribution Stabilization Promotion Division, the Development and Planning Division, as well as the Procurement Division, and has been judged to be an appropriate person to pursue further improvement of corporate value at the Group; therefore the Company proposes his election as Board Member.			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions)	Number of the Company's shares owned
5	<p>Toshinori Kongouji (November 7, 1951)</p> <p>Reelection</p>	<p>May 1971 Joined the Company</p> <p>Jan. 1998 Director, Finance Department of the Company</p> <p>Dec. 2001 Operating Officer, Director, Finance Department of the Company</p> <p>Feb. 2004 Board Member, Responsible for Finance and Director, Finance Department of the Company</p> <p>June 2007 Board Member, Head of Business Management Section of the Company</p> <p>Dec. 2008 Senior Board Member, Responsible for Group Management of the Company</p> <p>Oct. 2009 Senior Board Member, Responsible for Sales and Marketing Division of the Company</p> <p>June 2010 Executive Board Member, Head of the Sales and Marketing Division of the Company</p> <p>Feb. 2011 Board of Executive Director, Head of the Sales and Marketing Division of the Company</p> <p>June 2014 Representative Board of Executive Director, Responsible for Sales and Marketing Division and Head of Sales and Marketing Division of the Company</p> <p>May 2016 Representative Board of Executive Director, Responsible for Sales and Marketing Division of the Company</p> <p>Apr. 2017 Representative Board of Executive Director, Responsible for Sales and Marketing of the Company</p> <p>Apr. 2018 Board Member of the Company (present position)</p> <p>Apr. 2018 Director of ELMED EISAI Co., Ltd. (secondment) (present position)</p>	44,333
<p>(Reasons, etc. for nomination as candidate for Board Member)</p> <p>Toshinori Kongouji has been involved with the Administrative Division and the Sales and Marketing Division, and has wide-ranging knowledge and extensive experience in the generic drug industry, as well as a high level of insight into management. Since 2004, Mr. Kongouji has contributed to the improvement of the corporate value of the Company as Board Member, and has been judged to be an appropriate person for the development and growth of the Group; therefore the Company proposes his election as Board Member.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions)	Number of the Company's shares owned
6	<p>Shigeo Takagi (April 2, 1948)</p> <p>Reelection Outside Independent</p>	<p>Apr. 1971 Joined The Hokuriku Bank, Ltd.</p> <p>June 1998 Board Member of The Hokuriku Bank, Ltd.</p> <p>June 2002 Representative Executive and President of The Hokuriku Bank, Ltd.</p> <p>Sept. 2003 Representative Executive and President of Hokugin Financial Group, Inc. (present Hokuhoku Financial Group, Inc.)</p> <p>Feb. 2011 Outside Board Member of the Company (present position)</p> <p>June 2013 Special Advisor of The Hokuriku Bank, Ltd.</p> <p>Nov. 2013 President of the Toyama Chamber of Commerce and Industry (present position)</p> <p>July 2016 Supreme Advisor of The Hokuriku Bank, Ltd. (present position)</p> <p>[Significant concurrent positions] President, Toyama Chamber of Commerce and Industry Supreme Advisor, The Hokuriku Bank, Ltd. Outside Director, Hokuriku Electric Power Company Outside Auditor, Seiren Co., Ltd. Outside Auditor, Kawada Technologies, Inc.</p>	12,520
<p>(Reasons, etc. for nomination as candidate for Outside Board Member)</p> <p>Shigeo Takagi has held key positions at financial institutions for many years, and has served as President of the Toyama Chamber of Commerce and Industry since 2013; he is devoted to the development of the local economy and companies from a public perspective. Mr. Takagi has wide-ranging knowledge and experience relating to management gained as a corporate manager, and is deemed appropriate as Outside Board Member who provides guidance for management in general from his insight as the President of the Chamber of Commerce and Industry, as well as from a public and objective perspective; the Company therefore requests his election.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions)	Number of the Company's shares owned
7	<p style="text-align: center;">Hideki Sakai (September 19, 1962)</p> <p style="text-align: center;">Reelection Outside Independent</p>	<p>Apr. 1992 Research Fellowship for young scientists of Japan Society for the Promotion of Science</p> <p>Aug. 1992 Assistant of Toyama Medical and Pharmaceutical University</p> <p>Sept. 1996 Long-term Staff Researcher of Ministry of Education</p> <p>May 1998 Assistant Professor of Toyama Medical and Pharmaceutical University</p> <p>Feb. 2005 Professor, Pharmaceutical Department of Toyama Medical and Pharmaceutical University</p> <p>Apr. 2006 Professor, Graduate School of Medicine and Pharmaceutical Sciences of University of Toyama (present position)</p> <p>Oct. 2013 Deputy Dean, Faculty of Pharmacy and Pharmaceutical Sciences, University of Toyama</p> <p>June 2014 Outside Board Member of the Company (present position)</p> <p>Apr. 2018 Dean, Graduate School of Medicine and Pharmaceutical Sciences for Research, University of Toyama (present position)</p> <p>Apr. 2018 Dean, Faculty of Pharmacy and Pharmaceutical Sciences of University of Toyama (present position)</p> <p>(Significant concurrent positions) Professor, Graduate School of Medicine and Pharmaceutical Sciences, University of Toyama Dean, Graduate School of Medicine and Pharmaceutical Sciences for Research, University of Toyama Dean, Faculty of Pharmacy and Pharmaceutical Sciences of University of Toyama</p>	-
<p>(Reasons, etc. for nomination as candidate for Outside Board Member)</p> <p>The Company proposes election of Hideki Sakai as Outside Board Member so that his extensive specialist knowledge and discernment related to medicine accumulated as a university professor will be utilized in the management of the Company. Mr. Sakai has never been directly involved in the management of a company except as an outside director. However, the Company judges he will faithfully fulfill his duties as Outside Board Member based on the above reasons.</p>			
8	<p style="text-align: center;">Hajime Imamura (November 19, 1955)</p> <p style="text-align: center;">Reelection Outside Independent</p>	<p>Apr. 1984 Registered Toyama-ken Bar Association</p> <p>Feb. 1994 Outside Auditor of the Company (currently Outside Audit & Supervisory Board Member)</p> <p>Jan. 1998 Representative of Imamura Law Office (present position)</p> <p>June 2017 Outside Board Member of the Company (present position)</p> <p>[Significant concurrent positions] Representative of Imamura Law Office Attorney at law Outside Director, TANAKA SEIMITSU KOGYO CO., LTD.</p>	-
<p>(Reasons, etc. for nomination as candidate for Outside Board Member)</p> <p>During the term as Outside Audit & Supervisory Board Member of the Company, Hajime Imamura has expressed opinions from an independent perspective as an attorney based on this extensive knowledge and experience regarding legal matters and has adequately fulfilled his duties. Mr. Imamura has also become very familiar with the details of the Company's operations by conducting audits, and the Company proposes his election as Outside Board Member so that he can use his abundant knowledge and experience in the Company's management. He has never been directly involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as Outside Board Member based on the above reasons.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities (significant concurrent positions)	Number of the Company's shares owned
9	<p style="text-align: center;">*</p> <p style="text-align: center;">Kyoko Tanebe (October 14, 1964)</p> <p style="text-align: center;">New election Outside Independent</p>	<p>June 1990 Clinical Fellow, Toyama Medical and Pharmaceutical University Hospital</p> <p>Feb. 1991 Medical Doctor, Department of Obstetrics and Gynecology of Aiiku Hospital, Imperial Gift Foundation Boshi-Aiiku-Kai</p> <p>Feb. 1992 Medical Doctor, Department of Obstetrics and Gynecology of Itoigawa sogo Hospital</p> <p>Apr. 1992 Medical Doctor, Department of Obstetrics and Gynecology of Kurobe City Hospital</p> <p>Apr. 1998 Research Associate , Department of Obstetrics and Gynecology of Toyama Medical and Pharmaceutical University</p> <p>Apr. 2001 Chief Physician in Outpatient Department of Obstetrics and Gynecology Outpatient Clinic, Toyama Medical and Pharmaceutical University Hospital</p> <p>Apr. 2003 Chief Physician, Department of Obstetrics and Gynecology of Saiseikai Toyama Hospital</p> <p>July 2006 President of Ladies' Clinic We! Toyama, Touseikai Medical Corporation (present position)</p> <p>(Significant concurrent positions)</p> <p>Committee Member of the expert panel of Priority Policy, Council of Gender Equality Bureau of the Cabinet Office</p> <p>Clinical Professor, Department of Medicine, Faculty of Medicine, University of Toyama</p> <p>Executive Director of Public Interest Incorporated Association Toyama Medical Association</p> <p>Board of Director of Public Interest Incorporated Association Japan Association of Obstetricians and Gynecologists</p> <p>President, Ladies' Clinic We Toyama, Touseikai Medical Corporation</p>	-
<p>(Reasons, etc. for nomination as candidate for Outside Board Member)</p> <p>The Company proposes election Kyoko Tanebe as Outside Board Member so that her extensive specialist knowledge and discernment related to the medical industry accumulated as a doctor will be utilized in the management of the Company. She has never been directly involved in the management of a company except as an outside officer. However, the Company judges she will appropriately fulfill her duties as Outside Board Member based on the above reasons.</p>			

- Notes:
1. New candidate for Board Member is indicated by an asterisk (*).
 2. Shigeo Takagi, Hideki Sakai, Hajime Imamura, and Kyoko Tanebe are candidates for Outside Board Member.
 3. Shigeo Takagi resigned as Representative Executive and President and assumed the office of Special Advisor of The Hokuriku Bank, Ltd., which is a major lender and major shareholder of the Company (a business entity that has a special relationship with the Company) in June 2013. He then assumed the office of Supreme Advisor of The Hokuriku Bank Ltd. in July 2016. However, Mr. Takagi individually has no special interests directly with the Company. There are no special interests between the Company and other candidates for Board Members.
 4. Shigeo Takagi, Hideki Sakai, and Hajime Imamura are current Outside Board Members of the Company, and their terms of office as Outside Board Members are, seven (7) years and four (4) months for Mr. Takagi, four (4) years for Mr. Sakai, and one (1) year for Mr. Imamura (his term of office as Outside Audit & Supervisory Board Member was twenty-three (23) years and four (4) months to June, 2017) as of the conclusion of this Meeting. The Company has executed an agreement to limit liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, and the cap on liability for damages under the relevant agreement is the amount stipulated under the laws and regulations. If their reelection is approved, the Company plans to renew the aforementioned agreements with them.
 5. When Kyoko Tanebe assumes the office of the Outside Board Member, the Company is planning to execute an agreement with her to limit liability for damages under Article 423, Paragraph 1, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The cap on liability for damages under the relevant agreement is planned to be the amount stipulated under the laws and regulations.

6. The number of shares of the Company in the possession of the candidates for Board Member includes their own shares in the shareholding association of the Company.
7. The Company registered with the Tokyo Stock Exchange Mr. Takagi, Mr. Sakai, and Mr. Imamura as independent executives stipulated by the Tokyo Stock Exchange. The Company also plans to register Ms. Tanabe as an independent executive.

Proposal 3: Election of Three (3) Audit & Supervisory Board Members

The terms of office of the Audit & Supervisory Board Members Yoshihito Sugi and Ko Sato will expire at the conclusion of this meeting. The Company therefore proposes to elect three (3) Audit & Supervisory Board Members, increasing the number of Audit & Supervisory Board Members by one (1) to enhance the audit system. If this proposal is approved as submitted, the Audit & Supervisory Board Members of the Company will be four (4) (including two (2) independent Outside Audit & Supervisory Board Members).

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions)		Number of the Company's shares owned
1	Yoshihito Sugi (January 2, 1955) Reelection	Nov. 1979	Joined the Company	10,071
		Jan. 1998	Manager of General Affairs Department of the Company	
May 2009	Director, Information Technology Department, Administrative Division of the Company			
Apr. 2013	Senior Officer, Director, Information Technology Department, Administrative Division of the Company			
June 2014	Full-time Audit & Supervisory Board Member of the Company (present position)			
(Reasons, etc. for nomination as candidate for Audit & Supervisory Board Member) Yoshihito Sugi has been engaged in business relating to the Administrative Division and information systems of the Company, has extensive experience and knowledge in administration and auditing, and has been judged to be able to continue to appropriately perform audit duties at the Company, therefore, the Company proposes his election as Audit & Supervisory Board Member.				
2	* Toru Ishise (April 1, 1958) New election	Apr. 1980	Joined the Company	18,346
		Dec. 2009	Operating Officer, Vice Head of the Production Division of the Company	
		Dec. 2011	Senior Operating Officer, Head of the Production Division of the Company	
		June 2012	Senior Operating Officer, Head of the Quality Assurance & Pharmacovigilance Division of the Company	
		Mar. 2014	Senior Officer, Director, Nichi-Iko Fuji Plant Establishment Preparation Office of the Company	
		Apr. 2014	Representative Board of Director, Nichi-Iko Pharma Tech Co., Ltd. (secondment)	
		Apr. 2015	Senior Operating Officer, Sub-responsible for Quality Assurance & Pharmacovigilance Division and Production Division of the Company	
		Apr. 2016	Senior Operating Officer, Head of the Development and Planning Division of the Company	
Apr. 2018	Compliance & Internal Auditors Office of the Company (present position)			
(Reasons, etc. for nomination as candidate for Audit & Supervisory Board Member) Toru Ishise has been engaged in business relating to the Production Division, the Quality Assurance & Pharmacovigilance Division, and the Development and Planning Division of the Company, has extensive knowledge and experience in the generic drug industry, and has been judged to be able to appropriately perform audit duties at the Company, therefore, the Company proposes his election as Audit & Supervisory Board Member.				

No.	Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions)	Number of the Company's shares owned
3	Ko Sato (January 4, 1950) Reelection Outside Independent	Oct. 1975 Joined Fuso Audit Corporation Mar. 1979 Registered as Certified Public Accountant Aug. 1997 Representative of Chuo Audit Corporation Aug. 2007 Representative of KPMG AZSA & Co. June 2012 Resigned from KPMG AZSA LLC July 2012 General Manager of Certified Public Accountant Sato Ko Office (present position) Sept. 2012 Registered as Tax Accountant June 2014 Outside Audit & Supervisory Board Member of the Company (present position) (Significant concurrent positions) General Manager, Certified Public Accountant Sato Ko Office Certified Public Accountant, Tax Accountant Outside Auditor, THE GIFU SHINKIN BANK Outside Director, Chubu Steel Plate Co., Ltd.	—
(Reasons, etc. for nomination as candidate for Outside Audit & Supervisory Board Member) Ko Sato is a candidate for Outside Audit & Supervisory Board Member so that his extensive experience and advanced knowledge gained through practices as a certified public accountant and tax accountant will be utilized in the Company's audits, and the Company proposes his election as Outside Audit & Supervisory Board Member. Mr. Sato has never been involved in the management of a company except as an outside officer. However, the Company judges he will appropriately fulfill his duties as Outside Audit & Supervisory Board Member based on the above reasons.			

- Notes:
1. New candidate for Audit & Supervisory Board Member is indicated by an asterisk (*).
 2. There is no special interest between any of the candidates and the Company.
 3. Ko Sato is a candidate for Outside Audit & Supervisory Board Member.
 4. Ko Sato is currently an Audit & Supervisory Board Member of the Company, and his term of office as Audit & Supervisory Board Member is four (4) years as of the conclusion of this Meeting. The Company has executed an agreement to limit liability for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, and the cap on liability for damages under the relevant agreement is the amount stipulated under the laws and regulations. If his reelection is approved, the Company plans to renew the aforementioned agreements with him.
 5. The number of shares of the Company in the possession of the candidates for Audit & Supervisory Board Member includes their own shares in the shareholding association of the Company.
 6. The Company has submitted notification to the Tokyo Stock Exchange that Ko Sato has been designated as an independent officer as provided for by the aforementioned exchange.

Proposal 4: Election of One (1) Substitute Audit & Supervisory Board Member

The Company proposes to elect one (1) substitute Audit & Supervisory Board Member to be ready to fill a vacant position should the number of Audit & Supervisory Board Members fall below the number in accordance with the laws and regulations.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

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

Name (Date of birth)	Career summary and position in the Company (Significant concurrent positions)	Number of the Company's shares owned
Eiichi Furukawa (June 5, 1963)	Apr. 1987 Joined Nomura Securities Co., Ltd. May 1999 Joined TOKYO Company Information Co., Ltd. (now TOKYO M&A Co., Ltd.) June 2004 Chief Executive Officer and President of TOKYO M&A Co., Ltd. (present position) Sept. 2006 Part-time lecturer at Graduate School of Finance, Accounting and Law, Waseda University Sept. 2017 Part-time lecturer at Graduate School of Business and Finance, Waseda Business School (present position) (Significant concurrent positions) Chief Executive Officer, TOKYO M&A Co., Ltd. Part-time lecturer at Graduate School of Business and Finance, Waseda Business School	—
(Reasons, etc. for nomination as candidate for substitute Outside Audit & Supervisory Board Member) Eiichi Furukawa is a candidate for substitute Outside Audit & Supervisory Board Member so that his extensive experience and advanced knowledge gained as a company manager, management consultant, and university lecturer will be utilized in the Company's audits, and the Company proposes his election as a substitute member.		

- Notes:
1. There is no special interest between Eiichi Furukawa and the Company.
 2. Eiichi Furukawa is a candidate for substitute Outside Audit & Supervisory Board Member.
 3. When Eiichi Furukawa assumes the office of the Audit & Supervisory Board Member, the Company is planning to execute an agreement with him to limit liability for damages under Article 423, Paragraph 1, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The cap on liability for damages under the relevant agreement is planned to be the amount stipulated under the laws and regulations.