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(Stock Exchange Code 6670)
June 9, 2021

To Shareholders with Voting Rights:

Yuji Takashima
Chairman
MCJ Co., Ltd.
6-14-53, Midori-cho, Kasukabe-shi,
Saitama

**NOTICE OF CONVOCATION OF
THE 23RD ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

You are cordially invited to attend the 23rd Annual General Meeting of Shareholders of MCJ Co., Ltd. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders, then either indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to us, or enter your vote on the website for the exercise of voting rights designated by the Company (<https://evote.tr.mufg.jp/>). In either case, please exercise your voting rights such that they are received no later than 6:00 p.m. Japan time on Wednesday, June 23, 2021.

The Company also participates in the platform for exercising voting rights for institutional investors operated by ICJ, Inc.

1. Date and Time: Thursday, June 24, 2021 at 10:30 a.m. Japan time
(Venue opens at 9:30 a.m.)

2. Place: Hall B at Otemachi PLACE Conference Center 2F at
2-3-1, Otemachi, Chiyoda-ku, Tokyo, Japan

* The number of available seats is limited this year as a result of securing wide spaces between seats in order to prevent the spread of COVID-19. Accordingly, we would like to apologize in advance that we have to deny your entry if the seats in Hall B are fully occupied.

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 23rd Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Board of Auditors on the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 23rd Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Seven (7) Directors
Proposal 4: Election of One (1) Substitute Auditor

- Proposal 5:** Revision of Amounts of Remuneration for Directors
Proposal 6: Payment of Bonuses to Directors

When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk of the venue.

4. Matters to be Disclosed on the Internet

Of the matters to be included in this Notice, pursuant to laws and regulations and the provisions of Article 19 of the Company's Articles of Incorporation, Notes to the Consolidated Financial Statements and Notes to the Non-consolidated Financial Statements are posted on the Company's website on the Internet and therefore are not included in the Attached Documents to this Notice.

The Attached Documents to this Notice are a portion of the Business Report, Consolidated and Non-consolidated Financial Statements audited by Auditors in their preparation of the Auditors' Report, and the Consolidated and Non-consolidated Financial Statements audited by Accounting Auditors in their preparation of the Accounting Auditors' Report.

5. Information on Exercising Your Voting Rights

If you are attending the General Meeting of Shareholders:

If you are attending the meeting, please bring the enclosed Voting Rights Exercise Form with you and submit it at the reception desk of the venue.

Attendees are kindly advised to arrive early at the venue to avoid congestion.

Date and time of the General Meeting of Shareholders:

10:30 a.m. Japan time on Thursday, June 24, 2021 (Venue opens at 9:30 a.m.)

If you are not attending the General Meeting of Shareholders:

Exercising your voting rights in writing:

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return it to the Administrator of Shareholder Registry of the Company so that it is received by the voting rights exercise deadline.

Voting rights exercise deadline:

Votes received by 6:00 p.m. Japan time on Wednesday, June 23, 2021

Exercising your voting rights via the Internet:

Please access the **voting rights exercise website (<https://evote.tr.mufg.jp/>)** from your computer, smartphone or mobile phone, enter the code and password for exercising your voting rights, which are indicated on the enclosed Voting Rights Exercise Form, and register your vote for or against the proposals by following the on-screen instructions.

Voting rights exercise deadline:

Votes exercised by 6:00 p.m. Japan time on Wednesday, June 23, 2021

Any revisions to the accompanying Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-consolidated Financial Statements will be posted on the Company's website.

- The Company's website: <https://www.mcj.jp/>

Reference Documents for the General Meeting of Shareholders

Proposal 1: Appropriation of Surplus

Matters regarding year-end dividend:

The Company considers the enhancement of shareholder returns as one of its important management issues, and upholds the policy of performance-based dividend payment in accordance with the Company's business performance, while aiming for a dividend payout ratio of 30% or above of profit attributable to owners of parent.

In light of the Company's business performance for the 23rd fiscal year and the above policy, the Company proposes a year-end dividend of ¥31 per share of the common stock.

- (1) Type of dividend property
Cash
- (2) Matters related to the allocation of dividend property and the total amount thereof
¥31 per share of the Company's common stock
Total amount: ¥3,047,458,999
- (3) Effective date of the dividends of surplus
Friday, June 25, 2021

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for the Proposal

In order to prepare for further expansion of the businesses of the Group and the enhancement and strengthening of its management structure, the maximum number of Directors will be amended from the current number of eight (8) to twelve (12).

2. Details of the Amendments

The details of the amendments are as follows.

(The underlined parts are the parts to be amended.)

Current Articles of Incorporation	Proposed Amendments
(Number of Directors) Article 20. The number of Directors of the Company shall be <u>eight (8)</u> or less.	(Number of Directors) Article 20. The number of Directors of the Company shall be <u>twelve (12)</u> or less.

Proposal 3: Election of Seven (7) Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the Company requests the election of seven (7) Directors.

The candidates for Directors are as follows:

No.	Name		Current Positions and Responsibilities in the Company
1	Yuji Takashima	[Reappointment]	Chairman & CEO
2	Motoyasu Yasui	[Reappointment]	President & COO
3	Takeshi Asagai	[Reappointment]	Director & Chief Administrative officer
4	Kenji Ishito	[Reappointment]	Director & CFO
5	Katsunori Ura	[Reappointment] [Candidate for Outside Director] [Independent Director]	Director
6	Gideon Franklin	[Reappointment] [Candidate for Outside Director] [Independent Director]	Director
7	Shoichi Miyatani	[New appointment] [Candidate for Outside Director] [Independent Director]	-

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
1	Yuji Takashima (April 2, 1974) [Reappointment] [Attendance at the Board of Directors meetings] 100%	Apr. 1993 May 1996 Aug. 1998 Sep. 2005 Mar. 2006 July 2006 Oct. 2006 June 2008 Nov. 2012 Aug. 2013 Apr. 2017 July 2017	Joined Takashimaya Clothing Store Co., Ltd. (name changed to Takashima Co., Ltd. and then to Mouse Computer Japan Co., Ltd. before being acquired by MCJ Co., Ltd.) President & CEO, Takashimaya Clothing Store Co., Ltd. (name changed to Takashima Co., Ltd. and then to Mouse Computer Japan Co., Ltd. before being acquired by MCJ Co., Ltd.) President & CEO, MCJ Ltd. (currently MCJ Co., Ltd.) Director, Synnex Co., Ltd. (currently Tekwind Co., Ltd.) Director, Arosystem Co., Ltd. (currently UNIT.COM INC.) Chairman & CEO, MCJ Co., Ltd. Chairman & Director, MCJ Co., Ltd. Director, Mouse Computer Co., Ltd. Chairman & President & CEO, MCJ Co., Ltd. President & CEO, UNIT.COM INC. President & CEO, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) Chairman & CEO, MCJ Co., Ltd. (to present) Representative Director, General Incorporated Foundation TKG Association (currently Public Interest Incorporated Foundation TKG Association) (to present)	32,441,160
[Reason for nomination as candidate for Director] Mr. Yuji Takashima, as the founder of the Company, has been playing a crucial role in the management of the Group since the establishment of the Company. Currently, as the Chairman & CEO of the Company, he has been directing and overseeing the overall management of the Group as well as realizing a medium- to long-term growth in earnings. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				
2	Motoyasu Yasui (July 23, 1978) [Reappointment] [Attendance at the Board of Directors meetings] 100%	July 2001 Sep. 2002 June 2004 Apr. 2005 Aug. 2007 June 2008 July 2011 Oct. 2013 Oct. 2014 Mar. 2016 June 2016 Apr. 2017 Jan. 2018 Oct. 2018 Jan. 2020	Joined GDH, Co., Ltd. (currently GONZO K.K.) Joined MCJ Co., Ltd. Manager, Finance and Accounting Department, MCJ Co., Ltd. Executive Officer, Management Planning Department, MCJ Co., Ltd. Manager, Industrial Growth Platform, Inc. Executive Officer, PIA Corporation Director, Industrial Growth Platform, Inc. Senior Specialist, Inspection Bureau of Financial Services Agency Principal, Industrial Growth Platform, Inc. Executive Officer, President's Office, MCJ Co., Ltd. Director, Head of Business Development & IR, MCJ Co., Ltd. President & COO, MCJ Co., Ltd. (to present) Director, R-Logic International Pte Ltd (to present) Director, UNIT.COM INC. (to present) Director, iiyama Benelux B.V. (to present)	19,100
[Reason for nomination as candidate for Director] Mr. Motoyasu Yasui, as President & COO, has been leveraging his extensive experience in corporate management and his knowledge of management as well as accounting and finance to promote the Group's strategic business development based on the Mid-term Management Plan. Also, as IR officer, he is proactively launching initiatives in the disclosure of information, including non-financial information, which would contribute to a better understanding of the Company and the Group. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
3	Takeshi Asagai (December 21, 1966) [Reappointment] [Attendance at the Board of Directors meetings] 100%	Apr. 1990	Joined The Kyowa Bank, Ltd. (currently Saitama Resona Bank, Limited)	1,187,100
		Apr. 2001 Mar. 2006 Oct. 2006 June 2008 Aug. 2013 June 2018	Director, MCJ Co., Ltd. President & CEO, MCJ Co., Ltd. Director, Mouse Computer Co., Ltd. (to present) Director & Chief Administrative officer, MCJ Co., Ltd. (to present) Director, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) (to present) Director, MID Inc. (to present)	
[Reason for nomination as candidate for Director] Mr. Takeshi Asagai, as Director & Chief Administrative officer, has been overseeing the administration divisions including general affairs, personnel affairs and legal affairs, and has been working to develop and operate an effective internal control system for the Group as well as enhancing its corporate governance framework. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				
4	Kenji Ishito (April 18, 1968) [Reappointment] [Attendance at the Board of Directors meetings] 100%	Apr. 1991 Nov. 2000	Joined The Mitsubishi Bank, Ltd. (currently MUFG Bank, Ltd.) Head of Management Planning Department, Parquetech Co., Ltd.	87,000
		Dec. 2003 Apr. 2004 July 2005 May 2006 June 2007 June 2007 Aug. 2007 June 2008 Oct. 2008 June 2011 June 2012 Aug. 2013 June 2016 June 2018	Assistant Manager, Management Department, Yokohama Jisho Co., Ltd. Director & Head of Administrative Department, Yokohama Jisho Co., Ltd. Head of Administrative Department, Alive Community Co., Ltd. (currently, RUDEN HOLDINGS Co., Ltd.) Director & Head of Administrative Department, Alive Community Co., Ltd. (currently, RUDEN HOLDINGS Co., Ltd.) Head of Management Planning Department, MCJ Co., Ltd. Director, ADTEC Corporation Executive officer, Head of Finance & Accounting Department, MCJ Co., Ltd. Director & Head of Finance & Accounting Department, MCJ Co., Ltd. Director & CFO, MCJ Co., Ltd. (to present) Director, Synnex Co., Ltd. (currently Tekwind Co., Ltd.) (to present) Director, MVK Corporation (currently Aiuto Co., Ltd.) (to present) Director, Iscorporation, Co., Ltd. (currently aprecio Co., Ltd.) (to present) Director, UNIT.COM INC. (to present) Director, MID Inc. (to present)	
[Reason for nomination as candidate for Director] Mr. Kenji Ishito, as Director & CFO, has been formulating and executing finance strategies in response to the changes in the business environment surrounding the Group, and continues to make ongoing improvements to the Company's finance and accounting functions. With the expectation that he will continue to contribute to the enhancement of the corporate value of the Group, the Company requests his election as Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions		Number of shares of the Company held
5	Katsunori Ura (March 14, 1978) [Reappointment] [Candidate for Outside Director] [Independent Director] [Attendance at the Board of Directors meetings] 100%	Oct. 2003	Certified as an attorney, joined Blakemore & Mitsuki	-
		Sep. 2007	Auditor, SVC Securities Co., Ltd. (currently DMM.com Securities Co., Ltd.)	
		July 2011	Outside Director, STYLE LINK	
		Jan. 2012	Partner, Blakemore & Mitsuki	
		June 2015	Outside Director, MCJ Co., Ltd. (to present)	
		Aug. 2017	Outside Auditor, Feedforce Inc.	
		Dec. 2017	Auditor, STYLE PORT Inc. (to present)	
		May 2018	Outside Auditor, Fan's Inc. (currently FANTAS technology Inc.) (to present)	
		Aug. 2018	Outside Director (Audit and Supervisory Committee Member), Feedforce Inc. (to present)	
		Aug. 2019	Representative Director, Gaia Co., Ltd. (to present)	
Oct. 2019	Outside Director, Web Co., Ltd. (to present)			
Apr. 2020	Partner, The Tokyo-Marunouchi Law Offices (to present)			
[Reason for nomination as candidate for Outside Director] Mr. Katsunori Ura is extremely knowledgeable in corporate management, based on his extensive experience and high level of insight as an attorney, as well as his experience serving as Outside Director of other companies. He draws on his knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that he will continue to provide beneficial advice to the Company's management, the Company requests his election as Outside Director.				
6	Gideon Franklin (June 28, 1962) [Reappointment] [Candidate for Outside Director] [Independent Director] [Attendance at the Board of Directors meetings] 100%	Sep. 1984	Joined Cazenove (currently JPMorgan Chase & Co.)	-
		Oct. 1986	Joined UBS Phillips & Drew (currently UBS AG)	
		Jan. 1993	Director, Schweizerische Bankgesellschaft (Deutschland) AG (currently UBS Europe SE)	
		Feb. 1994	Managing Director, Morgan Stanley Group Inc (currently Morgan Stanley)	
		Jan. 2004	Outside Director, Culham Prints and Drawings Ltd	
		July 2006	President, Gideon Franklin Limited	
		Nov. 2007	Managing Director, Mizuho International plc	
		Aug. 2013	CEO, Gideon Franklin Limited (to present)	
		June 2019	Outside Director, MCJ Co., Ltd. (to present)	
		Apr. 2021	CEO, Culham Prints and Drawings Ltd (to present)	
[Reason for nomination as candidate for Outside Director] Mr. Gideon Franklin is extremely knowledgeable in corporate management, based on his extensive experience as analyst, M&A advisor, and corporate manager of global financial institutions. He draws on his knowledge to appropriately advise and make recommendations in important decision-making by the Board of Directors. With the belief that he will continue to provide beneficial advice to the Company's management, the Company requests his election as Outside Director.				

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Shoichi Miyatani (February 1, 1957) [New appointment] [Candidate for Outside Director] [Independent Director]	<p>Apr. 1979 Joined NISSAN MOTOR CO., LTD.</p> <p>Jan. 2000 Head of Africa and Iran Department, NISSAN MOTOR CO., LTD.</p> <p>Apr. 2003 Head of Sales Department VI, Japan Sales Division, NISSAN MOTOR CO., LTD.</p> <p>Apr. 2004 Vice President, NISSAN MOTOR CO., LTD.</p> <p>Jan. 2006 Corporate Officer, NISSAN MOTOR CO., LTD.</p> <p>Apr. 2010 President, Nissan Motorsports International Co., Ltd.</p> <p>Apr. 2012 President and Chief Executive Officer (CEO), AUTECH JAPAN, Inc.</p> <p>June 2016 Outside Statutory Auditor, NISSAN SHATAI CO., LTD.</p> <p>Apr. 2018 Executive Director, MM Group Holdings Co., Ltd.</p> <p>Apr. 2019 Vice President, MM Group Holdings Co., Ltd.</p> <p>Apr. 2021 Representative Director & President, MM Group Holdings Co., Ltd. (to present)</p> <p>Apr. 2021 Representative Director & President, MM Creative Connect Co., Ltd. (to present)</p>	-
<p>[Reason for nomination as candidate for Outside Director] Mr. Shoichi Miyatani is extremely knowledgeable in corporate management, based on his extensive experience as corporate manager of companies engaged in the development of businesses globally. With the belief that he will provide beneficial advice on the Group's overseas expansion and its corporate governance as well as on overall management, the Company requests his election as Outside Director.</p>			

(Notes)

1. There are no special interests between the candidates and the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, designating Directors, Auditors, executive officers and employees in managerial or supervisory positions at the Company (hereinafter "Directors, etc.") as well as Directors, etc. of the Company's subsidiaries as the insured. In the event of the Directors, etc. being liable for damages arising from their duties, the said insurance contract shall compensate for damages and legal expenses to be borne by them. Provided, however, that there are certain exemptions so that the appropriateness of the execution of duties by the Directors, etc. is not impaired; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered. The candidates for Directors will be insured under the insurance contract.
The Company bears the entire premium. The term of the contract is one year, and the Company plans to renew the contract before its expiration in accordance with the resolution of the Board of Directors.
3. Roles expected to be played by the candidates for Outside Directors, Mr. Katsunori Ura, Mr. Gideon Franklin and Mr. Shoichi Miyatani, if elected as Outside Directors of the Company
The Company expects Outside Directors to assume the roles and responsibilities of: reviewing, from the perspective of general shareholders independent of the management team, if the business plans and strategies for achieving such plans developed by the management team in charge of the execution of business operations are acceptable or not, and providing beneficial advice based on his/her insight that he/she acquired through his/her experience in corporate management in other companies; verifying and evaluating the validity of the outcomes of the management, and appropriately reflecting the evaluation results in the election and dismissal of the management team members and decision on their remuneration; and supervising important decision-making of the Board of Directors and proposals from the management team in terms of whether there are any issues including conflicts of interests and biased decisions.
4. Term of office of Outside Directors of the Company
 - 1) At the conclusion of this General Meeting of Shareholders, Mr. Katsunori Ura will have served 6 years as Outside Director of the Company.
 - 2) At the conclusion of this General Meeting of Shareholders, Mr. Gideon Franklin will have served 2 years as Outside Director of the Company.
 - 3) Mr. Shoichi Miyatani is a new candidate for Outside Director.
5. Liability limitation agreement with Outside Directors
Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into agreements with Mr. Katsunori Ura and Mr. Gideon Franklin to limit their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the

greater of a predetermined amount of ¥300,000 or more or an amount stipulated by laws and regulations. If the reelection of Mr. Katsunori Ura and Mr. Gideon Franklin is approved, the Company plans to continue the said agreements with them.

If Mr. Shoichi Miyatani is elected as Director of the Company, the Company plans to enter into the same agreement with him.

6. Independent Directors

Mr. Katsunori Ura and Mr. Gideon Franklin are Independent Directors as stipulated by the Tokyo Stock Exchange and are registered as such at the said exchange. If their reelection is approved, the Company plans to continue their designation as Independent Directors.

If Mr. Shoichi Miyatani is elected as Director of the Company, he will be designated as an Independent Director as stipulated by the Tokyo Stock Exchange.

(Reference)

Major skills (knowledge, ability and experience) and specialties of the candidates for Directors and current Auditors

No.	Name	Position and Role at the Company	Major Skills and Specialties							
			Corporate Management	Experience in Core Business and Industry	Global Experience	Finance & Accounting	Legal & Compliance	Personnel & talent development	IT & Digital	ESG (Environmental, Social, and Governance)
1	Yuji Takashima	Chairman CEO	•	•					•	
2	Motoyasu Yasui	President COO	•	•	•	•				•
3	Takeshi Asagai	Director Chief Administrative officer	•				•	•		•
4	Kenji Ishito	Director CFO	•			•	•			
5	Katsunori Ura	Outside Director Advisory Member	•				•			•
6	Gideon Franklin	Outside Director Advisory Member	•		•	•				•
7	Shoichi Miyatani	(New Appointment)	•		•			•	•	•
8	Shoichi Horiguchi	Permanent Auditor		•			•		•	
9	Hiroyuki Aso	Outside Auditor Advisory Member	•			•				•
10	Kazuma Yasuda	Outside Auditor Advisory Member	•		•			•		•

(Notes)

1. The skills in the above table do not represent all the skills and specialties that each person possesses.
2. No. 1 to 7 are the candidates for Directors in this proposal.

(Reference)

Standards for Independence for Election of Outside Directors or Outside Auditors

The Company established the following requirements as standards to determine whether Outside Directors or Outside Auditors (hereinafter referred to collectively as “Outside Officers”) are qualified to be regarded as independent of the Company's management with no concerns of conflict of interests with general shareholders.

1. An Outside Officer shall not be a person who is, or who has been within the 10 years preceding appointment, an executive director, executive officer, manager or other employee (hereinafter referred to collectively as “Executive, etc.”) of the Company or its current affiliated company (hereinafter referred to collectively as the “Group”), or be a spouse, relative within the second degree of kinship or cohabiting relative of such person.
2. An Outside Officer shall not be a person who falls under any of the following categories.
 - 1) A person who is, or who has been within the last 5 years, an Executive, etc. of a company that is currently a major shareholder (a shareholder holding 10% or more of voting rights; the same applies below) of the Company
 - 2) A person who is, or has been within the last 5 years, an Executive, etc. of a company for which the Company is currently a major shareholder
 - 3) A person who has directly received ¥10 million or more of remuneration or monies or other properties, including as a consideration for execution of business or transaction, from the Group in any of the last 5 fiscal years
Note that the actual situation will be carefully reviewed if the person indirectly received such remuneration, monies or other properties.
 - 4) An Executive, etc. of a company or other entity whose amount of payment or receipt of consideration for business or transactions with the Group accounts for 2% or more of the annual consolidated gross sales of the company or other entity in any of the last 5 fiscal years
 - 5) An Executive, etc. of a company or other entity that has received donations or subsidies of ¥10 million or more from the Group in any of the last 5 fiscal years
 - 6) An Executive, etc. of a company or other entity or its subsidiary that accepts a director or auditor from the Group
 - 7) An Executive, etc. of a financial institution or other major creditor that is critical for the Company's financing and upon which the Company is dependent to a degree that it is irreplaceable (hereinafter referred to as “Major Creditor, etc.”), or a person who was an Executive, etc. of a current Major Creditor, etc. of the Company within the last 3 years
 - 8) A certified public accountant currently serving as Accounting Auditor of the Group, or a member, partner or employee of an audit corporation currently serving as Accounting Auditor of the Group
 - 9) A certified public accountant who served as Accounting Auditor of the Group within the last 3 years, or a member, partner or employee of an audit corporation that served as Accounting Auditor of the Group within the last 3 years who was actually in charge of auditing of the Group (including those who have already resigned or retired)
 - 10) An attorney, certified public accountant, tax accountant or other consultant who does not fall under the category of 8) or 9) above, and who has received ¥10 million or more per year of monetary or other property benefits other than remuneration as an officer from the Group in any of the last 3 fiscal years
 - 11) A person who is a member, partner or employee of a law firm, audit corporation, tax accountant corporation, consulting firm or other professional advisory firm (hereinafter referred to collectively as “Firm”) that does not fall under the category of 8) or 9) above, that has received payment of 2% or more of its consolidated gross sales from the Group in the immediately preceding fiscal year, and that has the Group as its major client
 - 12) A spouse, relative within the second degree of kinship or cohabiting relative, or a person similar to the foregoing, of a person stipulated in any of 1) through 7) above (excluding employees) (“A person similar to the foregoing” means a person who has a relationship, such as having a personal interest, that is reasonably considered to prevent him/her from fulfilling his/her duties as Independent Director or Independent Auditor; the same applies below)
 - 13) A spouse, relative within the second degree of kinship or cohabiting relative, or a person similar

- to the foregoing, of a person stipulated in any of 8) through 11) above
3. An Outside Officer shall not be an interested individual who shares the same livelihood as those falling under 1 above.
 4. In addition, an Outside Officer shall not have any other circumstances that are reasonably considered to prevent him/her from fulfilling his/her duties as Independent Director or Independent Auditor.
 5. An Outside Officer shall continue to maintain the requirements for independence and neutrality stipulated in 1 through 4 above after assuming the office.

Proposal 4: Election of One (1) Substitute Auditor

To prepare for circumstances wherein the number of Auditors fails to meet the number prescribed by laws and regulations, the Company proposes the election of one (1) Substitute Auditor.

The effectiveness of this election may be cancelled based on the resolution of the Board of Directors, provided, however, that such cancellation is done prior to the assumption of office and with the consent of the Board of Auditors.

The Board of Auditors has given consent to this proposal.

The candidate for Substitute Auditor is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
Kazuyuki Togo (January 20, 1957)	Apr. 1980 Joined Chuo Audit Corporation	-
	Mar. 1983 Registered as Certified Public Accountant	
	July 1990 Joined Sanyu & Co. (Currently BDO Sanyu & Co.)	
	Sep. 2001 Senior Partner, BDO Sanyu & Co.	
	Mar. 2005 Registered as Tax Accountant	
	July 2008 Established Togo C.P.A. Office	
	Representative, Togo C.P.A. Office (to present)	
	Jan. 2009 Founded RTB Consulting Inc.	
	Representative Director, RTB Consulting Inc. (to present)	
	Jan. 2009 Founded SSJ Tax Accountant Corporation	
	Senior Partner, SSJ Tax Accountant Corporation (to present)	
June 2009 Outside Director, OOTOYA Holdings Co., Ltd.		
June 2009 External Auditor, Kakaku.com, Inc.		
June 2010 Outside Audit and Supervisory Committee Member, EXCEL CO., LTD.		
June 2016 Outside Director (Audit and Supervisory Committee Member) of EXCEL CO., LTD.		
<p>[Reason for nomination as candidate for Substitute Outside Auditor] Mr. Kazuyuki Togo is extremely knowledgeable in corporate management, based on his extensive expertise and experience as a certified public accountant, as well as his experience serving as director and corporate auditor at other companies. The Company believes that he will appropriately carry out his duties as Outside Auditor.</p>		

(Notes)

1. There are no special interests between the candidate and the Company.
2. Mr. Kazuyuki Togo is a candidate for Substitute Outside Auditor.
3. If Mr. Kazuyuki Togo assumes office as an Outside Auditor, the Company, pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, plans to enter into an agreement with him to limit his liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages pursuant to the aforesaid agreement is the greater of a predetermined amount of ¥300,000 or more or an amount stipulated by laws and regulations.
4. The Company has entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, designating Directors, Auditors, executive officers and employees in managerial or supervisory positions at the Company (hereinafter "Directors, etc.") as well as Directors, etc. of the Company's subsidiaries as the insured. In the event of the Directors, etc. being liable for damages arising from their duties, the said insurance contract shall compensate for damages and legal expenses to be borne by them. Provided, however, that there are certain exemptions so that the appropriateness of the execution of duties by the Directors, etc. is not impaired; for example, damage caused as a result of any conduct committed while knowing that the conduct is in violation of laws and regulations shall not be covered.
The Company bears the entire premium. The term of the contract is one year, and the Company plans to renew the contract before its expiration in accordance with the resolution of the Board of Directors.
If Mr. Kazuyuki Togo assumes office as an Outside Auditor, he will be insured under the directors and officers liability insurance contract.
5. If Mr. Kazuyuki Togo is elected as Outside Auditor, he will be designated as an Independent Auditor as stipulated by the Tokyo Stock Exchange.

Proposal 5: Revision of Amounts of Remuneration for Directors

The amount of remuneration for Directors of the Company is ¥300 million or less per year (excluding the employee salary portion for Directors who also serve as employees), as resolved at the Extraordinary General Meeting of Shareholders held on October 2, 2000. In order to prepare for further expansion of the business of the Group and enhancement and strengthening of the management structure, and to take into consideration factors including the duties and responsibilities of Directors and the level of remuneration at other companies, the Company proposes to revise the amounts of remuneration for Directors to ¥500 million or less per year (including remuneration of ¥50 million or less per year for Outside Directors).

Please note that the remuneration for Directors will not include the employee salary portion for Directors who also serve as employees, as has been the case in the past.

The Company believes that this revision is necessary and reasonable in order to determine the details of remuneration, etc. of individual Directors in accordance with the “Policy on Decisions on the Content of Remuneration, etc. of Individual Directors” as stated on page 35 to 41 of the Business Report.

The number of Directors to whom remuneration will be paid will be seven (7) (including three (3) Outside Directors) if Proposal 3 is approved as proposed.

Proposal 6: Payment of Bonuses to Directors

As remuneration for Directors for the fiscal year under review, the Company proposes to pay a total of ¥250 million of bonuses to four (4) Directors (i.e., Directors other than Outside Directors) as of the end of the fiscal year under review. The amount has been determined by comprehensively considering the business performance based on the three indices, i.e., consolidated net sales, consolidated operating profit and ROIC, adopted by the Company as indices for calculation of bonuses to Directors, as well as the status of execution of operations by each Director.

The details of the performance indices, etc. related to the performance-linked remuneration, the method of calculating the amount, and the business performance based on the three indices are as stated on page 38 of the Business Report. The amount to be paid to each Director has been determined by consulting with the Advisory Board, which consists of Independent Outside Directors and Independent Outside Auditors, reflecting the recommendation of the Advisory Board, and then submitting to the Board of Directors for its discussion and decision. Therefore, the Company believes that the details of the amount are appropriate.