

Note: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Securities Code: 9843

April 25, 2018

To our shareholders:

Toshiyuki Shirai,
Representative Director & Chief Operating
Officer
Nitori Holdings Co., Ltd.
1-2-39 Shinkotoni 7-jo, Kita-ku, Sapporo-shi,
Hokkaido

Notice of the 46th Annual General Meeting of Shareholders

You are cordially invited to attend the 46th Annual General Meeting of Shareholders of Nitori Holdings Co., Ltd. (the “Company”), which will be held as indicated below.

If you are unable to attend the Meeting in person, you may exercise your voting rights in writing or via the internet. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights following the guidance below by 6:30 p.m. on Wednesday, May 16, 2018 (JST).

- 1. Date and Time:** Thursday, May 17, 2018, at 10:00 a.m. (JST)
- 2. Venue:** Conference Room, 6th floor, Sapporo Head Office of the Company
1-2-39 Shinkotoni 7-jo, Kita-ku, Sapporo-shi, Hokkaido

3. Purpose of the Meeting

Matters to be reported

1. The Business Report and the Consolidated Financial Statements for the 46th fiscal year (from February 21, 2017 to February 20, 2018), and the results of audits of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee
2. The Non-consolidated Financial Statements for the 46th fiscal year (from February 21, 2017 to February 20, 2018)

Matters to be resolved

Proposal No. 1: Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

Proposal No. 2: Election of Four Directors Who Are Audit & Supervisory Committee Members

Proposal No. 3: Election of Financial Auditor

- If you attend the Meeting in person, please present the enclosed voting form at the reception.
- Of the documents that should be provided with the original Japanese version of this notice, the “Consolidated Statement of Changes in Equity,” “Notes to Consolidated Financial Statements,” “Non-consolidated Statement of Changes in Equity” and “Notes to Non-consolidated Financial Statements” are posted (in Japanese only) on the Company’s website (<http://www.nitorihd.co.jp/ir/>) pursuant to the provisions of laws and regulations and the Article 16 of the Company’s Articles of Incorporation, and are not included in the original Japanese version of this notice.
Accordingly, the original Japanese version of the attached documents constitutes one part of the documents that were audited by the Audit & Supervisory Committee in preparing the audit report and by the Financial Auditor in preparing the financial audit reports.
- Any corrections in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-consolidated Financial Statements will be posted (in Japanese only) on the Company’s website above.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Election of Six Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all seven Directors (excluding Directors who are Audit & Supervisory Committee Members; applicable to the rest of this proposal) will expire at the conclusion of this General Meeting. Therefore, the Company proposes the election of six Directors.

Regarding this proposal, the Audit & Supervisory Committee has judged that all the candidates for Director are qualified for the role.

The candidates for Director are as follows:

Candidate No.	Name		Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors
1	[Reappointment]	Akio Nitori	Representative Director & Chairperson	12 out of 13 meetings (92.3%)
2	[Reappointment]	Toshiyuki Shirai	Representative Director & President	13 out of 13 meetings (100%)
3	[Reappointment]	Masanori Ikeda	Senior Managing Director Officer in Charge of Overseas Sales Operations	13 out of 13 meetings (100%)
4	[Reappointment]	Fumihiko Sudo	Senior Managing Director General Manager of Store Development Division	12 out of 13 meetings (92.3%)
5	[Reappointment]	Masanori Takeda	Managing Director Managing Director of Nitori Co., Ltd. General Manager of Merchandising Division	10 out of 10 meetings (100%)
6	[Reappointment] [Outside] [Independent]	Takaharu Ando	Outside Director	12 out of 13 meetings (92.3%)

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	Akio Nitori (March 5, 1944) [Reappointment] Attendance at meetings of the Board of Directors: 12 out of 13 meetings (92.3%)	<p>Mar. 1972 Founded the Company, Senior Managing Director</p> <p>May 1978 Representative Director & President of the Company</p> <p>Feb. 2003 Director of P.T. MARUMITSU INDONESIA (currently P.T. NITORI FURNITURE INDONESIA) Director of Marumitsu Co., Ltd. (currently Nitori Furniture Co., Ltd.) (current position)</p> <p>Oct. 2003 Director of MARUMITSU-VIETNAM EPE (currently NITORI FURNITURE VIETNAM EPE) (current position)</p> <p>Nov. 2009 Representative Director & Chairperson of Nitori Public Co., Ltd.</p> <p>Mar. 2010 Representative Director & President of Deco Home Co., Ltd. (current position)</p> <p>May 2010 Chairperson of DECOHOME CHINA Co., Ltd.</p> <p>Aug. 2010 Representative Director & President of Nitori Co., Ltd. Representative Director & President of Home Logistics Co., Ltd.</p> <p>Aug. 2011 Representative Director & President of Nitori Facility Co., Ltd.</p> <p>May 2012 Director & Chairperson of Nitori USA, Inc.</p> <p>June 2013 Representative Director, Chairperson & President of Nitori Public Co., Ltd.</p> <p>May 2014 Representative Director & Chairperson of Nitori Co., Ltd. (current position) Representative Director & Chairperson of Home Logistics Co., Ltd. Representative Director & Chairperson of Nitori Facility Co., Ltd. (current position)</p> <p>Mar. 2015 Representative Director & Chairperson of Nitori Public Co., Ltd.</p> <p>May 2015 Director & Senior Advisor of Home Logistics Co., Ltd.</p> <p>Feb. 2016 Representative Director & Chairperson (CEO) of the Company (current position)</p> <p>May 2016 Outside Director of KOHNAN SHOJI CO., LTD. (current position)</p> <p>June 2016 Chairperson of NITORI (CHINA) HOLDING Co., Ltd.</p> <p>Mar. 2017 Director & Senior Advisor of Nitori Public Co., Ltd. (current position)</p> <p>May 2017 Director & Senior Advisor of Home Logistics Co., Ltd. (current position) Outside Director of IZUMI Co., Ltd. (current position)</p> <p>Reasons for nomination as candidate for Director: The candidate founded the Company in 1972 and since then, aiming to achieve the Company's <i>roman</i> (vision), "to present the whole world with abundant home decoration," and while always making the most of his excellent foresight and strong leadership, has led Nitori to grow from being one furniture store to one of Japan's top home furnishing chains. The Company proposes the election of the candidate, believing him to be qualified to continue as a Director that takes responsibility of decision making related to management policies and corporate strategy and supervisory functions regarding business execution.</p>	3,409,612 shares

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
2	<p>Toshiyuki Shirai (December 21, 1955)</p> <p>[Reappointment]</p> <p>Attendance at meetings of the Board of Directors: 13 out of 13 meetings (100%)</p>	<p>Apr. 1979 Joined the Company</p> <p>May 2001 Director of the Company</p> <p>May 2004 Managing Director of the Company</p> <p>May 2008 Senior Managing Director of the Company</p> <p>May 2010 Director & Senior Managing Executive Officer of the Company</p> <p>Aug. 2010 Director of Nitore Co., Ltd. Director of Home Logistics Co., Ltd.</p> <p>Dec. 2010 Director & General Manager of Merchandising Division of Nitore Co., Ltd.</p> <p>May 2012 Director of Nitore USA, Inc.</p> <p>May 2014 Representative Director & Executive Vice President of the Company Representative Director & President of Nitore Co., Ltd. (current position) Representative Director & President of Home Logistics Co., Ltd. Representative Director & President of Nitore Facility Co., Ltd. (current position)</p> <p>Mar. 2015 Representative Director & President of Nitore Public Co., Ltd.</p> <p>May 2015 Representative Director & Chairperson of Home Logistics Co., Ltd. (current position)</p> <p>Feb. 2016 Representative Director & President of the Company (current position)</p> <p>Mar. 2017 Representative Director & Chairperson of Nitore Public Co., Ltd. (current position) Chairperson of NITORI (CHINA) HOLDING Co., Ltd. (current position) Representative Director & Chairperson of HOME DECO CO., LTD. (current position)</p> <p>Apr. 2017 Chairperson of Nitore Taicang Trading & Logistics Co. Ltd. (current position)</p> <p>June 2017 External Director of KATITAS Co., Ltd. (current position)</p> <p>Reasons for nomination as candidate for Director: The candidate has had a broad range of business experience since joining the Company such as being involved in store operations, personnel, product development, logistics, and overseas business, and has abundant experience and knowledge related to management gained from serving positions such as Representative Director & President of Nitore Co., Ltd. from May 2014, and Representative Director & President of the Company from February 2016. The Company proposes the election of the candidate, believing that he can continue to make use of his abilities and experience in the supervision and direction of business execution.</p>	41,652 shares

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	Masanori Ikeda (February 22, 1957) [Reappointment] Attendance at meetings of the Board of Directors: 13 out of 13 meetings (100%)	<p>Apr. 1979 Joined the Company</p> <p>May 2001 Director of the Company</p> <p>May 2004 Managing Director of the Company</p> <p>May 2010 Managing Executive Officer of the Company</p> <p>Aug. 2010 General Manager of Store Operations Division of Nitori Co., Ltd.</p> <p>May 2014 Senior Managing Director of the Company Senior Managing Director & General Manager of Merchandising Division of Nitori Co., Ltd.</p> <p>Oct. 2015 Senior Managing Director & Officer in Charge of China Sales Operations of the Company Senior Managing Director of Nitori Co., Ltd. (current position)</p> <p>June 2016 President of NITORI (CHINA) HOLDING Co., Ltd.</p> <p>Apr. 2018 Senior Managing Director & Officer in Charge of Overseas Sales Operations of the Company (current position)</p> <p>Reasons for nomination as candidate for Director: The candidate has had a broad range of business experience since joining the Company such as being involved in product development, sales planning, management planning, store operations, and overseas business, and has abundant experience and knowledge related to management gained from currently serving positions such as Senior Managing Director at the Company and at Nitori Co., Ltd. Accordingly, the Company proposes the election of the candidate.</p>	37,806 shares
4	Fumihiro Sudo (May 5, 1956) [Reappointment] Attendance at meetings of the Board of Directors: 12 out of 13 meetings (92.3%)	<p>Mar. 1979 Joined SHIMACHU CO., LTD.</p> <p>Sept. 2000 Representative Director of KANSAI SHIMACHU CO., LTD.</p> <p>Apr. 2001 Joined the Company</p> <p>May 2005 Executive Officer of the Company</p> <p>May 2008 Managing Director of the Company</p> <p>May 2010 Managing Executive Officer & General Manager of Store Development Division of the Company</p> <p>May 2014 Senior Managing Director & General Manager of Store Development Division of the Company (current position)</p> <p>Reasons for nomination as candidate for Director: The candidate has abundant experience at the Company focused on store development operations, and has abundant experience and knowledge related to management gained from currently serving positions such as Senior Managing Director. Accordingly, the Company proposes the election of the candidate.</p>	12,826 shares

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	Masanori Takeda (January 10, 1966) [Reappointment] Attendance at meetings of the Board of Directors: 10 out of 10 meetings (100%)	<p>Mar. 2004 Joined the Company</p> <p>Feb. 2008 Manager of Recruitment Division of the Company</p> <p>Oct. 2012 Merchandising Manager of Soft Goods Department of Merchandising Division of Nitori Co., Ltd.</p> <p>Sept. 2013 Merchandising Manager of Furniture Department of Merchandising Division of Nitori Co., Ltd.</p> <p>May 2014 Executive Officer of the Company Merchandising Manager of Furniture Department of Merchandising Division of Nitori Co., Ltd.</p> <p>Oct. 2015 Executive Officer of the Company General Manager of Merchandising Division of Nitori Co., Ltd.</p> <p>May 2016 Senior Executive Officer of the Company General Manager of Merchandising Division of Nitori Co., Ltd.</p> <p>May 2017 Managing Director of the Company (current position) Managing Director & General Manager of Merchandising Division of Nitori Co., Ltd. (current position)</p> <p>Reasons for nomination as candidate for Director: The candidate has abundant business experience and keen management insight owing to his broad experience in major operations of the Store Operations Division, Recruitment Division, and Merchandising Division, etc. and his currently serving positions such as Managing Director of the Company and Managing Director & General Manager of Merchandising Division of Nitori Co., Ltd. Accordingly, the Company proposes the election of the candidate.</p>	8,034 shares
6	Takaharu Ando (August 31, 1949) [Reappointment] [Outside] [Independent] Attendance at meetings of the Board of Directors: 12 out of 13 meetings (92.3%)	<p>Apr. 1972 Joined National Police Agency</p> <p>Sept. 1994 Chief of Gunma Prefectural Police Headquarters</p> <p>Aug. 1999 Director of Public Security Department of Metropolitan Police Department</p> <p>Aug. 2004 Director General of Commissioner-General's Secretariat of National Police Agency</p> <p>Aug. 2007 Deputy Commissioner General of National Police Agency</p> <p>June 2009 Commissioner General of National Police Agency</p> <p>Oct. 2011 Retired from National Police Agency</p> <p>May 2013 Outside Director of the Company (current position)</p> <p>June 2014 Outside Director of Toyoko Inn Co., Ltd. (current position)</p> <p>June 2016 External Director of AMUSE INC. (current position)</p> <p>June 2017 Outside Director of ZENSHO HOLDINGS CO., LTD. (current position)</p> <p>Reasons for nomination as candidate for Outside Director: The candidate has abundant experience and broad insight gained from serving important positions such as the Commissioner General of the National Police Agency and, based on this specialist experience and insight, he provides appropriate supervision and advice for the Company's overall management as an Outside Director of the Company. Although the candidate has not directly taken part in corporate management, based on his experience and insight, the Company judges that he will continue to appropriately fulfill his duties as Outside Director. Accordingly, the Company proposes the election of the candidate. Tenure as Outside Director: 5 years (at the conclusion of this meeting)</p>	2,000 shares

- Notes: 1. There is no special interest between any of the candidates and the Company.
2. Takaharu Ando is a candidate for Outside Director. He meets the "Independence Criteria for Outside Directors" established by the Company. Please refer to page 13 for the "Independence Criteria for Outside Directors." Furthermore, during the period from May 2012 to May 2013, before he assumed office as Outside Director of the Company, Takaharu Ando served as a Special Advisor (part-time) of the Company. The primary purpose for assigning him this role was to receive his opinions and suggestions concerning overall corporate management based on his abundant experience and insight, while increasing his knowledge in regard to the state of affairs of the furniture retail industry and the business models of the Company. His remuneration for this role was less than ¥10 million annually, and therefore is considered to be an immaterial amount.

3. The Company reported Takaharu Ando as an independent officer pursuant to the regulations of the Tokyo Stock Exchange and the Sapporo Securities Exchange. If his reelection is approved, the Company plans for his designation as an independent officer to continue.
4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into an agreement with Takaharu Ando to limit his liability for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If his reelection is approved, the Company plans to renew the limited liability agreement with him.
5. Regarding the attendance of Masanori Takeda at meetings of the Board of Directors, the number indicated is the number of meetings held after he assumed office as a Director on May 11, 2017.
6. Director Muneto Tamagami will retire from his position as Director when his term of office expires at the conclusion of this General Meeting.

Proposal No. 2: Election of Four Directors Who Are Audit & Supervisory Committee Members

The terms of office of all four Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this General Meeting. Therefore, the Company proposes the election of four Directors who are Audit & Supervisory Committee Members.

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

The candidates for Directors who are Audit & Supervisory Committee Members are as follows:

Candidate No.	Name		Current positions and responsibilities in the Company	Attendance at meetings of the Board of Directors	Attendance at meetings of the Audit & Supervisory Committee
1	[Reappointment]	Takao Kubo	Director (Full-time Member of Audit & Supervisory Committee)	13 out of 13 meetings (100%)	7 out of 7 meetings (100%)
2	[Reappointment] [Outside] [Independent]	Kazuhiko Takeshima	Outside Director (Audit & Supervisory Committee Member)	13 out of 13 meetings (100%)	7 out of 7 meetings (100%)
3	[Reappointment] [Outside] [Independent]	Kazuhiro Suzuki	Outside Director (Audit & Supervisory Committee Member)	11 out of 13 meetings (84.6%)	6 out of 7 meetings (85.7%)
4	[Reappointment] [Outside] [Independent]	Tsuneyoshi Tatsuoka	Outside Director (Audit & Supervisory Committee Member)	12 out of 13 meetings (92.3%)	7 out of 7 meetings (100%)

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>Takao Kubo (January 14, 1946)</p> <p>[Reappointment]</p> <p>Attendance at meetings of the Board of Directors: 13 out of 13 meetings (100%)</p> <p>Attendance at meetings of the Audit & Supervisory Committee: 7 out of 7 meetings (100%)</p>	<p>Dec. 1977 Joined the Company</p> <p>Feb. 1989 General Manager of Management Policy Office of the Company</p> <p>May 1993 Full-time Corporate Auditor of the Company</p> <p>May 2001 Director & General Manager of Management Planning Office of the Company</p> <p>Apr. 2003 Director & General Manager of President's Office of the Company</p> <p>May 2004 Full-time Corporate Auditor of the Company</p> <p>Aug. 2010 Corporate Auditor of Nitore Co., Ltd. (current position) Corporate Auditor of Home Logistics Co., Ltd. (current position)</p> <p>May 2016 Director (Full-time Member of Audit & Supervisory Committee) of the Company (current position)</p> <p>Reasons for nomination as candidate for Director: The candidate has considerable knowledge regarding finance and accounting and has abundant experience covering the Company's overall management gained from serving positions of Director & Corporate Auditor at the Company. Accordingly, the Company proposes the election of the candidate.</p>	23,652 shares

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
2	<p data-bbox="339 394 451 501">Kazuhiko Takeshima (March 16, 1943)</p> <p data-bbox="316 533 475 618">[Reappointment] [Outside] [Independent]</p> <p data-bbox="316 640 475 801">Attendance at meetings of the Board of Directors: 13 out of 13 meetings (100%)</p> <p data-bbox="316 833 475 1025">Attendance at meetings of the Audit & Supervisory Committee: 7 out of 7 meetings (100%)</p>	<p data-bbox="491 286 1265 318">Apr. 1965 Joined the Ministry of Finance</p> <p data-bbox="491 327 1265 380">July 1994 Deputy Director-General for Policy Coordination in the Minister's Secretariat of Ministry of Finance</p> <p data-bbox="491 389 1265 443">May 1995 Director General of Economic Planning Agency (currently Cabinet Office)</p> <p data-bbox="491 452 1265 483">July 1997 Commissioner of National Tax Agency</p> <p data-bbox="491 492 1265 524">Jan. 1998 Head of Domestic Affairs Office of Cabinet Secretariat</p> <p data-bbox="491 533 1265 564">Jan. 2001 Assistant Chief Cabinet Secretary of Cabinet Secretariat</p> <p data-bbox="491 573 1265 604">July 2002 Chairman of Japan Fair Trade Commission</p> <p data-bbox="491 613 1265 645">Sept. 2012 Retired from office</p> <p data-bbox="491 654 1265 685">May 2013 Director (Outside Director) of the Company</p> <p data-bbox="491 694 1265 748">June 2013 Outside Auditor of Japan Airport Terminal Co., Ltd. (current position)</p> <p data-bbox="491 757 1265 810">May 2016 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p data-bbox="491 819 1265 851">Reasons for nomination as candidate for Outside Director:</p> <p data-bbox="491 860 1265 1052">The candidate has abundant experience and broad insight gained from serving important positions such as the Chairman of the Japan Fair Trade Commission and, based on this specialist experience and insight, he provides appropriate supervision and advice for the Company's overall management as an Outside Director of the Company. Although the candidate has not directly taken part in corporate management, based on his experience and insight, the Company judges that he will continue to appropriately fulfill his duties as Outside Director. Accordingly, the Company proposes the election of the candidate.</p> <p data-bbox="491 1061 1265 1093">Tenure as Outside Director: 5 years (at the conclusion of this meeting)</p> <p data-bbox="491 1102 1265 1133">Tenure as Director who is an Audit & Supervisory Committee Member: 2 years (at the conclusion of this meeting)</p>	2,000 shares

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>Kazuhiro Suzuki (September 4, 1951)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Attendance at meetings of the Board of Directors: 11 out of 13 meetings (84.6%)</p> <p>Attendance at meetings of the Audit & Supervisory Committee: 6 out of 7 meetings (85.7%)</p>	<p>Apr. 1976 Appointed as public prosecutor</p> <p>Jan. 2009 Director of the Criminal Affairs Department of Supreme Public Prosecutors Office</p> <p>June 2010 Chief Prosecutor of Tokyo District Public Prosecutors Office</p> <p>Aug. 2011 Superintending Prosecutor of Hiroshima High Public Prosecutors Office</p> <p>June 2012 Superintending Prosecutor of Fukuoka High Public Prosecutors Office</p> <p>Jan. 2014 Retired from prosecutor position</p> <p>May 2014 Registered as attorney (Dai-Ichi Tokyo Bar Association)</p> <p>June 2014 President of Japan International Training Cooperation Organization (current position)</p> <p>May 2015 Corporate Auditor (Outside Corporate Auditor) of the Company</p> <p>June 2015 Outside Auditor of Saitama Resona Bank, Limited (current position)</p> <p>May 2016 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>Reasons for nomination as candidate for Outside Director: The candidate is a legal professional who has served important positions such as the Superintending Prosecutor of the Fukuoka High Public Prosecutors Office and, utilizing his abundant experience and specialist insight, he provides appropriate opinions for the Company's management as an Outside Director of the Company. Although the candidate has not directly taken part in corporate management, based on the above reasons, the Company judges that he will continue to appropriately fulfill his duties as Outside Director. Accordingly, the Company proposes the election of the candidate. Tenure as Outside Director: 2 years (at the conclusion of this meeting) Tenure as Director who is an Audit & Supervisory Committee Member: 2 years (at the conclusion of this meeting)</p>	– shares
4	<p>Tsuneyoshi Tatsuoka (January 29, 1958)</p> <p>[Reappointment] [Outside] [Independent]</p> <p>Attendance at meetings of the Board of Directors: 12 out of 13 meetings (92.3%)</p> <p>Attendance at meetings of the Audit & Supervisory Committee: 7 out of 7 meetings (100%)</p>	<p>Apr. 1980 Joined the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>July 2008 Deputy Director-General in the Manufacturing Industries Bureau of the Ministry of International Trade and Industry</p> <p>July 2009 Director-General for Policy Planning and Coordination of the Ministry of International Trade and Industry</p> <p>Jan. 2010 Councilor of Cabinet Secretariat</p> <p>Aug. 2011 Deputy Vice-Minister of the Ministry of International Trade and Industry</p> <p>June 2013 Vice-Minister of Economy, Trade and Industry</p> <p>July 2015 Retired from office</p> <p>May 2016 Outside Director (Audit & Supervisory Committee Member) of the Company (current position)</p> <p>June 2016 Outside Director of Asahi Kasei Corporation (current position)</p> <p>Reasons for nomination as candidate for Outside Director: The candidate has abundant experience and specialist insight gained from serving important positions such as the Vice-Minister of Economy, Trade and Industry and, utilizes them to strengthen the Company's corporate governance and compliance system. Although the candidate has not directly taken part in corporate management, based on the above reasons, the Company judges that he will continue to appropriately fulfill his duties as Outside Director. Accordingly, the Company proposes the election of the candidate. Tenure as Outside Director: 2 years (at the conclusion of this meeting) Tenure as Director who is an Audit & Supervisory Committee Member: 2 years (at the conclusion of this meeting)</p>	– shares

Notes: 1. There is no special interest between any of the candidates and the Company.
The Japan International Training Cooperation Organization, where Kazuhiro Suzuki serves as President, was

- not engaged in a transactional relationship with the Group in the most recent fiscal year.
2. Kazuhiko Takeshima, Kazuhiro Suzuki and Tsuneyoshi Tatsuoka are candidates for Outside Director, who all meet the “Independence Criteria for Outside Directors” established by the Company. Please refer to page 13 for the “Independence Criteria for Outside Directors.”
 3. The Company reported Kazuhiko Takeshima, Kazuhiro Suzuki and Tsuneyoshi Tatsuoka as independent officers pursuant to the regulations of the Tokyo Stock Exchange and the Sapporo Securities Exchange. If their reelection in this proposal is approved, the Company plans for their designation as independent officers to continue.
 4. Pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, the Company has entered into agreements with Takao Kubo, Kazuhiko Takeshima, Kazuhiro Suzuki and Tsuneyoshi Tatsuoka to limit their liabilities for damages under Article 423, paragraph 1 of the Companies Act to the minimum liability amount provided for by Article 425, paragraph 1 of the same Act. If their reelection is approved, the Company plans to renew the limited liability agreement with each candidate.

For reference

Independence Criteria for Outside Directors

The Company designates Outside Directors who do not fall under any of the following items as independent Directors.

- 1) A person who is currently or was in the past ten years an executive director, executive officer, manager, or any other employee (hereinafter collectively referred to as “Executive”) of the Company or a subsidiary of the Company.
- 2) A person or the Executive of a corporation who holds either directly or indirectly 10% or more of the total number of the voting rights of the Company.
- 3) A person or the Executive of a corporation for whom the Company or a subsidiary of the Company is a major business partner (Note 1), and a person or the Executive of a corporation who is a major business partner (Note 2) of the Company or a subsidiary of the Company.
- 4) The financial auditor or one of their employees, etc., for the Company or for a subsidiary of the Company.
- 5) A consultant, attorney at law, certified public accountant, certified public tax accountant, etc., who received from the Company or a subsidiary of the Company monetary payment or other property benefits exceeding ¥10 million annually other than director/corporate auditor remuneration (referring to the person belonging to the organization if the one who received the relevant property is an organization such as a corporation or partnership).
- 6) A person or the Executive of a corporation who received donations or aid funds exceeding ¥10 million annually from the Company or a subsidiary of the Company.
- 7) A person who has fallen under any of 2) through 6) in the past three years.
- 8) A person whose spouse or relative who is within the second degree of kinship falls under any of 1) through 7). However, in the event that the person who falls under 1) through 7) is the Executive, this is limited to the important Executive (Note 3).
- 9) Any other person, even if they do not fall under 1) through 8), for whom there is potential for constant conflict of interests with general shareholders as a whole.

- Notes:
1. A business partner for whom 2% or more of its annual consolidated net sales in the most recent fiscal year was paid by the Company or a subsidiary of the Company.
 2. A business partner who paid 2% or more of the annual consolidated net sales of the Company to the Company or a subsidiary of the Company in the most recent fiscal year, or a business partner who loaned money that makes up 2% or more of the consolidated total assets of the Company to the Company or a subsidiary of the Company at the end of the most recent fiscal year.
 3. A person, among the Executives, who executes important business such as a director (excluding an outside director), executive officer, manager or a person in charge of a department.

Proposal No. 3: Election of Financial Auditor

Based on a decision by the Audit & Supervisory Committee, regarding the Company's Financial Auditor, in place of Ernst & Young ShinNihon LLC whose term of office will expire at the conclusion of this General Meeting, the Company newly proposes the election of Deloitte Touche Tohmatsu LLC.

1. Reasons for nomination of Deloitte Touche Tohmatsu LLC as new Financial Auditor

The Audit & Supervisory Committee has nominated Deloitte Touche Tohmatsu LLC as a candidate for Financial Auditor with expectations for audits conducted from a new perspective, considering the number of continuous audit years by the current Financial Auditor. In addition, considering the independence, quality control system and global auditing system of Deloitte Touche Tohmatsu LLC based on the evaluation and selection criteria for Financial Auditors established by the Audit & Supervisory Committee, the candidate was judged appropriate for the role.

2. Candidate for Financial Auditor

The candidate for Financial Auditor is as follows:

Name	Deloitte Touche Tohmatsu LLC		
Location of main office	Shinagawa Intercity, 2-15-3 Konan, Minato-ku, Tokyo		
Overseas business partner	Deloitte Touche Tohmatsu Limited		
History	May 1968	Established as Tohmatsu Awoki & Co.	
	May 1975	Joined Touche Ross International Alliance (TRI) (currently Deloitte Touche Tohmatsu Limited [DTTL])	
	Oct. 1986	Merged with Sanwa Audit Corporation and renamed as Tohmatsu Awoki & Sanwa	
	Feb. 1990	Merged with Mita Audit Corporation and renamed as Tohmatsu & Co.	
	July 2009	Reorganized as a Limited Liability Audit Corporation and renamed as Deloitte Touche Tohmatsu LLC	
Overview	Capital	968 million yen (as of February 28, 2018)	
	Personnel composition	Employees (certified public accountants [CPA])	530
		Specified equity members	51
		Staff CPA	2,829
		Personnel who have passed the CPA examination, etc. (including accounting assistants)	1,188
		Other specialists	1,791
		Administrative staff	293
		Total	6,682 (as of February 28, 2018)
Audit services delivered to	3,399 companies (as of May 31, 2017)		