

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 31, 2017

To our shareholders:

Masahiro Kubota
President and Representative Director
MAEZAWA KASEI INDUSTRIES CO., LTD.
2-7-1, Nihonbashi Honcho, Chuo-ku, Tokyo

NOTICE OF THE 63RD ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 63rd Ordinary General Meeting of Shareholders of MAEZAWAKASEI INDUSTRIES 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 postal mail. Please indicate your approval or disapproval of the proposals on the enclosed voting form after reviewing the attached Reference Documents for the General Meeting of Shareholders, and return it by postal mail to reach us no later than 5:15 p.m., Monday, June 26, 2017 (Japan Standard Time).

- 1. Date and Time:** Tuesday, June 27, 2017 at 10:00 a.m. (Reception desk opens at 9:00 a.m.) (Japan Standard Time)
- 2. Venue:** Jewellers Town Aurum
La Salle Royal on the 2nd basement floor
1-26-2, Higashiueno, Taito-ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report and Consolidated Financial Statements for the 63rd Term (from April 1, 2016 to March 31, 2017), 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 63rd Term (from April 1, 2016 to March 31, 2017)

Items to be resolved:

- | | |
|--------------------|--|
| Proposal 1: | Appropriation of Surplus |
| Proposal 2: | Election of seven (7) Directors |
| Proposal 3: | Election of two (2) Audit & Supervisory Board Members |
| Proposal 4: | Election of one (1) Substitute Audit & Supervisory Board Member |
| Proposal 5: | Revision of Compensation Amount for Directors |
| Proposal 6: | Determination of Amount and Content of Performance-based Stock Compensation, etc., for Directors |

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Matters related to year-end dividend

The Company believes that one of its most important management issues is to proactively return profits to shareholders, while securing the capital needed for the investments that will ensure sustainable growth and gains in medium- and long-term corporate value. The fundamental policy is to pay dividends based on comprehensive consideration of financial results, further business development, and other factors.

The Company proposes a year-end ordinary dividend for this term of 15 yen per share.

- (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: 226,067,265 yen
- (3) Effective date of distribution of dividends of surplus
June 28, 2017

Proposal 2: Election of seven (7) Directors

The term will expire for all seven Directors at the conclusion of this Ordinary General Meeting of Shareholders, and thus the Company proposes that seven (7) Directors be elected.

The candidates for Director are as follows:

No.	Name	Current position, responsibilities, etc. in the Company	Attendance at the Board of Directors meetings during this fiscal year (Attendance Rate)
1	Masahiro Kubota [Reelection]	President and Representative Director Chairman of the Board	15/15 (100%)
2	Junichi Kubo [Reelection]	Director Managing Executive Officer, Chief of Marketing Headquarters and General Manager of Marketing Administration Department	15/15 (100%)
3	Masahiro Ito [Reelection]	Director responsible for Internal Control and Investor Relations Senior Executive Officer, Chief of Administration Headquarters	15/15 (100%)
4	Tatsuhiko Mogi [Reelection]	Director Senior Executive Officer, Chief of Aquatic Environment Division, General Manager of Development Design Department and General Manager of Central Laboratory	12/12 (100%)
5	Kazuhisa Aoki [New election]	Executive Officer, Chief of Manufacturing Headquarters and General Manager of Office Management Department	—
6	Takashi Oya [Reelection] [Outside Director] [Independent officer]	Outside Director (Independent Director) Chairman of the Management Advisory Committee	15/15 (100%)
7	Mami Kato [Reelection] [Outside Director] [Independent officer]	Outside Director (Independent Director) Member of the Management Advisory Committee	12/12 (100%)

[New election]: New candidate for Director

[Reelection]: Candidate for reelection as Director

[Outside Director]: Candidate for Outside Director

[Independent officer]: Candidate for Independent officer

- Notes:
1. With regard to the “Attendance at the Board of Directors meetings during this fiscal year” for Tatsuhiko Mogi and Mami Kato, their attendance since their appointments on June 28, 2016, has been stated.
 2. “Number of the Company’s shares owned” on the pages of candidates is the number of shares owned as of March 31, 2017.
 3. With regard to “age” on the pages of candidates, their age as of the conclusion of this Ordinary General Meeting of Shareholders has been stated.
 4. Takashi Oya and Mami Kato meet the Company’s own independence requirements for an independent officer based on the independence requirements prescribed by the Tokyo Stock Exchange, and if their reelection is approved and adopted, the Company plans to continue to register them as independent officers as prescribed by the Tokyo Stock Exchange.
 5. The Company entered into an agreement with Takashi Oya and Mami Kato limiting their liabilities under Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of that Act and Article 32 of the Articles of Incorporation. The maximum amount of liability pursuant to that agreement is the minimum amount specified in Article 425, Paragraph 1 of the Companies Act, and if their reelection is approved and adopted, the Company will maintain the agreement.

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
1	<p>Masahiro Kubota (Date of birth: July 29, 1957, 59 years old)</p> <p>[Reelection]</p> <p>[Term of office] 5 years</p> <p>[Attendance at the Board of Directors meetings] 15/15 (100%)</p>	<p>Mar. 1983 Joined the Company.</p> <p>July 2007 Osaka Branch General Manager of Marketing Headquarters of the Company</p> <p>July 2008 Executive Officer, Kansai Branch General Manager of Marketing Headquarters of the Company</p> <p>June 2011 Executive Officer, General Manager of Development Design Department of the Company</p> <p>Apr. 2012 Executive Officer, General Manager of Development Design Department and General Manager of Central Laboratory of the Company</p> <p>June 2012 Director and Executive Officer, General Manager of Development Design Department and General Manager of Central Laboratory of the Company</p> <p>June 2013 Managing Director and Senior Executive Officer, General Manager of Development Design Department and General Manager of Central Laboratory of the Company</p> <p>Oct. 2014 Director of Zhejiang Maezawa Glory Drainage Material Co., Ltd.</p> <p>June 2015 President and Representative Director of the Company (present position)</p> <p>Significant concurrent positions outside the Company There is no significant concurrent position outside the Company.</p>	11,900
<p>Reasons for nomination as candidate for Director Masahiro Kubota has extensive experience in charge of marketing and sales, research and development, and the promotion of overseas business, and has fostered brands by developing products with a new perspective. Following his appointment as President and Representative Director in June 2015, he released the Medium-term Management Plan and the basic policy on corporate governance, he has engaged in dialog with shareholders, and has demonstrated skills in management reform for this new era. The Board of Directors has nominated him as candidate for Director in the expectation that he will lead management on an ongoing basis in order to achieve sustainable growth and improve the corporate value of the group.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
2	<p style="text-align: center;">Junichi Kubo (Date of birth: September 26, 1958, 58 years old)</p> <p style="text-align: center;">[Reelection]</p> <p style="text-align: center;">[Term of office] 4 years</p> <p style="text-align: center;">[Attendance at the Board of Directors meetings] 15/15 (100%)</p>	<p>Sept. 1991 Joined the Company.</p> <p>Apr. 2009 Tokyo Branch General Manager and Deputy General Manager of Marketing Planning Department, Marketing Headquarters of the Company</p> <p>Apr. 2010 Tokyo Branch General Manager and General Manager of Wide-area Special Sales and Marketing Department, Marketing Headquarters of the Company</p> <p>June 2012 Executive Officer, Deputy Chief of Marketing Headquarters, Tokyo Branch General Manager, and General Manager of Wide-area Special Sales and Marketing Department of the Company</p> <p>Apr. 2013 Executive Officer, Deputy Chief of Marketing Headquarters of the Company</p> <p>June 2013 Director and Executive Officer, Chief of Marketing Headquarters of the Company</p> <p>Apr. 2014 Director and Executive Officer, Chief of Marketing Headquarters and General Manager of Marketing Administration Department of the Company</p> <p>June 2016 Director and Managing Executive Officer, Chief of Marketing Headquarters and General Manager of Marketing Administration Department of the Company (present position)</p> <p>June 2017 Director responsible for management of NIIGATA MOLDING CO., LTD. (scheduled to assume the position)</p> <p>Significant concurrent positions outside the Company Director responsible for management of NIIGATA MOLDING CO., LTD. (scheduled to assume the position in June 2017)</p>	8,800
<p>Reasons for nomination as candidate for Director Junichi Kubo has extensive experience in charge of the marketing and sales fields, and has worked to strengthen marketing capacity. He has also contributed to the reinforcement of the profit structure through the consolidation of operations and the streamlining of distribution. Initiatives to secure sales in the core business and win new business are essential in achieving the Medium-term Management Plan, and he has demonstrated strong leadership backed by experience in these areas. The Board of Directors has nominated him as candidate for Director in the expectation that he will continue to contribute to the enhancement of group sales capacity in order to achieve group-wide sustainable growth and to improve corporate value.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
3	<p>Masahiro Ito (Date of birth: May 30, 1961, 56 years old)</p> <p>[Reelection]</p> <p>[Term of office] 3 years</p> <p>[Attendance at the Board of Directors meetings] 15/15 (100%)</p>	<p>Apr. 1984 Joined the Company.</p> <p>Apr. 2010 Deputy General Manager of General Affairs Department, Administration Headquarters of the Company</p> <p>Apr. 2012 General Manager of General Affairs Department, Administration Headquarters of the Company</p> <p>June 2013 Executive Officer, General Manager of General Affairs Department, Administration Headquarters of the Company</p> <p>June 2014 Director and Executive Officer, Chief of Administration Headquarters responsible for Internal Control and General Manager of General Affairs Department of the Company</p> <p>June 2015 Director and Executive Officer, Chief of Administration Headquarters responsible for Internal Control and Investor Relations, and General Manager of General Affairs Department of the Company</p> <p>Apr. 2016 Director and Executive Officer, Chief of Administration Headquarters responsible for Internal Control and Investor Relations of the Company</p> <p>June 2016 Director responsible for Internal Control and Investor Relations and Executive Officer, Chief of Administration Headquarters and General Manager of Information System Department of the Company</p> <p>Apr. 2017 Director responsible for Internal Control and Investor Relations and Senior Executive Officer, Chief of Administration Headquarters of the Company (present position)</p> <p>Significant concurrent positions outside the Company There is no significant concurrent position outside the Company.</p>	6,400
<p>Reasons for nomination as candidate for Director Masahiro Ito has extensive experience in charge of the general affairs and human resources fields and led the development of a human resource strategy and reform in internal educational structures. He coordinated the basic policy on corporate governance, expanded business areas, and established a system to strengthen human resources, and in addition, has focused on initiatives to revise the director compensation system, which was a matter for verification, as well as the reform of corporate governance. The Board of Directors has nominated him as candidate for Director in the expectation that he will continue to promote overall cost control and the appropriate placement of human resources through the human resources strategy, in order to achieve group-wide sustainable growth and to improve corporate value.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
4	<p>Tatsuhiko Mogi (Date of birth: January 19, 1962, 55 years old)</p> <p>[Reelection]</p> <p>[Term of office] 1 year</p> <p>[Attendance at the Board of Directors meetings] 12/12 (100%)</p>	<p>Apr. 1992 Joined the Company.</p> <p>Apr. 2009 Deputy General Manager of Materials Department, Manufacturing Headquarters of the Company</p> <p>June 2013 Executive Officer, General Manager of Materials Department, Manufacturing Headquarters and General Manager of Aquatic Environment Engineering Department, Aquatic Environment Division of the Company</p> <p>June 2015 Executive Officer, General Manager of Development Design Department, General Manager of Central Laboratory, General Manager of Materials Department, Manufacturing Headquarters, and General Manager of Aquatic Environment Engineering Department, Aquatic Environment Division of the Company</p> <p>Apr. 2016 Executive Officer, General Manager of Development Design Department, General Manager of Central Laboratory, General Manager of Materials Department, Manufacturing Headquarters, and General Manager of Aquatic Environment Department Aquatic Environment Division of the Company</p> <p>June 2016 Director and Executive Officer, Chief of Aquatic Environment Division, General Manager of Development Design Department and General Manager of Central Laboratory of the Company</p> <p>Apr. 2017 Director and Senior Executive Officer, Chief of Aquatic Environment Division, General Manager of Development Design Department and General Manager of Central Laboratory of the Company (present position)</p> <p>Significant concurrent positions outside the Company There is no significant concurrent position outside the Company.</p>	3,300
<p>Reasons for nomination as candidate for Director Tatsuhiko Mogi has extensive experience in the procurement sector, has been responsible for the sales, research, and construction departments in the water treatment sector, and in addition, has actively engaged in initiatives for the development of urban-type products, which is a new business sector, and disaster response products, etc., in the Research and Development Department. The Board of Directors has nominated him as candidate for Director in the expectation that he will further promote the development of new products and the enhancement of systems in the water processing sector, which is a growth area, in order to achieve group-wide sustainable growth and to improve corporate value.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
5	<p style="text-align: center;">Kazuhisa Aoki (Date of birth: January 23, 1959, 58 years old)</p> <p style="text-align: center;">[New election]</p> <p style="text-align: center;">[Term of office]</p> <p style="text-align: center;">-</p> <p style="text-align: center;">[Attendance at the Board of Directors meetings]</p> <p style="text-align: center;">-</p>	<p>Mar. 1982 Joined the Company.</p> <p>Apr. 2013 Deputy General Manager of Production Planning Department, Kumagaya Factory, Manufacturing Headquarters of the Company</p> <p>Apr. 2014 Kumagaya Factory Manager and General Manager of Production Planning Department, Manufacturing Headquarters of the Company</p> <p>June 2014 Executive Officer, Kumagaya Factory Manager and General Manager of Production Planning Department, Manufacturing Headquarters of the Company</p> <p>Apr. 2015 Executive Officer, Kumagaya Factory Manager of Manufacturing Headquarters of the Company</p> <p>July 2016 Executive Officer, Chief of Manufacturing Headquarters and Kumagaya Factory Manager of the Company</p> <p>Apr. 2017 Executive Officer, Chief of Manufacturing Headquarters and General Manager of Office Management Department of the Company (present position)</p> <p>Significant concurrent positions outside the Company There is no significant concurrent position outside the Company.</p>	2,600
<p>Reasons for nomination as candidate for Director Kazuhisa Aoki has extensive experience in the manufacturing sector, has been Kumagaya Factory Manager, which is the manufacturing base, has overseen the manufacturing department in general since his appointment as executive officer in June 2014, and has actively engaged in initiatives for the improvement of product quality and productivity. The Board of Directors has nominated him as candidate for Director in the expectation that he will strengthen the quality assurance system in the manufacturing sector throughout the Kumagaya Factory, and will continue to strengthen profitability by improving efficiency and streamlining the production system, in order to achieve group-wide sustainable growth and to improve corporate value.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
6	<p>Takashi Oya (Date of birth: November 1, 1946, 70 years old)</p> <p>[Reelection]</p> <p>[Outside Director]</p> <p>[Independent officer]</p> <p>[Term of office] 3 years</p> <p>[Attendance at the Board of Directors meetings] 15/15 (100%)</p> <p>[Attendance at the Management Advisory Committee meetings] 8/8 (100%)</p>	<p>Nov. 1971 Joined Auditing Firm Chuo Accounting Office.</p> <p>Mar. 1975 Registered as Certified Public Accountant.</p> <p>May 1983 Representative Partner of Chuo Shinko Auditing Firm</p> <p>July 2006 President of Takashi Oya Certified Public Accountant Office (present position)</p> <p>Nov. 2006 Advisor of Clifix Certified Public Tax Accountants' Corporation (present position)</p> <p>June 2011 Auditor of the Okawa Foundation for Information and Telecommunications (present position)</p> <p>July 2013 Councilor of Maritime Disaster Prevention Center (present position)</p> <p>June 2014 Outside Director of the Company (present position)</p> <p>Significant concurrent positions outside the Company President of Takashi Oya Certified Public Accountant Office (Certified Public Accountant) Auditor of the Okawa Foundation for Information and Telecommunications</p>	0
<p>Reasons for nomination as candidate for Outside Director Takashi Oya has extensive experience as a certified public accountant. He attended all meetings of the Company's Board of Directors and actively participated in Board deliberations from the perspective of an accounting practitioner. Takashi Oya has performed an appropriate role in overseeing decisions on material management matters and the status of business execution and has contributed to fair and reasonable decision-making by the Company, and ensuring transparent and sound management. He has served as Chairman of the Management Advisory Committee, launched in August 2015, and works to ensure the transparency and equitability of the Company's management. While he does not have experience with corporate management in any capacity other than as Outside Director, as noted above, the Board of Directors believes that he can appropriately fulfill his responsibilities as Outside Director and accordingly continues to nominate him as a candidate for Outside Director.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

No.	Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company's shares owned
7	<p>Mami Kato (Date of birth: May 7, 1963, 54 years old)</p> <p>[Reelection]</p> <p>[Outside Director]</p> <p>[Independent officer]</p> <p>[Term of office] 1 year</p> <p>[Attendance at the Board of Directors meetings] 12/12 (100%)</p> <p>[Attendance at the Management Advisory Committee meetings] 5/6 (83%)</p>	<p>Apr. 1986 Joined IBM Japan, Ltd.</p> <p>Apr. 1997 Admitted to the bar</p> <p>Jan. 1998 Joined Sakuragaoka Law Office (present position).</p> <p>Apr. 2012 Vice President of Daini Tokyo Bar Association</p> <p>Apr. 2013 Gender Equality Promotion Headquarters Vice Chairman of Daini Tokyo Bar Association (present position)</p> <p>June 2016 Outside Director of the Company (present position)</p> <hr/> <p>Significant concurrent positions outside the Company Sakuragaoka Law Office (Attorney at law)</p>	0
<p>Reasons for nomination as candidate for Outside Director Mami Kato has extensive experience as an attorney and experience working for companies, which give her both the perspective of an expert in legal affairs and the approach of a corporate employee. She has attended all meetings of the Company's Board of Directors, and we believe that she will play a substantial role in overseeing the execution of operations and deciding important management issues. In addition, she is Gender Equity Promotion Headquarters Vice Chairman of Daini Tokyo Bar Association, which enables her to give suitable advice as the Company pursues diversity as targeted in its basic policy on corporate governance. While she does not have experience with corporate management in any capacity other than as an outside officer, as noted above, the Board of Directors believes that she can appropriately fulfill her responsibilities as Outside Director and accordingly continues to nominate her as a candidate for Outside Director.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

Proposal 3: Election of two (2) Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members Yoshio Hida, Meguru Saito, and Masayuki Satake will expire at the conclusion of this Ordinary General Meeting of Shareholders. Therefore, the Company reduced the number of Audit & Supervisory Board Members by one (1), and it proposes the election of two (2) Audit & Supervisory Board Members. With regard to the one person reduction in the number of Audit & Supervisory Board Members, it has been determined that, in consideration of the officer system of the Company, the effective ongoing implementation of corporate governance can be ensured, and that this will not cause a deterioration in the audit and supervisory function.

The candidates for Audit & Supervisory Board Member are as follows. The consent of the Audit & Supervisory Board has been obtained for this proposal.

No.	Name	Current position, etc. in the Company	Attendance at the Board of Directors meetings during this fiscal year (Attendance Rate)	Attendance at the Audit & Supervisory Board meetings during this fiscal year (Attendance Rate)
1	Takafumi Yamda [New election]	Accounting Department, Administration Headquarters	–	–
2	Masayuki Satake [Reelection] [Outside Audit & Supervisory Board Member] [Independent officer]	Outside Audit & Supervisory Board Member (Independent officer) Member of the Management Advisory Committee	15/15 (100%)	17/17 (100%)

[New election]: New candidate for Audit & Supervisory Board Member

[Reelection]: Candidate for reelection as Audit & Supervisory Board Members

[Outside Audit & Supervisory Board Member]: Candidate for outside Audit & Supervisory Board Member

[Independent officer]: Candidate for Independent officer

- Notes:
1. “Number of the Company’s shares owned” on the pages of candidates is the number of shares owned as of March 31, 2017.
 2. With regard to “age” on the pages of candidates their age as of the conclusion of this Ordinary General Meeting of Shareholders has been stated.
 3. Masayuki Satake meets the Company’s own independence requirements for an independent officer based on the independence requirements prescribed by the Tokyo Stock Exchange, and if his reelection is approved and adopted, the Company plans to continue to register him as an independent officer as prescribed by the Tokyo Stock Exchange.
 4. The Company entered into an agreement with Masayuki Satake limiting his liability under Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of that Act and Article 42 of the Articles of Incorporation. The maximum amount of liability pursuant to that agreement is the minimum amount specified in Article 425, Paragraph 1 of the Companies Act, and if his reelection is approved and adopted, the Company will maintain the agreement.

No.	Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
1	<p>Takafumi Yamada (Date of birth: January 11, 1957, 60 years old)</p> <p>[New election]</p> <p>[Term of office] -</p> <p>[Attendance at the Board of Directors meetings] -</p> <p>[Attendance at the Audit & Supervisory Board meetings] -</p>	<p>Apr. 1980 Joined The Kyowa Bank, Ltd. (currently Resona Bank, Limited)</p> <p>Oct. 2007 Joined the Company.</p> <p>Oct. 2007 General Manager responsible for Management Assistant of General Affairs Department of the Company</p> <p>Jan. 2008 Audit & Supervisory Board Member of Kyowa Molding Co., Ltd. (currently NIIGATA MOLDING CO., LTD.) (scheduled to retire from the position in June 2017)</p> <p>Apr. 2008 General Manager of Corporate Planning Department of the Company</p> <p>Apr. 2009 General Manager of Corporate Planning Department, Administration Headquarters of the Company</p> <p>June 2010 Executive Officer, General Manager of Corporate Planning Department, Administration Headquarters of the Company</p> <p>June 2013 Executive Officer, General Manager of Corporate Planning Department of the Company</p> <p>June 2013 Deputy Chief Director of Zhejiang Maezawa Glory Drainage Material Co., Ltd.</p> <p>June 2015 Executive Officer, General Manager of Accounting Department, Administration Headquarters of the Company</p> <p>Apr. 2017 Accounting Department, Administration Headquarters of the Company (present position)</p> <p>Significant concurrent positions outside the Company NIIGATA MOLDING CO., LTD. (scheduled to retire from the position in June 2017)</p>	11,300
<p>Reasons for nomination as candidate for Audit & Supervisory Board Member Takafumi Yamada has extensive experience in the management and accounting and finance sectors, has been responsible for the creation of the Medium-term Management Plan, as well as the formulation and promotion of business strategy, and has engaged in initiatives for the construction of a revenue base and the strengthening of risk resilience in the accounting and finance sector. The Board of Directors has nominated him as candidate for Audit & Supervisory Board Member in the expectation that he will be able to appropriately perform the duties of auditing the decision-making process for key matters and the business execution status through the use of such extensive experience and insight in his auditing work.</p>			
<p>Special interests between the candidate and the Company There is no special interest.</p>			

No.	Name (Date of birth)	Career summary and position in the Company	Number of the Company's shares owned
2	<p>Masayuki Satake (Date of birth: May 16, 1948, 69 years old)</p> <p>[Reelection]</p> <p>[Outside Audit & Supervisory Board Member]</p> <p>[Independent officer]</p> <p>[Term of office] 4 years</p> <p>[Attendance at the Board of Directors meetings] 15/15 (100%)</p> <p>[Attendance at the Audit & Supervisory Board meetings] 17/17 (100%)</p> <p>[Attendance at the Management Advisory Committee meetings] 8/8 (100%)</p>	<p>Apr. 1971 Joined Auditing Firm Chuo Accounting Office.</p> <p>Sept. 1977 Registered as Certified Public Accountant.</p> <p>Apr. 1985 Assumed office as Representative Partner of Auditing Firm Chuo Accounting Office.</p> <p>Apr. 2010 President of SATAKE CPA Office (present position)</p> <p>Apr. 2012 Professor of Tohoku University Accounting School</p> <p>June 2012 Outside Auditor of PCA CORPORATION (present position)</p> <p>June 2012 Auditor of Japan Institute of Business Law (present position)</p> <p>Apr. 2013 Visiting Professor of Graduate School of Accounting & Finance, MBA Program, Chiba University of Commerce (present position)</p> <p>June 2013 Outside Audit & Supervisory Board Member of the Company (present position)</p> <p>Apr. 2015 Outside Member of the Board of Directors of Mizuho Trust & Banking Co., Ltd. (present position)</p> <p>June 2016 Auditor of JAPAN RESEARCH PROMOTION SOCIETY FOR CARDIOVASCULAR DISEASES (present position)</p> <p>Significant concurrent positions outside the Company President of SATAKE CPA Office (Certified Public Accountant and Certified Tax Accountant) Outside Auditor of PCA CORPORATION Auditor of Japan Institute of Business Law Outside Member of the Board of Directors of Mizuho Trust & Banking Co., Ltd. Auditor of JAPAN RESEARCH PROMOTION SOCIETY FOR CARDIOVASCULAR DISEASES</p>	0
<p>Reasons for nomination as candidate for Outside Audit & Supervisory Board Member Masayuki Satake has extensive experience and specialist knowledge as a certified public accountant and tax accountant, performs audits from an objective position as an accounting and tax practitioner, and appropriately performs the work of auditing the decision-making process for key matters and the business execution status. While he does not have experience with corporate management in any capacity other than as an outside officer, as noted above, the Board of Directors believes that he can appropriately fulfill his responsibilities as Outside Audit & Supervisory Board Member and accordingly continues to nominate him as a candidate for Outside Audit & Supervisory Board Member.</p>			
<p>Special interests between the candidate and the Company The Company holds 354,000 shares of Mizuho Financial Group, the parent company of Mizuho Trust and Banking Co., Ltd., where Masayuki Satake, Audit & Supervisory Board Member of the Company, is concurrently serving at present. However, since the number of these shares owned by the Company constitutes less than 0.01% of the voting rights of Mizuho Financial Group, the Company does not believe that this affects his independence. In addition, although there is a transaction in the form of a book subscription between the Company and the Japan Institute of Business Law, where he is concurrently serving at present, the value of the transaction is small and equivalent to less than 1 million yen during this fiscal year, there is no materiality in a special rights relationship arising, and this does not have an effect on his independence.</p>			

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

The Company prior requests approval for the election of 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 required by laws and regulations.

The candidate for substitute Audit & Supervisory Board Member is as follows. The consent of the Audit & Supervisory Board has been obtained for this proposal.

Name (Date of birth)	Career summary, position and responsibilities in the Company	Number of the Company' s shares owned
Masami Shinozaki (Date of birth: September 29, 1953, 63 years old) [New election] [Outside Audit & Supervisory Board Member] [Independent officer]	Apr. 1987 Admitted to the bar Apr. 1987 Joined Hirai Law Office. Jan. 2004 President of SHINOZAKI & PARTNERS (present position) Apr. 2008 Vice-president of Daiichi Tokyo BAR Association June 2009 Outside Audit & Supervisory Board Member of INAGEYA CORPORATION (present position) Significant concurrent positions outside the Company President of SHINOZAKI & PARTNERS (Attorney at law) Outside Audit & Supervisory Board Member of INAGEYA CORPORATION	0
Reasons for nomination as candidate for substitute Outside Audit & Supervisory Board Member Masami Shinozaki has extensive experience as an attorney. It has been determined that he will be able to contribute to the fair and reasonable decision-making of the Company, management transparency, and the securing of soundness through his perspective as legal expert in the performance of the auditing work of the Company. While he does not have experience with corporate management in any capacity other than as an outside officer, as noted above, the Board of Directors believes that he can appropriately fulfill his responsibilities as Outside Audit & Supervisory Board Member and accordingly nominates him as a candidate for substitute Outside Audit & Supervisory Board Member.		
Special interests between the candidate and the Company There is no special interest.		

- Notes:
1. "Number of the Company's shares owned" is the number of shares owned as of March 31, 2017.
 2. The "age" of Masami Shinozaki as of the conclusion of this Ordinary General Meeting of Shareholders has been stated.
 3. Masami Shinozaki meets the Company's own independence requirements for an independent officer based on the independence requirements prescribed by the Tokyo Stock Exchange, and if he is elected as Outside Audit & Supervisory Board Member, the Company plans to register him as an independent officer with the Tokyo Stock Exchange.
 4. The Company may enter into an agreement with each of Outside Audit & Supervisory Board Members limiting their liabilities under Article 423, Paragraph 1 of the Companies Act in accordance with Article 427, Paragraph 1 of that Act and Article 42 of the Articles of Incorporation. The maximum amount of liability pursuant to that agreement is the minimum amount specified in Article 425, Paragraph 1 of the Companies Act, and if Masami Shinozaki assumes the office of Outside Audit & Supervisory Board Member, the Company plans to enter into the agreement with him.

<Reference> Criteria for determining the independence of Outside Officers

The Company has established the original criteria for independence based on the independence requirements stipulated by the Tokyo Stock Exchange. All candidates for Outside Officers must meet all of these criteria to ensure solid corporate governance.

The criteria are laid out below.

[Independence Criteria for Outside Officers]

- (1) The candidate is not a major shareholder of the Company (someone who holds 10% or more of the voting rights in the Company Group directly or indirectly) or its business executor (*1).
- (2) The Company Group does not hold 10% or more of the voting rights for the candidate directly or indirectly, or its business executor.
- (3) The candidate is not a business executor at another company that has a relationship with the Company through an Outside Officer (*2).
- (4) The candidate is not a business executor of an organization that has received a large contribution (*3) from the Group.
- (5) Neither (1) nor (4) above apply to the three-year period prior to the appointment.
- (6) The candidate has never been a business executor of the Company Group in the past.

*1. “Business executor” refers to an executive director or an employee.

*2. This refers to a relationship in which a business executor of the Company Group is an Outside Officer of another company and a business executor of the said another company is an Outside Officer of the Company.

*3. A “large contribution” would amount to 10 million yen a year or an amount exceeding 2% of annual total revenue of the particular organization on average over the past three business years.

<Reference> Officer Election Policy and Procedures

The Company receives the opinions of the Management Advisory Committee, which is composed of only outside officers, to ensure that the election and dismissal of officers is performed through a transparent and fair system based on objective evaluations.

The officer election policy (summary) is provided below.

- (1) Has the business sense, ability to perform, and judgment skills as an officer that can contribute to the sustainable growth of the Group and improve corporate value
- (2) Has the required intent and ability to perform duties as an officer, and can fulfill the social responsibilities to stakeholders
- (3) Has personality and insight, and is able to perform duties faithfully as an officer
- (4) Meets the legal requirements for an officer

Proposal 5: Revision of the Amount of Compensation for Directors

With regard to the amount of compensation of the Company's directors, at the 50th Ordinary General Meeting of Shareholders held on June 24, 2004, a resolution was passed that the amount shall be "up to 200 million yen per year (provided that this amount does not include the salary for their duties as employees.)". The Company, based on the Corporate Governance Basic Policy published in 2015, in order to establish a system that contributes more to the sustainable growth and the improvement in corporate value of the Group, has been considering setting compensation that heightens the motivation for the contributions to improvements of the Group's performance and corporate value, as well as shareholder-focused management awareness.

As a result of this, along with an increase in the range of fluctuation of "bonus" linked to single-year performance, the Company would like to introduce a new stock compensation system, which is requested for approval in Proposal 6, which will serve to motivate for the management with an awareness of performance and share price in the medium to long term. In this proposal, the Company would like to revise "basic compensation" and "bonus" linked to single-year performance in this system.

In order to improve awareness for business execution as directors, we have decided to incorporate the employee salary, that is paid separately from compensation to some directors, into "basic compensation" of the said amount of compensation, and with regard to "bonus" linked to single-year performance, to further deepen the link between this and actual single-year performance. By decreasing the amount of "bonus" when performance falls below the standard, and adding the incentive of increased "bonus" when performance exceeds the standard, willingness to contribute and management awareness toward improving Group performance will increase.

Specifically, to prepare for the incorporation into "basic compensation" of employee salary and the pay increase incentives, the amount of compensation for directors shall be revised to "up to 300 million yen per year (up to 18 million yen for Outside Directors)."

It should be noted that currently there are seven (7) Directors (of whom two (2) are Outside Directors). If Proposal 2 is approved and adopted as per the proposal, there will continue to be seven (7) Directors (of whom two (2) are Outside Directors) who will be subject to the payment of compensation as proposed in this proposal.

In addition, with regard to the amount of compensation for directors as proposed in this proposal, we ask for your separate approval of determination of the amount and content of the performance-based stock compensation, etc. for Directors, which are linked to medium- to long-term performance that is proposed in Proposal 6.

Proposal 6: Determination of Amount and Content of Performance-based Stock Compensation, etc., for Directors

1. Reason for proposal and grounds that make such compensation reasonable

Compensation for the Company's Directors has been composed of "basic compensation" and "bonus," which is linked to single-year performance, but in this proposal, we request your approval for the introduction of a new performance-based stock compensation plan that is linked to medium- to long-term performance (hereinafter referred to as "the System"). It should be noted that the details for this will be entrusted to the Board of Directors, within the limits of 2 below.

The objective of this System is to enhance awareness of contributing to improved performance and increased corporate value in the medium to long term by further clarifying the link between the Company's performance and stock value with Directors' compensation, not only allowing Directors to reap the benefits of stock price increases, but also to bear the consequences of drops in the stock price, and to share the benefits and risks of stock price fluctuations with shareholders.

Specifically, separate to the maximum limit of Directors' compensation ("basic compensation" and "bonus") for which approval has been requested in Proposal 5 (up to 300 million yen per year [up to 18 million yen for Outside Directors]), approval is requested for the payment of a new performance-based stock compensation to the Company's Directors serving during the four (4) -year period from the fiscal year ending March 2018 until the fiscal year ending March 2021 (hereinafter referred to as "Subject Period").

It should be noted that Outside Directors shall not be eligible to participate in the System, and if Proposal 2 "Election of seven (7) Directors" is approved and adopted as per the proposal, the number of Directors eligible to participate in the System as of the conclusion of this Ordinary General Meeting of Shareholders shall be five (5), after excluding the two (2) Outside Directors.

2. Amount and content, etc., of compensation, etc., in the System

(1) Overview of the System

The System is a performance-based stock compensation system in which a trust, established by the contribution of funds by the Company (hereinafter referred to as "the Trust"), obtains shares of the Company, and a number of the Company's shares in accordance with the number of points granted by the Company to each Director determined in accordance with certain standards, such as the level of achievement of results, are paid to each Director via the Trust.

It should be noted that the timing of the issuance of the Company's shares to the Directors, in principle, shall be at the time the Director retires. For an outline of the System, please refer to "Notification Regarding the Implementation of a New Performance-based Stock Compensation Plan for Directors of the Company" dated May 12, 2017.

(2) Maximum amount of funds to be contributed by the Company

The initial period of the Trust shall be four (4) years, and the Company, as funds for the acquisition of the Company's shares that are required for the issuance of the Company's shares to Directors under the System, during said trust period, shall contribute a maximum amount of 145 million yen, which will be used as compensation for Directors serving during the Subject Period. The Trust shall be established for Directors that meet certain conditions set as the beneficiaries. The Trust, using the funds entrusted by the Company, shall obtain shares of the Company either through the stock exchange (including after-hours trades), or through subscribing to the Company's disposal of treasury stock.

Notes: The funds actually entrusted by the Company to the Trust, in addition to the aforementioned funds for the acquisition of shares of the Company, shall be the total amount of the expected necessary costs, such as trust fees and the trust manager's fee.

It should be noted that, upon the expiration of the Trust Period, the Trust Period may be extended every three (3) years, and the System continued, by resolution of the Board of Directors of the Company. In such a case, the Company, as funds for the additional acquisition of the Company's shares that are required for the issuance of shares to Directors under the System, shall make an

additional contribution to the Trust of up to 115 million yen for each extended trust period. In addition, in such a case, the Subject Period shall be extended in accordance with such continuation of the System and extensions of the Trust Period, and the granting of points stated in (3) 1) below and the issuance of the Company's shares of (4) below shall continue during the extended Trust Period.

However, even in the case of the awarding of points being discontinued, upon the expiration of the Trust Period, in the event of there being a Director who has been granted points but has not yet retired, the Trust Period of the Trust may be extended until said Director has retired and the issuance of the Company's shares has been completed.

(3) Calculation method and limit to the number of the Company's shares that are to be granted to Directors

1) Granting method and limit to points to be granted to Directors

The Company, based on the stock issuance regulations prescribed by the Company's Board of Directors, shall grant a number of points during the Trust Period to each Director calculated in accordance with certain standards, such as the level of achievement toward their financial indicators as well as standards by position, on the points granting date prescribed in the Share Issuance Regulations.

However, the total number of points granted by the Company to the Directors shall be limited to 70,000 per fiscal year.

2) Issuance of the Company's shares in accordance with the number of points granted

Directors shall receive shares of the Company in accordance with the number of points received in (1) above, pursuant to the procedures of (4) below.

With regard to the number of shares of the Company that shall be issued to each Director, this shall be the number obtained by multiplying the number of points granted to each such Director by 1.0 (However, in regard to the Company's shares, in the event of a situation that can reasonably justify adjustment to the number of shares of the Company to be delivered, such as a stock split or stock consolidation, reasonable adjustments may be made in accordance with the split ratio or consolidation ratio, etc.).

(4) Issuance of the Company's shares to Directors

The issuance of the Company's shares to each Director as described in (3) 2) above shall be performed from the Trust by the Director concerned performing the prescribed beneficiary confirmation procedures at the time of retirement. However, a portion of the Company's shares shall be delivered in lieu in cash from monies realized through sale within the Trust. In addition, in cases in which the Company's shares held within the Trust are converted to cash, such as when a tender offer is subscribed to and settled for the Company's shares held within the Trust, cash would be delivered in lieu of the Company's shares.

<Reference> Procedures for determining compensation for Directors

The Company, as compensation for Directors, pays “basic compensation” and “bonus” that is tied with single-year performance, within the range approved at a meeting of shareholders, and in addition, in the event of the proposal being approved and adopted as per the proposal at the Ordinary General Meeting of Shareholders, a policy will be in place whereby stock compensation is paid based on medium- to long-term performance.

The Company has received the opinions of the Management Advisory Committee, which is composed only of Outside Directors, in regard to officer compensation, and has decided that the officer compensation system will be prescribed by the Board of Directors, and that transparent and fair compensation setting procedures will be ensured by paying compensation that has been calculated pursuant to the officer compensation system, in accordance with group performance.

Furthermore, on the assumption that Proposal 5 and Proposal 6 are approved at the Ordinary General Meeting of Shareholders as per the respective proposals, the new officer compensation system will focus on increasing motivation toward improving future group performance. In principle, the total amount of basic compensation, single-year performance-related compensation, and stock compensation tied to medium- to long-term performance, when standard performance is achieved under the new officer compensation system, will be at around the same level as the total amount of basic compensation and single-year performance-based compensation that is currently paid to Directors. Although standard performance may vary, in order to ensure transparency, standard performance values will be set by the Board of Directors after the consultation to the Management Advisory Committee.