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Securities identification code: 8074  
May 31, 2019

To our shareholders:

Etsuro Sato  
Representative Director and Chairman  
**YUASA TRADING CO., LTD.**  
7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo, Japan

## **NOTICE OF THE 140TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 140th Ordinary General Meeting of Shareholders of YUASA TRADING 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 in writing (by postal mail) or via the Internet, etc. Please review the Reference Documents for the General Meeting of Shareholders below, and exercise your voting rights following “Guidance for Exercise of Voting Rights” (in Japanese only) on pages 4 to 6, by 5:00 p.m. on Thursday, June 20, 2019 (Japan Standard Time).

### **Meeting Details**

- 1. Date and Time:** Friday, June 21, 2019 at 10:00 a.m. (reception will open at 9:00 a.m.) (Japan Standard Time)
- 2. Venue:** BELLESALLE KANDA, Sumitomo Fudosan Kanda Bld., 3F,  
7, Kanda-Mitoshirocho, Chiyoda-ku, Tokyo

### **3. Purposes:**

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

1. Business Report and Consolidated Financial Statements for the 140th Term (from April 1, 2018 to March 31, 2019), 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 140th Term (from April 1, 2018 to March 31, 2019)

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

- Proposal 1:** Election of Ten (10) Directors
- Proposal 2:** Election of One (1) Audit & Supervisory Board Member
- Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

### **4. Exercise of Voting Rights**

Please refer to the page 4 to 6, “Guidance for Exercise of Voting Rights” (in Japanese only)

For Institutional Investors

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

## Reference Documents for the General Meeting of Shareholders Proposals and Reference Information

### Proposal 1: Election of Ten (10) Directors

The terms of office of nine (9) incumbent Directors will expire at the conclusion of this Meeting. Accordingly, the Company proposes that ten (10) Directors including two (2) new Directors and two (2) Outside Directors (of which, one (1) is a new Outside Director) be elected for the purpose of further strengthening the management system.

The candidates for Directors are as follows:

Candidate No.	Name	Position and responsibility in the Company	
1	Hiroyuki Tamura	Representative Director, President & COO	Reelection
2	Haruo Sanoki	Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairman of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee	Reelection
3	Kenichi Tanaka	Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters	Reelection
4	Toshiyuki Takachio	Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development	Reelection
5	Noriyoshi Takahashi	Director, Executive Officer, Vice Supervisory Manager of Management Administration, Manager of General Planning Department, Head of Sales Support Office, General Planning Department	Reelection
6	Naomi Nakayama	Executive Officer, Chief General Manager of Construction Market Headquarters	New Candidate
7	Kaoru Hirose	Director, Executive Officer, Chief General Manager of Living Environment Division (Eastern Area), Living Environment Market Headquarters	Reelection
8	Haruhiko Sako	Executive Officer, General Manager of Machinery Engineering Division	New Candidate
9	Shinzo Maeda	Outside Director	Reelection Outside Independent
10	Keiko Toya	—	New Candidate Outside Independent

Reelection: Candidate for reelection for Director

New Candidate: New candidate for election as Director

Outside: Candidate for Outside Director

Independent: Independent Officer pursuant to the rules of the Tokyo Stock Exchange

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	<p style="text-align: center;">Hiroyuki Tamura (July 16, 1959)</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1982      Joined the Company</p> <p>Apr. 1997      President of YUASA MECHATRONICS (M) SDN. BHD.</p> <p>Mar. 2000      President of YUASA WARWICK MACHINERY LTD.</p> <p>Apr. 2007      General Manager of Factory Solution Division of the Company</p> <p>Apr. 2009      Executive Officer, General Manager of Factory Solution Division of the Company</p> <p>June 2010      Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company</p> <p>June 2013      Managing Director, Executive Officer, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company</p> <p>Apr. 2014      Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters, in charge of Overseas Business Development and General Manager of Factory Solution Division of the Company</p> <p>Apr. 2016      Senior Managing Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development of the Company</p> <p>Apr. 2017      Representative Director, President &amp; COO of the Company (incumbent)</p>	5,300 shares
<p><b>Reasons for nomination as a candidate for Director</b></p> <p>Mr. Hiroyuki Tamura has full knowledge of the industrial equipment and tools and machine tools areas due to his serving in such capacities as Director, Executive Officer, Chief General Manager of the Industrial Market Headquarters and also has abundant experience and achievements in overseas business as a representative of some of the Company's overseas subsidiaries and a Director in charge of Overseas Business Development. Moreover, having demonstrated outstanding management skills since taking the position of Representative Director, President &amp; COO of the Company in April 2017, the Company decided it would be appropriate to have him contributing to the growth of the Company and the Company's Group going forward, and so made him a candidate.</p>			

Candidate No.	Name (Date of birth)	<b>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</b>	Number of the Company's shares owned
2	Haruo Sanoki (March 9, 1955)  Reelection	<p>Apr. 1978      Joined the Company</p> <p>Apr. 2007      Assistant General Manager of Machinery Engineering Division of the Company</p> <p>Apr. 2011      Executive Officer, General Manager of Machinery Engineering Division of the Company</p> <p>June 2013      Director, Executive Officer, General Manager of Machinery Engineering Division of the Company</p> <p>Apr. 2015      Director, Executive Officer, Vice Supervisory Manager of Management Administration, Manager of General Affairs Department of the Company</p> <p>Apr. 2017      Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairman of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company</p> <p>Apr. 2018      Senior Managing Director, Executive Officer, Supervisory Manager of Management Administration, in charge of Regional Groups, Committee Chairman of Export Administration Department, Ethics and Compliance Committee and Internal Control Committee of the Company (incumbent)</p>	4,400 shares
<p><b>Reasons for nomination as a candidate for Director</b>  Mr. Haruo Sanoki has full knowledge of the machine tools area due to his being a Director, Executive Officer, General Manager of the Machinery Engineering Division and having served as a Senior Managing Director, Executive Officer, Supervisory Manager of the Management Administration. He has worked on strengthening the management foundation and governance at both the Company and the Company's Group and has abundant experience and achievements. The Company decided it would be appropriate to have him continue to use his knowledge for the growth of the Company and the Company's Group and so made him a candidate.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p style="text-align: center;">Kenichi Tanaka (October 9, 1958)</p> <p style="text-align: center;">Reelection</p>	<p>Apr. 1982      Joined the Company</p> <p>Oct. 2007      Manager of Plant Business Department of the Company</p> <p>Apr. 2008      Assistant General Manager of Building Facility Division of the Company</p> <p>Apr. 2010      Executive Officer, General Manager of Building Facility Division of the Company</p> <p>Apr. 2011      Executive Officer, General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>June 2014      Director, Executive Officer, Chief General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>Apr. 2017      Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>June 2017      Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters, General Manager of Living Environment Division (Eastern Area) of the Company</p> <p>Apr. 2018      Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters, Supervisory Manager of Construction Business Headquarters of the Company</p> <p>Apr. 2019      Managing Director, Executive Officer, Chief General Manager of Living Environment Market Headquarters of the Company (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b>  Chairman, Representative Director of YUASA QUOBIS CO., LTD (part time)  Chairman, Representative Director of YUASA PRIMUS CO., LTD. (part time)</p>	3,900 shares
<p><b>Reasons for nomination as a candidate for Director</b>  Mr. Kenichi Tanaka has full knowledge of the housing, air &amp; fluidic control systems area due to his serving in such capacities as Managing Director, Executive Officer, Chief General Manager of the Living Environment Division (Eastern Area) and as Managing Director, Executive Officer, Chief General Manager of the Living Environment Market Headquarters, and has abundant experience and achievements. The Company decided it would be appropriate to have him continue to play a part in strengthening businesses in the field of living environments and thereby contributing to the growth of the Company and the Company's Group and so made him a candidate.</p>			

Candidate No.	Name (Date of birth)	<b>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</b>	Number of the Company's shares owned
4	Toshiyuki Takachio (May 21,1956)  Reelection	<p>Apr. 1980      Joined the Company</p> <p>Oct. 2006      Representative Director, YUASA INDUSTRIAL EQUIPMENT CO., LTD. (currently YUASA PROMATEC CO., LTD.)</p> <p>May 2010      Representative Director, President of KOKKO CO., LTD.</p> <p>Apr. 2012      Executive Officer of the Company, Representative Director, President of KOKKO CO., LTD.</p> <p>June 2016      Director, Executive Officer, Vice General Manager of Industrial Market Headquarters and President of KOKKO CO., LTD.</p> <p>Apr. 2017      Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and in charge of Overseas Business Development of the Company (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b> Chairman, Representative Director of KOKKO CO., LTD. (part time)</p>	1,500 shares
<p><b>Reasons for nomination as a candidate for Director</b> Mr. Toshiyuki Takachio has worked as Representative Director, President of KOKKO CO., LTD., a subsidiary of the Company, as well as Director, Executive Officer, Chief General Manager of Industrial Market Headquarters and is in charge of Overseas Business Development, and has full knowledge of the industrial equipment and tools and machine tools areas and has abundant experience and achievements. The Company decided that it would be appropriate to have him play a part in strengthening the business in the industrial field and contribute to the growth of the Company and the Company's Group and so made him a candidate.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned	
5	Noriyoshi Takahashi (July 3, 1955)  Reelection	Apr. 1978	Joined the Company	2,700 shares
		Apr. 2006	Assistant Manager of General Affairs Department of the Company	
June 2008	Manager of General Affairs Department of the Company			
Apr. 2012	Executive Officer, Manager of General Affairs Department of the Company			
Oct. 2014	Executive Officer, Manager of General Planning Department, Head of Sales Support Office of the Company			
Apr. 2017	Executive Officer, Vice Supervisory Manager of Management Administration, Manager of General Planning Department, Head of Sales Support Office, Manager of IT Infrastructure Promotion Office of the Company			
June 2017	Director, Executive Officer, Vice Supervisory Manager of Management Administration, Manager of General Planning Department, Head of Sales Support Office, Manager of IT Infrastructure Promotion Office of the Company			
Oct. 2018	Director, Executive Officer, Vice Supervisory Manager of Management Administration, Manager of General Planning Department, Head of Sales Support Office of the Company (incumbent)			
<p><b>Reasons for nomination as a candidate for Director</b> Mr. Noriyoshi Takahashi possesses excellent management skills, having served as Manager of Management Administration in his capacity as Manager of the General Affairs Department and Director, Executive Officer, Vice Supervisory Manager of Management Administration, and Manager of the General Planning Department, and engaged in efforts to strengthen the management foundation. The Company decided it would be appropriate to have him continue to use his knowledge for the growth of the Company and the Company's Group and so made him a candidate.</p>				
6	Naomi Nakayama (April 20, 1956)  New Candidate	Apr. 1979	Joined the Company	2,300 shares
		Apr. 2007	Vice General Manager of Housing Division of the Company	
Oct. 2009	Branch Manager of Hokkaido Branch of the Company			
Apr. 2011	Executive Officer, General Manager of Living Environment Division (Western Area) of the Company			
Apr. 2014	Executive Officer, Branch Manager of Tohoku Branch of the Company			
Jan. 2019	Executive Officer, Chief General Manager of Construction Market Headquarters of the Company (incumbent)			
<p><b>Significant concurrent positions outside the Company</b> Director of YUASA LUMBER CO., LTD. (part time) Director of YUASA NENRYO CO., LTD. (part time)</p>				
<p><b>Reasons for nomination as a candidate for Director</b> Mr. Naomi Nakayama has full knowledge of the construction machines and building exterior areas due to his serving in such capacities as Executive Officer, Chief General Manager of the Construction Market Headquarters, having served as Executive Officer, Branch Manager of the Tohoku Branch, and has abundant experience and achievements. The Company decided that it would be appropriate to have him play a part in strengthening the business in the construction field and contribute to the growth of the Company and the Company's Group as a Director, and so made him a candidate.</p>				

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Kaoru Hirose (October 14, 1964)  Reelection	<p>Apr. 1987      Joined the Company</p> <p>Oct. 2014      Supervisory Manager of Construction Business Headquarters and Manager of YES Department of the Company</p> <p>Apr. 2017      Manager of YES Department, Living Environment Market Headquarters of the Company</p> <p>Oct. 2017      Vice General Manager of Living Environment Division (Eastern Area and Western Area), Living Environment Market Headquarters of the Company</p> <p>Apr. 2018      Executive Officer, Chief General Manager of Living Environment Division (Eastern Area), Living Environment Market Headquarters, Supervisory Assistant Manager of Construction Business Headquarters of the Company</p> <p>June 2018      Director, Executive Officer, Chief General Manager of Living Environment Division (Eastern Area), Living Environment Market Headquarters, Supervisory Assistant Manager of Construction Business Headquarters of the Company</p> <p>Apr. 2019      Director, Executive Officer, Chief General Manager of Living Environment Division (Eastern Area), Living Environment Market Headquarters of the Company (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b> Director of YUASA QUOBIS CO., LTD (part time)</p>	1,400 shares
<p><b>Reasons for nomination as a candidate for Director</b> Mr. Kaoru Hirose has full knowledge of the housing, air &amp; fluidic control systems area due to his serving in such capacities as Vice General Manager of the Living Environment Division (Eastern Area and Western Area), Living Environment Market Headquarters of the Company and as Director, Executive Officer, Chief General Manager of the Living Environment Division (Eastern Area), Living Environment Market Headquarters, and has abundant experience and achievements. The Company decided that it would be appropriate to have him continue to play a part in strengthening the business in field of living environments and contribute to the growth of the Company and the Company's Group, and so made him a candidate.</p>			
8	Haruhiko Sako (April 27, 1960)  New Candidate	<p>Apr. 1983      Joined the Company</p> <p>Apr. 2006      General Manager of Machine Tools Dept., Chugoku Branch of the Company</p> <p>Apr. 2012      Representative Director, President of YUASA TECHNICAL ENGINEERING CO., LTD.</p> <p>Apr. 2014      Executive Officer of the Company, Representative Director, President of YUASA TECHNICAL ENGINEERING CO., LTD.</p> <p>Dec. 2016      Executive Officer, General Manager of Machinery Engineering Division of the Company (incumbent)</p>	700 shares
<p><b>Reasons for nomination as a candidate for Director</b> Mr. Haruhiko Sako has full knowledge of the machine tools area due to his serving in such capacities as Executive Officer, General Manager of Machinery Engineering Division, having served as Representative Director, President of YUASA TECHNICAL ENGINEERING CO., LTD., and has abundant experience and achievements. The Company decided that it would be appropriate to have him play a part in strengthening the business in the industrial field and contribute to the growth of the Company and the Company's Group as a Director, and so made him a candidate.</p>			



Candidate No.	Name (Date of birth)	<b>Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company</b>	Number of the Company's shares owned
9	<p>Shinzo Maeda (February 25, 1947)</p> <p>Reelection</p> <p>Candidate for Outside Director</p> <p>Independent Officer</p> <p>Attendance to the Board of Directors Meetings: 14/15</p>	<p>Apr. 1970      Joined Shiseido Company, Limited</p> <p>June 2003      Director, Corporate Officer, General Manager of Corporate Planning Department of Shiseido Company, Limited</p> <p>June 2005      Representative Director, President and CEO of Shiseido Company, Limited</p> <p>Apr. 2011      Representative Director, Chairman of Shiseido Company, Limited</p> <p>Apr. 2013      Representative Director, Chairman, President and CEO of Shiseido Company, Limited</p> <p>Apr. 2014      Representative Director, Chairman of Shiseido Company, Limited</p> <p>June 2014      Counselor of Shiseido Company, Limited (incumbent)</p> <p>June 2015      Outside Director of the Company (incumbent)</p> <p>Sept. 2015      Outside Director of TOSHIBA CORPORATION (retired in June 2018)</p> <p><b>Significant concurrent positions outside the Company</b> Counselor of Shiseido Company, Limited</p>	0 shares
<p><b>Reasons for nomination as a candidate for Outside Director</b> Mr. Shinzo Maeda has worked in various public offices, in addition to having been the Representative Director, Chairman of the Board, etc. of Shiseido Company, Limited, and has abundant experience and high principles as a global business executive and intellectual. Due to these qualities, the Company decided that he can be expected to give direction and advice from an independent and objective viewpoint and so ask for his election as an Outside Director. The Company and the Company's Group do not have any business relationship with Shiseido Company, Limited or its consolidated subsidiaries, so the Company has decided that Mr. Shinzo Maeda has independence.</p>			

Candidate No.	Name (Date of birth)	Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
10	Keiko Toya (February 26, 1964)  New Candidate  Candidate for Outside Director  Independent Officer	<p>July 1999     Managing Director of MARKETING EXCELLENCE Co. LTD (incumbent)</p> <p>Apr. 2006     Full-time Lecturer, Faculty of Business Administration, Toyo University (retired in March 2007)</p> <p>Apr. 2007     Associate Professor, Doshisha Business School (retired in March 2014)</p> <p>Apr. 2010     Adjunct Lecturer, Business School, Professional Graduate School, Chuo University (incumbent)</p> <p>Apr. 2014     Visiting Researcher, Human Informatics Research Institute, The National Institute of Advanced Industrial Science and Technology (currently Human Augmentation Research Center) (incumbent)</p> <p>Apr. 2014     Professor, Graduate School of Global Business, Meiji University (incumbent)</p> <p>Oct. 2014     Member of Science Council of Japan (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b> Professor, Graduate School of Global Business, Meiji University</p>	0 shares
<p><b>Reasons for nomination as a candidate for Outside Director</b> Ms. Keiko Toya has for many years advised a number of companies on corporate management as a marketing consultant, has abundant experience and knowledge through her involvement as a committee member of administrative institutions, etc., and she is currently pursuing further research activities. Due to these qualities, the Company decided that she can be expected to give direction and advice from an independent and objective viewpoint and so ask for her election as an Outside Director. The Company has concluded a lecturer services agreement with Ms. Keiko Toya in regard to marketing, however the Company regards her as independent due to the contract amount being less than ¥1 million, which is not considerable amount to cause financial dependence on the Company. Therefore, the Company has determined that this amount does not fall under the "a large amount of money or other assets" under Article 74, Paragraph 4, Item 6, (d) of the Ordinance for Enforcement of the Companies Act. The Company has no business relationship, etc. with other companies where she holds office.</p>			

- Notes:
- Ms. Keiko Toya has a business relationship with the Company, but there are no special interests between the other candidates for Directors and the Company.
  - Both Mr. Shinzo Maeda and Ms. Keiko Toya are candidates for Outside Directors. Ms. Keiko Toya has concluded a lecturer services agreement with the Company, but she fulfills the standards of independence specified by Tokyo Stock Exchange, Inc., and both candidates have been registered with the same exchange.
  - Mr. Shinzo Maeda is currently an Outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four (4) years.
  - If this Proposal is approved as originally proposed, the Company intends to continue the limited liability agreement concluded with Mr. Shinzo Maeda as specified in Article 427, Paragraph 1 of the Companies Act. Also, the Company intends to enter into the same limited liability agreement with Ms. Keiko Toya. Based on these agreements, the limit of liability is the amount specified by laws and regulations.
  - All shares of YUASA WARWICK MACHINERY LTD. were sold in September 2008.

**Proposal 2:** Election of One (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Susumu Tsuruta will expire at the conclusion of this Meeting. Therefore, the Company proposes the election of one Audit & Supervisory Board Member.

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

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

Name (Date of birth)	Career summary and position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
Susumu Tsuruta (July 25, 1959)  Reelection  Candidate for Outside Audit & Supervisory Board Member  Independent Officer  Attendance to the Board of Directors Meetings: 15/15  Attendance to Audit & Supervisory Board Meetings: 15/15	Apr. 1986 Registered as an Attorney at Law (Daini Tokyo Bar Association) Joined Tsuchiya and Takaya Law Office (currently, Tsuchiya Law Office)  Apr. 1990 Established Murakami and Tsuruta Law Office  Jan. 2005 Partner at Tsuchiya Law Office (incumbent)  June 2011 Outside Audit & Supervisory Board Member of the Company (incumbent)	0 shares

**Reasons for nomination as a candidate for Outside Audit & Supervisory Board Member**

Mr. Susumu Tsuruta does not have direct experience in corporate management other than as an outside officer. However, the Company proposes his election as Outside Director so that his specialist knowledge and experience as an attorney-at-law may be utilized to reinforce the auditing structure of the Company. In addition, Mr. Susumu Tsuruta is an attorney-at-law for law office with which the Company has concluded an advisory agreement. The amount of compensation per year under this agreement is less than ¥5 million, which is not an amount that indicates this law office has a high level of economic dependence on the Company. Therefore, the Company has determined that this amount does not fall under the "a large amount of money or other assets" under Article 76, paragraph 4, item 6 of the Ordinance for Enforcement of the Companies Act. Additionally, the Company has determined that, as a partner of the law office with which the Company has an advisory contract, he has complete knowledge of the Company's business lines. Taking into account the broad management climate facing the Company and social risks, as an attorney-at-law, he has the ability to strengthen the stability and soundness of the Company's management on the Board of Directors using his fair and neutral position. Thus providing perspective and long-term outlook from a differing vantage point as insiders along with independence, which will enable him to consider the interests of general shareholders and the Company's Group.

- Notes:
1. Mr. Susumu Tsuruta is a candidate for Outside Audit & Supervisory Board Member. The Company has designated him as an Independent Officer according to the rules of Tokyo Stock Exchange, Inc. and has registered him with the same Exchange.
  2. Mr. Susumu Tsuruta is currently an Outside Audit & Supervisory Board Member of the Company, and his tenure will have been eight (8) years.
  3. If this Proposal is approved as originally proposed, the Company intends to continue the limited liability agreement concluded with Mr. Susumu Tsuruta as specified in Article 427, Paragraph 1 of the Companies Act. Based on this agreement, the limit of liability is the amount specified by laws and regulations.

**Proposal 3:** Election of One (1) Substitute Audit & Supervisory Board Member

To prepare for a contingency in which the Company does not have the number of Audit & Supervisory Board Members required by law and the Articles of Incorporation, the Company proposes that one (1) substitute Outside Audit & Supervisory Board Member be elected.

Audit & Supervisory Board has given its consent to this proposal.

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

Name (Date of birth)	Career summary	Number of the Company's shares owned
<p>Masashi Masuda (April 20, 1949)</p> <p>Reelection</p> <p>Candidate for substitute Outside Audit &amp; Supervisory Board Member</p> <p>Independent Officer</p>	<p>Nov. 1980    Joined Daiichi Audit Firm (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Mar. 1984    Registered as certified public accountant</p> <p>June 2012    Resigned from Shinnihon Audit Firm (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Apr. 2014    Auditor (part time), Tokyo University of Agriculture and Technology (incumbent)</p> <p>June 2014    Auditor (part time), National Federation of UNESCO Associations in Japan (incumbent)</p> <p>Apr. 2016    Auditor (part time), National Cancer Center Japan (incumbent) Auditor (part time), National Center of Neurology and Psychiatry (incumbent)</p> <p>Aug. 2016    Auditor (part time), Independent Administrative Institution National Museum of Art (incumbent)</p> <p>June 2017    Substitute Outside Audit &amp; Supervisory Board Member of the Company (incumbent)</p>	<p>0 shares</p>
<p><b>Reasons for nomination as a candidate for substitute Outside Audit &amp; Supervisory Board Member</b> Although Mr. Masashi Masuda does not have direct experience in corporate management, he possesses a wealth of experience and a solid track record as a certified public accountant, having served in such capacities as auditor at public corporations. The Company has decided that he possesses sufficient knowledge of financing and accounting matters and so made him a candidate for substitute outside Audit &amp; Supervisory Board Member.</p>		

- Notes:
1. No special conflicts of interest exist between the Company and Mr. Masashi Masuda.
  2. Mr. Masashi Masuda is a candidate for substitute Outside Audit & Supervisory Board Member.
  3. If Mr. Masashi Masuda is appointed as an Audit & Supervisory Board Member, the Company plans to designate him as an Independent Officer according to the rules of Tokyo Stock Exchange, Inc. and register him with the same Exchange.
  4. If Mr. Masashi Masuda is appointed as an Audit & Supervisory Board Member, the Company plans to enter into a limited liability agreement with him limiting his liability pursuant to Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability under said agreement is the amount set forth in laws and ordinances.